

State of California Court Reporters Board of California



2018-19 Sunset Review Report

Prepared for
California Legislature
Senate Committee on Business, Professions and Economic Development
Assembly Committee on Business and Professions

COURT REPORTERS BOARD

OF CALIFORNIA

Board Members

Chair

Davina Hurt, Public Member

Vice Chair

Toni O'Neill, CSR

Members

Elizabeth Lasensky, Public Member

Carrie Nocella, Public Member

Executive Officer

Yvonne K. Fenner

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COURT REPORTERS BOARD

EXECUTIVE SUMMARY

As of November 15, 2018

Since 1951, the Court Reporters Board of California (Board) has been overseeing the practice of court reporting, largely through licensing and enforcement. Today, there are approximately 6,500 active licensed court reporters in California.

The Board also has oversight for schools of court reporting. The Board “recognizes” schools rather than licensing them. Only court reporting schools recognized by the Board can certify students to qualify for the license examination. There are nine schools of court reporting recognized by the Board. Seven of the schools are public schools, and two are private schools.

Additionally, the Board administers the Transcript Reimbursement Fund (TRF), established in 1981 to aid qualified indigent litigants in civil cases by providing transcript reimbursement funds. To date, the TRF has disbursed over \$9 million to California’s indigent population. Transfers are made from the Court Reporters Board Fund to the Transcript Reimbursement Fund in increments of \$100,000 up to \$300,000 per year. The Board must stop transfer to the TRF when the Board’s reserve of operating expenses falls below six months. This threshold was reached in FY 2016-17, and the TRF is temporarily closed.

The five-member Board is comprised of two certified shorthand reporters, more commonly known as court reporters, and three public members. The Board is charged with carrying out the duties given to it under Business and Professions Code sections 8007 and 8008. Its legal mandate is to protect consumers by ensuring court reporters possess a minimum level of competency and by disciplining licensees who do not meet their legal obligations. We currently have one licensee vacancy.

Examination

License examinations are conducted three times per year. The three-part exam consists of two written computer-based portions and one practical portion. The first written portion is English, testing a candidate’s knowledge of grammar, punctuation, and vocabulary. The second written portion is professional practice, testing a candidate’s knowledge of statutes and regulations governing the practice of court reporting, as well as legal and medical terminology. The practical portion of the exam is a demonstration of dictation and transcription skills, which requires the candidate to report and transcribe a ten-minute simulated judicial proceeding read by four readers at 200 words per minute. Candidates have three hours to prepare a transcript with a minimum of 97.5 percent accuracy.

Prior to licensing, court reporters typically complete a recognized program of instruction that includes a minimum of 240 hours of English, 270 hours of medical and legal terminology, court and deposition procedures and ethics, 25 hours of transcript preparation and 60 hours of apprenticeship training.

Licensing

The initial license fee is \$125 or half that amount, prorated according to the last day of the birth month of the applicant. Thereafter, the annual renewal fee on the licensee's birth month is \$125. The Board is pursuing a regulation change to increase the license fee to \$225.

Budget

The Board's annual operating budget three years ago, at the time of the last sunset review, was approximately \$788,000. As a result of the budget augmentation process over the past three years, the budget has grown to \$1,083,000. Of that, each year by statute, \$300,000 is assigned to the Transcript Reimbursement Fund, a fund designated to reimburse transcript costs incurred by the profession when representing indigent clients. 92% of the revenue is from licensing fees, with the remainder from examination fees and payments from fines. There is no revenue from the General Fund.

The greatest expenditure for the Board is personnel services, which make up 36% of its budget. Pro rata is the next largest expenditure, which makes up about 23% of the Board's budget, which on average represents 38% of expenditures.

Complaints

Over the past three years, the Board has received, on average, 100 complaints per year against licensees. The most common complaints involve untimely delivery of transcripts and questions concerning the accuracy of the transcript. An additional 10 to 15 percent are resolved by staff informally mediating the complaint with the complainant and the licensee so that it doesn't reach the formal complaint stage. The Board also takes a proactive stance on preventing complaints by answering many questions from licensees and attorneys by phone and e-mail.

Significant Accomplishments

Despite budgetary challenges, the Board is pleased to report a number of significant accomplishments since the last Sunset Review. The Board conducted an occupational analysis with the assistance of the Office of Professional Examination Services (OPES), the purpose of which is to outline the relevant job tasks and knowledge a new licensee must be able to perform competently. The information gathered via the occupational analysis process allows the Board to ensure the license examinations are testing skills and knowledge that are currently needed in order to be competent entering the profession.

In addition to the traditional occupational analysis, the Board worked with OPES to conduct a speed survey of working reporters to learn how fast entry-level court reporters need to be in order to be minimally competent. The results of the survey supported continuing to test at the current requirement of 200 words per minute for the skills portion of the license exam.

The Online Testing Policy and Procedures Task Force completed its work and submitted the results to the Board for review and approval. The Board made amendments and adopted the policy and procedures for online testing, allowing the staff to move forward with online implementation. Online testing will eliminate travel costs for candidates and offer cost-saving and time-saving factors for the Board.

On the enforcement front, the Board sponsored AB 2082 (Kalra). Specifically, this law prohibits unlicensed individuals or entities providing court reporting services from requesting compensation for a transcript that is not in compliance with the minimum transcript format standards, requesting compensation for a certified court transcript using fees not set in statute, providing a transcript in advance to one party over another, or failing to notify a party of a request to prepare any portion of a transcript including rough drafts and expedites. A violation is punishable by civil fine not to exceed \$10,000 per violation. This bill was chaptered September 21, 2018.

The Future – Opportunities from Prior Review

Continuing education has been an issue as far back as in the 1996 Sunset Review Report. In 2008, the Board sponsored a mandatory continuing education bill, AB 2189 (Karnette), which ultimately was vetoed by the Governor. In 2011, SB 671 (Price), a similar mandatory continuing education bill, made it to the Governor's desk for signature. In 2015, the California Court Reporters Association sponsored AB 804 (Hernandez), a bill that would have required mandatory continuing education for licensure. Ultimately, all three bills were returned to the Legislature without the governor's signature. The Board remains committed to this consumer protection aim and will work with the Administration to address its concerns.

The Board has worked with its sister DCA agency SOLID to complete business process mapping of the Board's core activities. This will allow the Board to evaluate BreEZe as well as independent vendors for the best fit for its business needs.

The Board will explore options for entry-level license examinations. In response to low pass rates, the Board has opted to offer two skills tests at each exam, thereby doubling the opportunity to pass the exam while not increasing costs to the candidate. The Board will monitor the results of dual-test offering.

The Board is looking forward to sharing this report with the Committees and our stakeholders. Protection of the public continues to be the highest priority for the Court Reporters Board of California.

COURT REPORTERS BOARD

BACKGROUND INFORMATION AND OVERVIEW OF THE CURRENT REGULATORY PROGRAM

As of November 15, 2018

Section 1 – Background and Description of the Board and Regulated Profession

Brief History of the Court Reporters Board

Established in 1951 by the Legislature to protect consumers from incompetent practitioners, the Certified Shorthand Reporters Board, now known as the Court Reporters Board of California (Board), tests, licenses, regulates, investigates, and disciplines members of the court reporting profession.

Court reporters are highly-trained professionals who stenographically preserve the words spoken in a wide variety of official legal settings such as court hearings, trials, and other pretrial litigation-related proceedings, namely depositions.

Judicial court reporters work either in courtrooms as official reporters or in the private sector as freelance reporters who provide deposition services as well as reporting civil proceedings in court and arbitrations. These court reporters are officers of the court, and their competence, impartiality and professionalism must be beyond question. A complete and accurate transcript of the proceedings made by an impartial third party is the cornerstone for all appeal rights. It is relied upon by the consumer as an accurate source of information, which includes testimony given under oath.

Particular to criminal cases, courts of appeal rely exclusively upon written briefs and written transcripts of court proceedings to determine whether there were errors in a trial's procedure or errors in the judge's interpretation of the law. A conviction – and thus an accused's freedom or, in some instances, an accused's life – can stand or fall based entirely upon what was said by a witness, a lawyer, a juror, or a judge solely reflected in the written transcript.

In civil cases, millions of dollars, lifelong careers, and the fate of business enterprises can hinge on what was said or what was not said in a deposition or at trial.

Additionally, the testimony in civil and criminal cases is often filled with technical terminology. A medical malpractice case, in which specialist experts on both sides commonly contradict one another, can involve complex technical medical terminology; criminal cases can involve scientific language related to DNA identification; anti-trust cases can involve expert testimony related to complex economic analyses, and so on. No matter how obscure or technical, such jargon must be verbatim in the written transcript, and court reporters must ensure the accuracy of the transcript.

Not only are there complex skills involved in the actual reporting of legal proceedings, but the practice of court reporting is dictated by a multitude of statutes and regulations. In the private sector, freelance court reporters are faced with numerous and increasingly complex ethical issues as these licensees seek to maintain their strict neutrality while working in private settings which frequently involve contentious, high-stakes litigation.

In addition to judicial court reporters, who must be licensed to practice, another field serviced by court reporters is captioning and communication access realtime translation (CART). Broadcast captioners provide translations for television, sometimes pre-recorded but often realtime as in the case of news and emergency reports. CART reporters provide realtime translation for the hard-of-hearing community in a variety of settings from the classroom to sporting events, church services, and theater performances.

Prior to January 1, 1983, state courts had been allowed to use noncertified reporters if they could demonstrate that a certified reporter was not available. Seeing the folly of this practice and serious consumer protection implications, in 1983 B&P Code section 8016 was enacted to require all court reporters working in state court to be licensed. Court reporters hired prior to 1983 can still maintain an exemption to the licensing requirement.

Until the 1960s, the Board allowed only licensed court reporters, known as certified shorthand reporters (CSRs), to own and operate companies offering court reporting services. The practice ceased, and in 1972, the Board began registering shorthand-reporting corporations. That process was rescinded by Assembly Bill 2743 (Chapter 1289, Statutes of 1992) when the Board decided that the registration duplicated the filing required by the Secretary of State's Office. (See Corporations Code section 13401(b) exempting "professional corporations" regulated by the Board from having to register.) Additionally, Corporations Code section 13410(a) requires "professional corporations" (those that provide services for which a license is required) to be "subject to the applicable rules and regulations adopted by, and all the disciplinary provisions of the Business and Professions Code expressly governing the practice of the profession in this state, and to the powers of, the governmental agency regulating the profession in which such corporation is engaged[.]"

Also, in 1972, the Board's authority was expanded to give the Board the responsibility to recognize court reporting schools and to set minimum curriculum standards for court reporting programs. Additional authorization to cite and fine schools was passed by the Legislature in 2002. (B&P Code 8027.5)

In the past, the rates that freelance reporters (those not employed by courts) could charge were set by statute. In a 1981 compromise package with the profession, the Legislature eliminated the regulation of rates and created the Transcript Reimbursement Fund (TRF), a special fund fully funded by a portion of the court reporters' licensing fees to ensure that the deregulation of rates did not result in harm to indigent litigants who otherwise could not afford the services of freelance court reporters. The TRF allows indigent litigants in civil cases access to reporter transcripts by reimbursing reporters for transcripts through the Transcript Reimbursement Fund.

In 2011, the TRF was expanded to allow qualified pro per litigants, those representing themselves without benefit of counsel, to apply for reimbursement. It started out as a two-year pilot program, and in 2013 it was made a permanent part of the fund.

Under the TRF program, the Board has paid just under \$9 million to licensed reporters. By law, the TRF may fund up to \$300,000 as long as the Board maintains a minimum of six months' operating expenses.

Description and Responsibilities

The Board regulates the court reporting profession through testing, licensing, and disciplining court reporters, who use the title designation Certified Shorthand Reporter (CSR). By statute, the use of the acronym CSR is restricted to those individuals who have a Board-issued license. In California, a

person must be licensed to work as a court reporter in state courts (official reporter) or to act as a deposition officer (freelance reporter). Freelance reporters provide services as individual contractors or subcontracted through court reporting firms. Codes governing deposition/freelance reporters can be found in the Code of Civil Procedure 2025, et al. As of July 1, 2018, there were 7661 licensed CSRs in California, of which 6552 licensees are active and in good standing.

The Board also has oversight for schools offering court reporting education. Although the Board “recognizes” schools, there is no statutory authority for licensure of the schools. However, only court reporting schools recognized by the Board can certify students to qualify to sit for the CSR license examination. There are nine schools of court reporting recognized by the Board – seven public schools and two private schools (Attachment A). The Board can discipline schools up to and including removing recognition. The Board can also issue citations and can issue fines to schools not in compliance with Board rules.

1. Describe the make-up and functions of each of the board’s committees (cf., Section 12, Attachment B).

To conserve resources and funds, the Board currently has no active standing committees, but rather appoints task forces to work on specific issues as they arise. A specific example is the Online Skills Exam Policy & Procedures Task Force, which was appointed in 2016 and finished its work in 2017. The Best Practice Pointers Task Force also met and developed additional pointers for publication, (Attachment C)

An organizational chart does not exist showing the relationship of committees to the Board and the membership of each committee because it doesn’t apply to the Board’s current structure. Table 1a. shows Board member participation in the various task forces.

The Board itself is comprised of five members, two of whom are licensed CSRs and three of whom are public members. The Governor appoints the two licensees and one of the public members. These three appointments require Senate confirmation. Of the two remaining public members, one is appointed by the Speaker of the Assembly, and the second is appointed by the Senate Rules Committee. All serve four-year terms. The members appointed by the Governor may serve up to a 60-day grace period at the end of their term. The members appointed by the Speaker of the Assembly and the Senate Rules Committee have up to a one-year grace period at the end of their term. There is a maximum of two consecutive full terms for appointments. There is currently one licensee vacancy.

Table 1a. Attendance	Elizabeth Lasensky	Date Appointed: 10/15/2007, 6/6/2011 & 3/9/2016	
Meeting Type	Meeting Date	Meeting Location	Attended?
Board Meeting	10/30/2015	San Diego	Yes
Board Meeting	4/8/2016	Sacramento	Yes
Board Meeting	5/26/2016	Sacramento	Yes
Task Force Meeting	9/9/2016	Sacramento	Yes
Board Meeting	9/23/2016	San Diego	Yes
Board Meeting	12/7/2016	Sacramento, San Diego, Irvine	Yes
Task Force Meeting	1/20/2017	Los Angeles	Yes
Board Meeting	1/27/2017	Sacramento	Yes
Task Force Meeting	2/7/2017	Sacramento	Yes
Board Meeting	7/6/2017	Ontario	Yes
Board Meeting	10/27/2017	Sacramento	Yes

Table 1a. Attendance	Toni O'Neill	Date Appointed: 8/7/2010, 8/4/2011, 7/3/2013 & 7/27/2017	
Meeting Type	Meeting Date	Meeting Location	Attended?
Task Force Meeting	8/21/2015	San Francisco	Yes
Board Meeting	10/30/2015	San Diego	Yes
Board Meeting	4/8/2016	Sacramento	Yes
Board Meeting	5/26/2016	Sacramento	Yes
Task Force Meeting	9/9/2016	Sacramento	Yes
Board Meeting	9/23/2016	San Diego	Yes
Board Meeting	12/7/2016	Sacramento, San Diego, Irvine	Yes
Task Force Meeting	1/20/2017	Los Angeles	Yes
Board Meeting	1/27/2017	Sacramento	Yes
Task Force Meeting	2/7/2017	Sacramento	Yes
Board Meeting	7/6/2017	Ontario	Yes
Board Meeting	10/27/2017	Sacramento	Yes

Table 1a. Attendance	Davina Hurt	Date Appointed: 2/26/2013 & 7/9/2015	
Meeting Type	Meeting Date	Meeting Location	Attended?
Task Force Meeting	7/25/2015	Sacramento	Yes
Task Force Meeting	8/21/2015	San Francisco	Yes
Board Meeting	10/30/2015	San Diego	Yes
Board Meeting	4/8/2016	Sacramento	Yes
Board Meeting	5/26/2016	Sacramento	Yes
Board Meeting	9/23/2016	San Diego	Yes
Board Meeting	12/7/2016	Sacramento, San Diego, Irvine	Yes
Board Meeting	1/27/2017	Sacramento	Yes
Board Meeting	7/6/2017	Ontario	Yes
Board Meeting	10/27/2017	Sacramento	Yes

Table 1a. Attendance	Rosalie Kramm	Date Appointed: 7/3/2013 & 7/27/2017	
Meeting Type	Meeting Date	Meeting Location	Attended?
Board Meeting	10/30/2015	San Diego	Yes
Board Meeting	4/8/2016	Sacramento	Yes
Board Meeting	5/26/2016	Sacramento	Yes
Board Meeting	9/23/2016	San Diego	Yes
Board Meeting	12/7/2016	Sacramento, San Diego, Irvine	Yes
Board Meeting	1/27/2017	Sacramento	No
Board Meeting	7/6/2017	Ontario	Yes
Board Meeting	10/27/2017	Sacramento	Yes

Table 1a. Attendance	John K. Liu	Date Appointed: 10/25/2013	
Meeting Type	Meeting Date	Meeting Location	Attended?
Board Meeting	10/30/2015	San Diego	No
Board Meeting	4/8/2016	Sacramento	No
Board Meeting	5/26/2016	Sacramento	Yes

Table 1a. Attendance	Carrie Nocella	Date Appointed: 6/17/2016	
Meeting Type	Meeting Date	Meeting Location	Attended?
Board Meeting	9/23/2016	San Diego	Yes
Board Meeting	12/7/2016	Sacramento, San Diego, Irvine	Yes
Board Meeting	1/27/2017	Sacramento	Yes
Board Meeting	7/6/2017	Ontario	Yes
Board Meeting	10/27/2017	Sacramento	Yes

Table 1b. Board/Committee Member Roster					
Member Name (Include Vacancies)	Date First Appointed	Date Re-appointed	Date Term Expires	Appointing Authority	Type (public or professional)
Elizabeth Lasensky	10/15/2007	6/6/2011; 3/9/2016	6/1/2019	Senate Rules Committee	Public
Toni O'Neill	8/7/2010	8/4/2011; 7/3/2013; 7/27/2017	6/1/2021	Governor	Professional
Davina Hurt	2/26/2013	7/9/2015	6/1/2019	Speaker of the Assembly	Public
Rosalie Kramm [Vacancy]	7/3/2013	7/27/2017	6/1/2021 [Resigned 8/17/2018]	Governor	Professional
John K. Liu	10/25/2013	N/A	6/1/2016	Governor	Public
Carrie Nocella	6/17/2016	N/A	6/1/2020	Governor	Public

2. In the past four years, was the board unable to hold any meetings due to lack of quorum? If so, please describe. Why? When? How did it impact operations?

The Board has not had to cancel a meeting for lack of a quorum in the period since the last sunset review.

3. Describe any major changes to the board since the last Sunset Review, including, but not limited to:

- **Internal changes (i.e., reorganization, relocation, change in leadership, strategic planning)**
- **All legislation sponsored by the board and affecting the board since the last sunset review.**
- **All regulation changes approved by the board the last sunset review. Include the status of each regulatory change approved by the board.**

The Board has had a new chair since the fall of 2015, Ms. Davina Hurt, a public member appointed by the Speaker of the Assembly. The Governor appointed a new public board member in June of 2016, Ms. Carrie Nocella. There have been no significant staff changes since the last sunset review report. An organizational chart is included in Attachment B.

Strategic planning is conducted every three to four years. The current strategic plan for 2015-2018 was conducted in December of 2014 and is included with this report as Attachment D. The Board conducted its latest strategic planning session on September 17, 2018. A draft of the new five-year plan is awaiting the Board's approval at its next meeting, which has yet to be set but most likely will be in the spring.

There have been a number of legislative changes affecting the court reporting industry since the last sunset review. In 2017, AB 1460 (Oberholte) was signed into law, allowing official reporters and official pro tem reporters to deliver a transcript in electronic form.

The Board sponsored legislation in 2017, AB 1660 (Kalra), to implement firm registration. This bill was vetoed by the Governor. The Board sponsored similar legislation in 2018, AB 2084 (Kalra). Because firm registration was perceived by some as an expansion of licensing, the Board targeted four specific practices relating to the integrity of the transcript that licensees are prohibited from doing and amended AB 2084 (Kalra) to extend that prohibition to non-licensed entities. Specifically, this law prohibits unlicensed individuals or entities providing court reporting services from requesting compensation for a transcript that is not in compliance with the minimum transcript format standards, requesting compensation for a certified court transcript using fees not set in statute, providing a transcript in advance to one party over another, or failing to notify a party of a request to prepare any portion of a transcript including rough drafts and expedites. A violation is punishable by civil fine not to exceed \$10,000 per violation. This bill was chaptered September 21, 2018.

In November of 2017 the Court of Appeals overturned the Superior Court ruling in the *Burd v. Barkley* case, making it clear that statutory rates set out in Government Code 69950 apply to all court transcripts, no matter who hires the court reporter.

On the regulatory front, the Board is currently pursuing an increase to its license and examination fees. The regulatory package was submitted to the Office of Administrative Law for review on October 9, 2018, and a decision is expected by the end of November 2018.

4. Describe any major studies conducted by the board (cf. Section 12, Attachment C).

Because many court reporting companies are owned by non-licensees, CSRs in the field are looking to the Board for practical and ethical issues, for example, best practices. The Best Practice Pointers Task Force met and produced six additional pointers, attached here as Attachment C. Another major task force which accomplished its directive since the last sunset review is the Online Skills Test Policy & Procedures Task Force, which met during 2016 and 2017. It was tasked with reviewing all testing policy and procedures with an eye toward moving the skills portion of the license exam online. Their work was present to the Board at its July 2017 meeting. The final version as approved is attached at Attachment E.

In 2017 the Board conducted an occupational analysis, facilitated by the Office of Professional Examination Services (OPES), to ensure that it is testing candidates on the skills and knowledge that are currently needed to enter the court reporting profession. The purpose was to define the profession in terms of actual job tasks that new licensees must be able to perform safely and competently at the time of licensure and in terms of the knowledge necessary to perform those tasks. The results of the occupational analysis provide the basis for the license examinations. The validation report is attached as Attachment F

In 2018 in response to concerns expressed to the Board that the skills portion of the license exam, currently being given at 200 words per minute, is too fast for entry-level court reporters, the Board partnered with OPES to undertake a survey of working reporters regarding actual reporting speeds. The results of the survey were presented to the Board at the July 2018 meeting. The results support the current examination speed of 200 words per minute as this reporting speed fell within the mean average reporting speed for all respondents as well as for respondents licensed five years or less. The complete study is attached as Attachment G.

5. List the status of all national associations to which the board belongs.

The Board does not belong to any national associations.

Section 2 – Performance Measures and Customer Satisfaction Surveys

6. Provide each quarterly and annual performance measure report for the board as published on the DCA website

The annual performance measures for the third quarter 2015 through the second quarter of 2017 are included as Attachment H.

7. Provide results for each question in the board’s customer satisfaction survey broken down by fiscal year. Discuss the results of the customer satisfaction surveys.

A link to the customer satisfaction survey is located on the Board’s website, at the bottom of the Contact Us tab. In fiscal year 2015-16, the Board received 30 customer satisfaction surveys. In fiscal year 2016-17, the Board received seven. In fiscal year 2017-18, the Board received seven. The results are listed below.

In analyzing the surveys, the Board expected responses from those persons who were dissatisfied with the Board’s inability to assist with their particular problem. However, the data shows that the Board is generally able to satisfactorily solve the consumer’s issues.

Customer Satisfaction Survey Results Fiscal Years 2015-16 through 2017-18

1.	Thinking about your most recent contact with us, how would you rate the availability of staff to assist you?					
	Excellent	Very Good	Good	Fair	Poor	N/A
FY 15/16	5	3	5	2	5	10
FY 16/17	7	0	0	0	0	0
FY 17/18	3	0	0	0	3	1
2.	When requesting information or documents, how would you rate the timelines with which the information or documents was/were provided?					
	Excellent	Very Good	Good	Fair	Poor	N/A
FY 15/16	5	4	6	3	2	10
FY 16/17	3	1	0	0	0	3
FY 17/18	3	1	1	0	1	1

3.	When you visited our web site, how would you rate the ease of locating information?					
	Excellent	Very Good	Good	Fair	Poor	N/A
FY 15/16	6	9	6	5	2	2
FY 16/17	4	1	1	0	0	1
FY 17/18	0	2	0	0	1	4

4.	When you submitted an application, how would you rate the timeliness with which your application was processed?					
	Excellent	Very Good	Good	Fair	Poor	N/A
FY 15/16	5	4	6	3	2	10
FY 16/17	2	0	0	0	0	5
FY 17/18	0	0	2	0	2	3

5.	When you filed a complaint, how would you rate the timeliness of the complaint process?					
	Excellent	Very Good	Good	Fair	Poor	N/A
FY 15/16	1	2	2	0	0	25
FY 16/17	0	0	0	0	0	7
FY 17/18	0	0	0	0	1	6

6.	When you contacted us, were your service needs met? If not, please explain.				
	Yes	No	Explanation		
FY 15/16	24	25	I called repeatedly over many weeks and could not get to a person to talk to. It has been frustrating to say the least.		
	1- N/A		Half an hour hold time no answer when transferred to have survey emailed to me!		
			Cannot get thru to anyone by phone.		
			I didn't need to contact you for anything.		
			The Board breached their duty of sending my renewal license to an address that had been updated on September 11 th at 2:56 p.m. My license was not due to be paid until November 30 th and therefore, they had substantial time to update their records and send it to the correct address.		

FY 16/17	7	0	
FY 17/18	4	3	I am not a court reporter. I requested to have Code of Civil Procedure explained and clarified and I was told that the CR Board could not explain or clarify a Code.
			You refused to meet my needs.
			The person I needed to speak to declined to come to the phone, then did not send me the information I had requested in my email but something else. The delay in receiving the correct documentation may now prevent me from entering graduate school as planned and set me back an entire year. A brief conversation might have averted this situation, which is heartbreaking for me and financially devastating.
7.			Please provide us with any additional comments/suggestions.
FY 15/16			You need more live people to answer the phone request.
			Two years ago, when I renewed my license, it took a very long time, I did not get my license until after the expiration date due to a new system installed with you.
			More instructions pertinent to me would be appreciated. Returned documents left me wondering what you have done with my check for \$205.
			Thanks to Jennifer Hauptert for her help!
			In addition, I had NO idea this had not been paid. I had no idea it was delinquent and the Board also breached their duty by providing a delinquent notice to the correct address. They breached their duty by not providing me notice that if I changed my address on the date that I changed it, that it would not be going to the updated address. Instead, the Boards wants to claim ignorance and expects me to know the movements of the members and how they operate their day to day business. It's unacceptable and it put my license in jeopardy. After discovering the nonpayment, I went to the website to find the same document and it was not on the website, but only a conviction certification which does not alert the licensee that it's the same documents, especially since I'm not a convict and had no idea what this document was for. Also on the same page, there was no indication of what the renewal fee was. I didn't know where to look nor did I know how to find it. The Board member felt it more important to argue with me than to fix the problems within their power.
			I just want to say that I worked with Paula Bruning recently and she was AMAZING! The best help I've gotten from anyone in government ever.
FY 16/17			Kim was great. Thanks for responding so quickly; especially because it was my mistake.
			Awkward to email being forced to use Microsoft Word. Had to use a different provider.
FY 17/18			Jennifer Hauptert is so prompt and always very friendly in her correspondence. I appreciate her empathetic manner. Mahalo. BKC (Name redacted for privacy purposes).

	Jennifer notified me that my CSR license had been returned, and I was wondering where it was. I discovered that the address that has been on file for 25 years where my license was always sent was no longer the current address. I was grateful that Jennifer notified me that my license had been returned, which allowed me to give another address. She replied immediately that she would update the new address, so hopefully my license will show up soon. Thank you, Jennifer.
	Thank you!

Additionally, an online survey is posted by the Department of Consumer Affairs (DCA) had two responses in 2015, the only responses received via this survey. The summary provided by DCA is included as Attachment I.

It is always refreshing to hear from people who were satisfied with the service provided because people are more likely to provide feedback when their problem is not solved. The customer service survey results indicate staff does a good to excellent job except in the cases where the problem is unable to be solved by the Board, in which case the consumer is unhappy with the result. The Board is reaping the benefits of cross-training so more staff can handle a broader range of questions, improving the experience of the consumer and requiring fewer call-backs.

Section 3 – Fiscal and Staff

Fiscal Issues

8. Is the board’s fund continuously appropriated? If yes, please cite the statute outlining this continuous appropriation.

The CRB is not continuously appropriated. It is set as an appropriation in the Governor’s budget.

9. Describe the board’s current reserve level, spending, and if a statutory reserve level exists.

Per our fund condition reported prepared on 6/29/2018, the Board is operating the current fiscal year of 2018-19 with months in reserve of 0.2. All efforts continue to be taken to reduce expenditures while the fee increase goes through the regulatory process.

10. Describe if/when a deficit is projected to occur and if/when fee increase or reduction is anticipated. Describe the fee changes (increases or decreases) anticipated by the board.

The Board’s budget is projected to experience a deficit in fiscal year 2019-20. Per Business & Professions Code section 128(b), reserves should not be less than six months and no more than two years.

The Board is currently pursuing an increase to license and examination fees via the regulatory process. A regulatory package that would increase license renewal fees from \$125 to \$225 and examination fees from \$25 to \$50 for each portion of the three-part exam was submitted to the Office of Administrative Law (OAL) for notice in April of 2018. The Board voted on the final regulatory package at its July 2018 meeting, and the final package was submitted to the OAL for review in October 2018. It is hoped the increase will be effective by January 1, 2019.

Table 2. Fund Condition						
(Dollars in Thousands)	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
Beginning Balance	\$1,136	\$1,141	\$1,125	\$604	\$329	\$22
Revenues and Transfers	\$951	\$938	\$629	\$886	\$885	\$885
Total Revenue	\$2,087	\$2,079	\$1,754	\$1,490	\$1,214	\$907
Budget Authority	\$950	\$1,117	\$1,092	\$1,083	\$1,098	\$1,098
Expenditures	\$953	\$944	\$1,150	\$1,161	\$1,192	\$1,214
Loans to General Fund	N/A	N/A	N/A	N/A	N/A	N/A
Accrued Interest, Loans to General Fund	N/A	N/A	N/A	N/A	N/A	N/A
Loans Repaid From General Fund	N/A	N/A	N/A	N/A	N/A	N/A
Fund Balance	\$1,134	\$1,134	\$604	\$329	\$22	-\$307
Months in Reserve	14.4	11.8	6.2	3.3	0.2	-3.0

11. Describe the history of general fund loans. When were the loans made? When have payments been made to the board? Has interest been paid? What is the remaining balance?

A loan of \$1.25 million from the Board to the State's General Fund occurred in fiscal year 2003-04. The loan was repaid in full in fiscal year 2006-07.

12. Describe the amounts and percentages of expenditures by program component. Use *Table 3. Expenditures by Program Component* to provide a breakdown of the expenditures by the board in each program area. Expenditures by each component (except for pro rata) should be broken out by personnel expenditures and other expenditures.

A review of the data in Table 3 demonstrates that enforcement costs have increased slightly since the last sunset review. A significant portion of the enforcement expenses is the Attorney General line item. Matters that are referred to the Attorney General's Office are more serious matters and, therefore, are more costly to resolve.

Examination expenses continue to increase due in large part to increased costs associated with the practical portion of the license examination. A significant cost savings is anticipated once the skills portion of the exam moves online.

The licensing expenditures remain relatively stable.

Table 3. Expenditures by Program Component								
(list dollars in thousands)								
	FY 2014/15		FY 2015/16		FY 2016/17		FY 2017/18	
	Personnel Services	OE&E	Personnel Services	OE&E	Personnel Services	OE&E	Personnel Services	OE&E
Enforcement	\$113	\$94	\$123	\$98	\$134	\$125	\$139	\$99
Examination	\$90	\$85	\$98	\$106	\$107	\$135	\$111	\$132
Licensing	\$90	\$25	\$98	\$43	\$107	\$50	\$111	\$46
Administration *	\$245	\$44	\$211	\$53	\$224	\$62	\$233	\$57
DCA Pro Rata		\$173		\$120		\$159		\$187
Diversion (if applicable)	\$538	\$421	\$530	\$420	\$572	\$531	\$594	\$521
TOTALS	\$113	\$94	\$123	\$98	\$134	\$125	\$139	\$99

*Administration includes costs for TRF administration, executive staff, board, administrative support, and fiscal services.
**Actual data through May 31, 2018

13. Describe the amount the board has contributed to the BreZE program. What are the anticipated BreZE costs the board has received from DCA?

The Board has contributed \$168,389 to the BreZE program through FY 2016-17. It is anticipated the Board will contribute \$49,000 to the BreZE program in FY 2017-18.

14. Describe license renewal cycles and history of fee changes in the last 10 years. Give the fee authority (Business and Professions Code and California Code of Regulations citation) for each fee charged by the board.

Licenses are renewed annually, due on the last day of the licensee’s birth month.

In 1981, the profession initiated legislation that created the Transcript Reimbursement Fund (TRF) to fund payment of court transcripts for indigent litigants in civil matters. By law, a minimum of \$300,000 of the Board's total revenue must go to the TRF each July 1. To create this fund, licensing fees were increased from \$40 every two years to \$125 the first year, and \$60 the second year. Subsequently, annual renewal fees were increased to \$80 and then to \$100, in effect since before 1997. Beginning July 1, 2010, the renewal fee increased to \$125, the statutory limit at that time. Effective January 1, 2017, the statutory limit was raised to \$250.

The authority for the fees charged by the Board are found in Business & Professions Code sections 163.5, 8004, 8008, 8031, and section 2450 of Division 24 of Title 16 of the California Code of Regulations.

Table 4. Fee Schedule and Revenue								(list revenue dollars in thousands)
Fee	Current Fee Amount	Statutory Limit	FY 2014/15 Revenue	FY 2015/16 Revenue	FY 2016/17 Revenue	FY 2017/18 Revenue	% of Total Revenue	
Change of Address	\$20	\$50					0.00%	
Duplicate License Certificate	\$5	\$10					0.00%	
Duplicate Wall Certificate	\$5						0.00%	
Citations and Fines	Various		\$10	\$12	\$14	\$11	1.26%	
Application for Examination – CSR	\$40	\$40	\$6	\$6	\$5	\$3	0.56%	
Initial License Fee	\$125		\$10	\$8	\$7	\$8	0.88%	
Dictation Exam Fee	\$25	\$75	\$10	\$11	\$15	\$9	1.23%	
English Exam Fee	\$25	\$75	\$7	\$7	\$6	\$4	0.64%	
Professional Practice Exam Fee	\$25	\$75	\$5	\$6	\$6	\$3	0.57%	
Initial License Fee ½	\$63				\$1	\$1	0.07%	
Annual Renewal Fee	\$125	\$125	\$880	\$865	\$847	\$826	92.90%	
Delinquent Renewal Fee	\$63		\$19	\$17	\$16	\$17	1.85%	
Cost Recovery	Various						0.00%	
Dishonored Check	\$25						0.04%	
DOJ – Fingerprints	\$32						0.00%	
FBI – Fingerprints	\$17						0.00%	
Total			\$947	\$932	\$917	\$883	100%	

15. Describe Budget Change Proposals (BCPs) submitted by the board in the past four fiscal years.

The Board has had one Budget Change Proposal approved since the last sunset review. It was for the occupational analysis and was split between fiscal years 2016-17 and 2017-18.

Table 5. Budget Change Proposals (BCPs)								
BCP ID #	Fiscal Year	Description of Purpose of BCP	Personnel Services				OE&E	
			# Staff Requested (include classification)	# Staff Approved (include classification)	\$ Requested	\$ Approved	\$ Requested	\$ Approved
1111-010-BCP-DP-2016-GB	2016-17	Occupational Analysis	0	0	0	0	53,000	53,000
(same)	2017-18	(same)	0	0	0	0	47,000	47,000

Transcript Reimbursement Fund

There are two programs under the Transcript Reimbursement Fund (TRF) (B&P Code sections 8030.2. through 8030.8). The first program, known as the Pro Bono Program, was established by the Legislature in 1981 and is available to pro bono attorneys representing indigent litigants. The second program, known as the Pro Per Program, was an expansion of the TRF in 2011 to qualified indigent pro per litigants. Both programs assist indigent litigants in civil matters; however, they differ in who may apply and how much monetary assistance is available to individual cases and all cases overall. The TRF is funded by annual license renewal fees and since its inception has reimbursed transcription costs totaling just under \$9 million.

Essentially, the criteria to qualify for reimbursement are:

- The litigant must be indigent and must be represented by legal counsel.
- The applicant must be a qualified legal services project, qualified support center or other qualified project.
- The case cannot be fee-generating.
- The applicant must certify to refund the full amount of all reimbursements from the TRF from any award of court costs or attorney fees.
- The TRF provides reimbursement for costs as outlined in B&P Code 8030.6.

Transcript Reimbursement Fund (Pro Bono)			
	FY 2015/16	FY 2016/17	FY 2017/18
No. of Requests for Reimbursement Received	531	420	316
No. of Requests Approved	473	378	8
No. of Requests Denied	58	42	308*
Amount of Funds Disbursed	\$105,971	\$307,965	\$96,219
Amount of Funds Recovered by Judicial Award of Costs	\$63,241	\$23,612	\$7,018

* Includes applications returned due to lack of funding.

The Pro Bono Program is operated on a fiscal year basis, however, the Pro Per Program is operated on a calendar year basis.

Transcript Reimbursement Fund (Pro Per Pilot Project)			
	CY 2015	CY 2016	CY 2017
No. of Requests for Reimbursement Received	156	172	209
No. of Requests Approved	146	95	188
No. of Requests Denied	64	62	67
Amount of Funds Allocations (Provisional Approval)	\$6,677	\$10,527	\$10,479
Amount of Funds Disbursed	\$28,395	\$13,952	\$21,805
Amount of Funds Recovered by Judicial Award of Costs	\$0	\$0	\$0

Transfers are made from the Court Reporters Board Fund to the Transcript Reimbursement Fund in increments of \$100,000 up to \$300,000 per year. The Board must stop transfer to the TRF when the Board's reserve of operating expenses falls below six months. This threshold was reached in FY 2016-17, and the TRF is temporarily closed. The Board continued to pay claims received through July 6, 2017, with funds previously transferred. In April of 2018, Board staff returned 299 Pro Bono Program applications and 188 Pro Per Program applications. Applicants may reapply when funding is reestablished.

Staffing Issues

16. Describe any board staffing issues/challenges, i.e., vacancy rates, efforts to reclassify positions, staff turnover, recruitment and retention efforts, succession planning.

The Board has had no vacancies or staff turnover since the last sunset review. In order to accomplish goals set out in the current strategic plan, extra efforts have been made to cross-train staff. Currently all staff have desk manuals, and all positions are cross-trained.

17. Describe the board's staff development efforts and how much is spent annually on staff development (cf., Section 12, Attachment D).

While recognizing the importance of training and staff development, with such a small staff, having a single staff person out of the office has a significant impact on the provision of services. All of the courses taken have been offered through the DCA at no cost.

Attached as Attachment B are the year-end organizational charts for the Board.

Section 4 – Licensing Program

18. What are the board's performance targets/expectations for its licensing¹ program? Is the board meeting those expectations? If not, what is the board doing to improve performance?

The primary objective of licensing court reporters is to ensure that consumers receive accurate, timely, competent service from court reporters who, through examination, have demonstrated at least a minimum level of competency at the time of the examination. The Board expects license and examination applications to be processed promptly in order to facilitate the entry of as many competent court reporters into the workforce as quickly as possible. Similarly, license renewals are to be processed as promptly as possible since court reporters may not work while their license fee is unpaid. The Board continues to meet these expectations by processing all applications and renewals within two to five business days. License renewals are due on the last day of the licensee's birth month, so staff is very mindful of the time-sensitive nature of payments coming in at the end of the month and works with licensees via phone and e-mail to verify receipt of renewals.

19. Describe any increase or decrease in the board's average time to process applications, administer exams and/or issue licenses. Have pending applications grown at a rate that exceeds completed applications? If so, what has been done by the board to address them? What are the performance barriers and what improvement plans are in place? What has the board done and what is the board going to do to address any performance issues, i.e., process efficiencies, regulations, BCP, legislation?

There has been no increase or decrease in the average time required to process applications or issue licenses. The Board does not have pending applications because they are processed promptly, typically within two to five business days. The Board sees no performance issues with its licensing program.

¹ The term "license" in this document includes a license certificate or registration.

20. How many licenses or registrations does the board issue each year? How many renewals does the board issue each year?

In fiscal year 2015-16, the Board issued 72 licenses; in FY 2016-17, 75; in; and in FY 2017-18, 86.

In fiscal year 2015-16, the Board had 6,770 renewals; in FY 2016-17, 6612; in FY; and in FY 2017-18, 6,436. This information can also be found in Table 7b.

21. How many licenses or registrations has the board denied over the past four years based on criminal history that is determined to be substantially related to the qualifications, functions, or duties of the profession, pursuant to BPC § 480? Please provide a breakdown of each instance of denial and the acts the board determined were substantially related.

There has been one license denied in 2015-16, and as a result of a default decision, the application was denied again in 2017-18. The denial was based on the underlying actions leading to a conviction of grand theft by embezzlement.

Table 6. Licensee Population					
		FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18
CSR	Active	6301	6179	6037	5886
	Delinquent	1150	1121	1124	1139
	Retired	-	-	-	-
	Out of State	650	652	640	627
	Out of Country	9	11	10	9

Table 7a. Licensing Data by Type											
Application Type		Received	Approved	Closed	Issued	Pending Applications			Cycle Times		
						Total (Close of FY)	Outside Board control*	Within Board control*	Complete Apps	Incomplete Apps	combined, IF unable to separate out
FY 2015/16	(Exam)	131	131	0	n/a	-	-	-	-	-	-
	(License)	73	72	0	72	-	-	-	-	-	-
	(Renewal)	6770	6770	n/a	6770	-	-	-	-	-	-
FY 2016/17	(Exam)	119	119	0	n/a						
	(License)	76	75	0	75						
	(Renewal)	6612	6612	n/a	6612						
FY 2017/18	(Exam)	62	62	0	n/a						
	(License)	87	86	0	86						
	(Renewal)	6436	6436	n/a	6436						

* Optional. List if tracked by the board.

Table 7b. Total Licensing Data			
	FY 2015/16	FY 2016/17	FY 2017/18
Initial Licensing Data:			
Initial License/Initial Exam Applications Received	73	76	87

Initial License/Initial Exam Applications Approved	72	75	86
Initial License/Initial Exam Applications Closed	0	0	0
License Issued	72	76	86
Initial License/Initial Exam Pending Application Data:			
Pending Applications (total at close of FY)	0	0	0
Pending Applications (outside of board control)*			
Pending Applications (within the board control)*			
Initial License/Initial Exam Cycle Time Data (WEIGHTED AVERAGE):			
Average Days to Application Approval (All - Complete/Incomplete)	3	2	2
Average Days to Application Approval (incomplete applications)*			
Average Days to Application Approval (complete applications)*			
License Renewal Data:			
License Renewed	6770	6612	6436
Note: The values in Table 7b are the aggregates of values contained in Table 7a. * Optional. List if tracked by the board.			

22. How does the board verify information provided by the applicant?

The clear majority of applicants qualify to take the CSR examination by completing a training program through a recognized California court reporting school. If qualifying through a court reporting school program, the applicant must also have passed one speed examination known as a qualifier.

A person applying for the first time must complete an Application for Examination (Form 41A-1), which is included as Attachment K, and submit it to the Board, together with the required qualifying documents and the fee indicated on the face of the application. Persons applying for reexamination do not need to requalify but must complete and submit an Application for Reexamination (Form 41A-4), which is included as Attachment L, together with the fee indicated on the face of the application. Each applicant is required to provide two passport-style photographs with the application. One photo is attached to the application, and one is attached to the Final Notice of Examination. For security reasons, applicants are required to show their Final Notice and an approved photo identification in order to be admitted into the examination.

A variety of basic information is required to be submitted by examination applicants as indicated on the application form, including the nature and length of any work experience that can be used to establish the minimum one year (1,400 hours) of qualifying work experience. Level and location of educational background is also requested, as is information regarding court reporting certificates from other organizations or states as well as any criminal convictions. Supporting documentation via copies of certificates is required, and work experience must be verified on the official letterhead of the employer. All qualifying documentation is checked via phone or electronically, i.e., through licensing agencies in other states.

- a. What process does the board use to check prior criminal history information, prior disciplinary actions, or other unlawful acts of the applicant? Has the board denied any licenses over the last four years based on the applicant's failure to disclose information on the application, including failure to self-disclose criminal history? If so, how many times and for what types of crimes (please be specific)?**

The Board uses fingerprints to check the Department of Justice database for prior criminal history. If applicants are or have been licensed in another state, history of disciplinary actions is checked by contacting the licensing agency of that state.

The Board has denied one license since the last sunset review based on the applicant's failure to disclose information on the application. Specifically, the applicant failed to disclose they had previously been licensed here in California and in another state. Additionally, the applicant failed to disclose they were previously licensed here under a different name, and the applicant failed to disclose a prior conviction for grand theft embezzlement.

- b. Does the board fingerprint all applicants?**

All applicants for licensure must pass the CSR examination, and the Board has required fingerprints of all examination applicants since 1998.

- c. Have all current licensees been fingerprinted? If not, explain.**

Only those submitting applications for examination since 1998 have been fingerprinted. Anyone applying for the examination prior to 1998 has not been fingerprinted.

- d. Is there a national databank relating to disciplinary actions? Does the board check the national databank prior to issuing a license? Renewing a license?**

There is no national data bank for court reporters.

- e. Does the board require primary source documentation?**

The Board does require primary source documentation. For example, letters of recommendation are not acceptable as attesting to an applicant's work experience unless they are on official letterhead. Otherwise, applicants must submit copies of actual job sheets to demonstrate experience.

23. Describe the board's legal requirement and process for out-of-state and out-of-country applicants to obtain licensure.

There are no differences in the requirements for out-of-state and out-of-country applicants. All applicants must complete the same requirements in order to obtain licensure.

24. Describe the board's process, if any, for considering military education, training, and experience for purposes of licensing or credentialing requirements, including college credit equivalency.

The Board considers court reporting experience with the military as an acceptable form of work experience for the license application.

a. Does the board identify or track applicants who are veterans? If not, when does the board expect to be compliant with BPC § 114.5?

The Board does track applicants who are veterans.

b. How many applicants offered military education, training or experience towards meeting licensing or credentialing requirements, and how many applicants had such education, training or experience accepted by the board?

There have been no applicants offering military education, training, or experience for meeting licensing credentialing requirements.

c. What regulatory changes has the board made to bring it into conformance with BPC § 35?

The Board has made no regulatory changes to conform with BPC section 35 because the Board already accepts military experience to qualify for licensure.

d. How many licensees has the board waived fees or requirements for pursuant to BPC § 114.3, and what has the impact been on board revenues?

The Board has waived fees for one licensee on active military duty. This has had a negligible impact on the Board's revenues.

e. How many applications has the board expedited pursuant to BPC § 115.5?

The skills or practical portion of the license examination cannot be expedited because of the nature of the examination itself. The two written portions of the license examination are available at any time so there is no reason for expedition.

25. Does the board send No Longer Interested notifications to DOJ on a regular and ongoing basis? Is this done electronically? Is there a backlog? If so, describe the extent and efforts to address the backlog.

The Board faxes No Longer Interested notification to DOJ on a regular and ongoing basis. There is no backlog.

Examinations

Table 8. Examination Data				
California Examination (include multiple language) if any:				
	License Type	CSR	CSR	CSR
	Exam Title	Dictation/Skills	English	Professional Practice
FY 2014/15	# of 1 st Time Candidates	147	144	147
	Pass %	55.1	37.5	57.8
	# Of Overall Candidates	396	256	206
	Pass %	33.3	27.3	49.5
FY 2015/16	# of 1 st Time Candidates	112	112	111
	Pass %	37.5	70.5	64
	# Of Overall Candidates	379	268	213
	Pass %	16.4	53.7	53.1
FY 2016/17	# of 1 st Time Candidates	125	119	117
	Pass %	29.6	68.9	70.9
	# Of Overall Candidates	426	208	199
	Pass %	15	58.7	64.3
FY 2017/18	# of 1 st time Candidates	88	56	61
	Pass %	50	60.7	63.9
	# Of Overall Candidates	431	127	107
	Pass %	25.1	42.5	60.7
	Date of Last OA	2018	2017	2017
	Name of OA Developer	OPES	OPES	OPES
	Target OA Date	2023	2023	2023
National Examination (include multiple language) if any: Not Applicable				

26. Describe the examinations required for licensure. Is a national examination used? Is a California specific examination required? Are examinations offered in a language other than English?

California has one license category for court reporters, Certified Shorthand Reporter (CSR), and it is a required California-specific examination.

The primary objective of licensing court reporters is to ensure that consumers receive accurate, timely, and competent service from court reporters who, through examination, have demonstrated a minimum level of competency.

All persons desiring to practice as a CSR in the state of California (Section 8017, Business and Professions Code) must possess a valid license issued by the Court Reporters Board. Licensure is attained by passing all parts of a three-part examination (CCR Title 16, section 2420): two written portions and one practical or skills portion. The first written portion is Professional Practice, a 100-item multiple choice examination which tests knowledge of medical and legal terminology, ethics, and code requirements. The second written portion is English, which is another 100-item multiple choice examination which tests minimum competency in grammar, spelling, and punctuation. Both written portions are administered via a computer-based testing vendor.

The practical examination (dictation/transcription portion) consists of a 15-minute exercise. Four readers sit in front of the examinees, replicating a courtroom or deposition situation, and dictate from an actual court or deposition proceeding. They read at an average speed of 200 words per minute while examinees report the dictation on a shorthand machine. The examinees then go to a separate room where they are given three hours to transcribe the last ten minutes of their notes. They are graded on the transcription submitted. Successful candidates must achieve 97.5% accuracy.

Applicants must qualify to sit for the examination through one of five methods:

- A. One year of experience (a minimum of 1,400 hours) in making verbatim records of depositions, arbitrations, hearings, or judicial or related proceedings by means of written symbols or abbreviations in shorthand or machine shorthand writing and transcribing these records.
- B. A verified certificate of satisfactory completion of a prescribed course of study in a recognized court reporting school or a certificate from the school that evidences an equivalent proficiency and the ability to make a verbatim record of material dictated in accordance with regulations adopted by the Board contained in Title 16 of the California Code of Regulations.
- C. A certificate from the National Court Reporters Association demonstrating proficiency in machine shorthand reporting.
- D. A passing grade on the California state hearing reporter's examination.
- E. A valid certified shorthand reporter's certificate or license to practice shorthand reporting issued by a state other than California whose requirements and licensing examination are substantially the same as those in California.

Applicants have three years to pass all three parts of the examination before they are required to take the entire examination again. They may take or retake the failed portions up to three times per year. During the three-year period, they are required to take only the previously failed portions of the examination. The executive officer has the delegated authority to extend the three-year pass requirement for up to one additional year for good cause.

Examinees who have passed all parts of the examination are eligible for licensure. Actual licensure is attained by submitting the statutorily-required fee and the forms provided by the Board.

Traditionally, the license examination was offered twice a year. In 2002, the Board began offering the license examination three times each year in California. Approximately 120 applicants take the examination each time.

The two written portions of the examination are developed in conjunction with DCA's Office of Professional Examination Services (OPES). Development of the English and Professional Practice portions of the CSR examination begins with an occupational analysis to identify current job knowledge and skills necessary for entry-level court reporters. Upon validation of the occupational analysis, an examination plan is developed to not only identify knowledge and skills required, but also to weight them based on how important and/or how frequently the knowledge or skill is required.

Upon completion of the examination plan, four types of examination development workshops are held. Groups of subject matter experts (SMEs) made up of working court reporters, facilitated by OPES, write questions for the two written exams, each question being tied to the current examination plan. A subsequent group of SMEs reviews the questions, adding finished questions to the test bank. A third group of SMEs constructs the actual examination by selecting questions from the bank, weighted in a manner reflective of the examination plan. Finally, a fourth group of SMEs sets the passing score for a particular examination in accordance with the California Code of Regulations,

Title 16, Division 24, Article 3, section 2420, which outlines the Board regulation that requires the passing grades for the written examinations be determined by the Angoff criterion-referenced method.

The only nationally-based, entry-level court reporter competency examination is the Registered Professional Reporter (RPR) examination administered by the National Court Reporters Association (NCRA). Holders of the RPR certification may apply to take the California CSR examination, but there is no straight reciprocity as there are significant differences between the two examinations in the areas of examination development, construction, and administration.

The exam is offered only in English as all proceedings are reported in English and the resultant transcript must be in English.

27. What are pass rates for first time vs. retakes in the past 4 fiscal years? (Refer to Table 8: Examination Data) Are pass rates collected for examinations offered in a language other than English?

Given the critical importance of the role of a court reporter and the near-irrevocability of the mistakes, the examination is appropriately rigorous. Candidates taking the test for the first time have a higher pass rate than those who must retake the examination. Table 8 shows pass rates for each of the three examination sections for the first-time candidates as well as the overall pass rates. When the examination was converted to computer-based testing, the vendor was unable to track first-time candidates versus retakes, counting them all as first-timers; therefore, the actual first-time statistics are not available until the 2010-11 year, three years after the switch.

During the setup of the November 2016 skills portion of the license exam, a decision was made to change the seating order of the readers of the exam. While the change was intended to facilitate the reporting of the proceeding, it was in violation of board policy. The change created great consternation, resulting in a higher rate of incompletes, (tests that were not transcribed for grading).

The request for an immediate retest was granted, and a retest was held in January of 2016.

The very low pass rate for repeat test takers is the result of a variety of factors. Many of the private schools have closed. Immediately before closing, the schools qualified a large number of students who did not pass the test, calling into question their true qualification for taking the exam. That situation is compounded by the fact that unsuccessful candidates have no school to return to for further practice. There is no requirement for unsuccessful candidates to return to school, and the Board has no way of knowing how much, if at all, any of these repeaters practice.

28. Is the board using computer-based testing? If so, for which tests? Describe how it works. Where is it available? How often are tests administered?

As of July 1, 2008, the Board has used computer-based testing for the two written portions of the license examination: English and Professional Practice. Once an applicant's qualifications are verified, staff forwards the candidate's information to the testing vendor, currently PSI, who in turn furnishes the candidate with all the information necessary to schedule and take the written portions of the examination. Results are returned to Board staff, who contacts the candidate with licensure or re-testing information. PSI has testing sites not only across California, but also across the United States.

Written exams are updated three times a year. Candidates may only take an examination once during the posting period, scheduled at their convenience.

The Board is currently working to also administer the skills portion of the exam online through a third-party vendor.

29. Are there existing statutes that hinder the efficient and effective processing of applications and/or examinations? If so, please describe.

The Court Reporters Board is experiencing no issues affecting the processing of applications or administration of examinations

School approvals

30. Describe legal requirements regarding school approval. Who approves your schools? What role does BPPE have in approving schools? How does the board work with BPPE in the school approval process?

Business and Professions Code 8027 requires court reporting schools to be approved by the Board and the Bureau for Private Postsecondary Education (BPPE), be a California public school, or be accredited by the Western Association of Schools and Colleges (WASC). Any school intending to offer a program in court reporting must notify the Board within 30 days of the date on which it provides notice to or seeks approval from the California Department of Education, BPPE, the Chancellor's Office of the California Community Colleges, or WASC. The Board then reviews the proposed curriculum and provides the school tentative approval or denial within 60 days. With an approval, the school then applies for provisional recognition by the Board. Once granted, the school must operate continuously for no less than three years during which time the school must have at least one person successfully complete the course and pass the CSR examination. Upon completion of those provisions, the school may be granted full recognition.

31. How many schools are approved by the board? How often are approved schools reviewed? Can the board remove its approval of a school?

There are nine schools offering court reporting programs in the state of California. The Board grants "recognition" in order for a court reporting school to operate. Schools are asked to send written materials to the Board annually as part of the ongoing review process. The Board conducts on-site reviews as time and budget allow. The on-site reviews allow Board staff to confirm the veracity of the written materials submitted annually by looking at the files maintained by the schools. Additionally, the Board can verify that records are being kept per statutory requirements. Spot-checks of the student and faculty records are conducted, as well as student interviews.

Four schools have closed since the last sunset review report, all of them private. In December of 2016, the U.S. Department of Education (DOE) ceased recognition of the Accrediting Council for Independent Colleges and Schools (ACICS) as an agency that can provide accreditation for private schools. Without this recognition by the DOE, schools accredited by ACICS were no longer able to offer financial aid. The schools that closed were unable to find an alternate accrediting body, resulting in a subsequent closure.

32. What are the board's legal requirements regarding approval of international schools?

No international schools have applied for Board recognition.

Continuing Education/Competency Requirements

33. Describe the board's continuing education/competency requirements, if any. Describe any changes made by the board since the last review.

The Board does not currently have mandatory continuing education requirements for licensure; however, the Judicial Council requires continuing education for all its court employees, including court reporters.

- a. How does the board verify CE or other competency requirements? Has the Board worked with the Department to receive primary source verification of CE completion through the Department's cloud?
- b. Does the board conduct CE audits of licensees? Describe the board's policy on CE audits.
- c. What are consequences for failing a CE audit?
- d. How many CE audits were conducted in the past four fiscal years? How many fails? What is the percentage of CE failure?
- e. What is the board's course approval policy?
- f. Who approves CE providers? Who approves CE courses? If the board approves them, what is the board application review process?
- g. How many applications for CE providers and CE courses were received? How many were approved?
- h. Does the board audit CE providers? If so, describe the board's policy and process.
- i. Describe the board's effort, if any, to review its CE policy for purpose of moving toward performance-based assessments of the licensee's continuing competence.

(Questions a through i are not applicable.)

Section 5 – Enforcement Program

34. What are the board's performance targets/expectations for its enforcement program? Is the board meeting those expectations? If not, what is the board doing to improve performance?

A review of the status quo of the enforcement division of the Board reveals a workload of approximately 100 complaints per year. The Board is staffed with one full-time enforcement analyst performing all enforcement activities. The majority of complaints requiring additional investigation involve a question of the accuracy of a transcript of legal proceedings or untimeliness of transcript delivery.

Additionally, the Board places a great deal of emphasis on prevention of complaints. Outreach to the licensees is ongoing through publication of a biannual newsletter as well as information on the Board's website. Staff gives infrequent seminars to licensees as well as to students. Enforcement staff responds to complaints and all inquiries (via telephone, fax, mail or e-mail) regarding the complaint process, license status, and the laws and regulations relating to the practice of court reporting.

Whenever possible and appropriate, enforcement staff resolves cases through informal mediation. The Board has found that not only does this quicker resolution save time and money for both parties, but it allows the licensee to continue practicing while the issue is resolved. Most licensees are cooperative once the Board outlines the penalties for noncompliance.

The Board's performance measures are published on DCA's website, included as Attachment H. The Board has set a target of five days for intake, the average cycle time from complaint receipt to assignment to investigator. This target is being met. The Board has a target of 60 days for intake and investigation, the average cycle time from complaint receipt and completion of the investigation process. The Board's average intake and investigation time during the period since the last sunset review is 73 days, meeting the goal of 60 days 33 percent of the time. The Board has a target of 540 days for formal discipline, which is the average number of days for completion of the entire enforcement process for cases resulting in formal discipline. The Board's average number of days for formal discipline is 662, meeting the target 29 percent of the time.

35. Explain trends in enforcement data and the board's efforts to address any increase in volume, timeframes, ratio of closure to pending cases, or other challenges. What are the performance barriers? What improvement plans are in place? What has the board done and what is the board going to do to address these issues, i.e., process efficiencies, regulations, BCP, legislation?

The Board has seen the number of complaints remain relatively stable. However, the type of cases has been more complicated, thus increasing the average time to close as more in-depth investigation is necessary. There is an increase in the number of complaints requesting help obtaining a transcript of a reported proceeding. The Board is unable to ascertain the cause for this increase. It is possible there is a shortage of court reporters, giving reporters less time to work on transcripts. It is also possible it's a societal change in work ethic or a combination of those and other factors.

The Board continues to receive complaints regarding non-licensee owned firms, including out-of-state firms. The complaints include transcripts being reformatted outside the minimum transcript format standards, overbilling for court transcripts, delivering transcripts to one side before the other, providing rough draft or expedited transcripts to one side without notifying the opposing counsel, and violations of the gift-giving regulations.

In 2017 the Board sponsored legislation to reinstitute firm registration via AB 1660 (Kalra). While the bill made it through the Legislature, the Governor vetoed the bill saying it created a new license category as well as there being a case on appeal that would deal with this issue.

In 2018 the Board again sponsored firm registration legislation via AB 2084 (Kalra). After meeting with the Governor's Office and the opposition, the Board targeted four specific practices relating to the integrity of the transcript that licensees are prohibited from doing and amended AB 2084 (Kalra) to extend that prohibition to non-licensed entities. Specifically, this law prohibits unlicensed individuals or entities providing court reporting services from requesting compensation for a transcript that is not in compliance with the minimum transcript format standards, requesting compensation for a certified court transcript using fees not set in statute, providing a transcript in advance to one party over another, or failing to notify a party of a request to prepare any portion of a transcript including rough drafts and expedites. A violation is punishable by civil fine not to exceed \$10,000 per violation. This bill was chaptered September 21, 2018.

Table 9a. Enforcement Statistics			
	FY 2015/16	FY 2016/17	FY 2017/18
COMPLAINT			
Intake			
Received	112	89	84
Closed	0	0	0
Referred to INV	112	89	84
Average Time to Close	1	1	1
Pending (close of FY)	0	0	0
Source of Complaint			
Public	79	60	50
Licensee/Professional Groups	22	15	20
Governmental Agencies	12	17	18
Other	0	0	0
Conviction / Arrest			
CONV Received	1	3	4
CONV Closed	1	3	3
Average Time to Close	214	73	77
CONV Pending (close of FY)	0	0	1
LICENSE DENIAL			
License Applications Denied	1	0	1
SOIs Filed	1	3	0
SOIs Withdrawn	0	0	0
SOIs Dismissed	0	0	0
SOIs Declined	0	0	0
Average Days SOI	160	120	0
ACCUSATION			
Accusations Filed	2	4	2
Accusations Withdrawn	0	0	0
Accusations Dismissed	0	0	0
Accusations Declined	0	0	0
Average Days Accusations	353	402	49
Pending (close of FY)	4	1	2
DISCIPLINE			
Disciplinary Actions			
Proposed/Default Decisions	0	1	1
Stipulations	2	6	0
Average Days to Complete	710	630	940
AG Cases Initiated	8	2	8
AG Cases Pending (close of FY)	10	2	8
Disciplinary Outcomes			
Revocation	0	1	1
Voluntary Surrender	2	1	0
Suspension	0	0	0
Probation with Suspension ¹	0	0	0
Probation ²	0	5	0
Probationary License Issued	0	0	0
Other	0	0	0

(continued on next page)

Table 9a. Enforcement Statistics *(continued from previous page)*

	FY 2015/16	FY 2016/17	FY 2017/18
PROBATION			
New Probationers	0	8	0
Probations Successfully Completed	1	2	3
Probationers (close of FY)	10	14	11
Petitions to Revoke Probation	0	1	0
Probations Revoked	0	0	0
Probations Modified	0	0	0
Probations Extended	0	0	0
Probationers Subject to Drug Testing	3	3	1
Drug Tests Ordered	36	24	12
Positive Drug Tests	1	0	0
Petition for Reinstatement Granted	0	0	0
DIVERSION			
New Participants	0	0	0
Successful Completions	0	0	0
Participants (close of FY)	0	0	0
Terminations	0	0	0
Terminations for Public Threat	0	0	0
Drug Tests Ordered	0	0	0
Positive Drug Tests	0	0	0

Table 9b. Enforcement Statistics (continued)			
	FY 2015/16	FY 2016/17	FY 2017/18
INVESTIGATION			
All Investigations			
First Assigned	112	89	88
Closed	128	64	100
Average days to close	74	64	138
Pending (close of FY)	25	49	37
Desk Investigations			
Closed	128	64	100
Average days to close	74	64	138
Pending (close of FY)	25	49	37
Non-Sworn Investigation			
Closed	0	0	0
Average days to close	0	0	0
Pending (close of FY)	0	0	0
Sworn Investigation			
Closed	0	1	0
Average days to close	0	145	0
Pending (close of FY)	0	0	0
COMPLIANCE ACTION			
ISO & TRO Issued	0	0	0
PC 23 Orders Requested	0	0	0
Other Suspension Orders	0	0	0
Public Letter of Reprimand	0	0	0
Cease & Desist/Warning	0	0	0
Referred for Diversion	0	0	0
Compel Examination	0	0	0
CITATION AND FINE			
Citations Issued	16	16	23
Average Days to Complete	64	81	98
Amount of Fines Assessed	18,000	18,750	30,500
Reduced, Withdrawn, Dismissed	4	0	3
Amount Collected	10,202.50	13,985	11,050
CRIMINAL ACTION			
Referred for Criminal Prosecution	0	0	0

Table 10. Enforcement Aging						
	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	Cases Closed	Average %
Attorney General Cases (Average %)						
Closed Within:						
0 - 1 Year	2	1	4	1	8	33%
1 - 2 Years	5	1	5	0	11	46%
2 - 3 Years	2	1	1	1	5	21%
3 - 4 Years	0	0	0	0	0	0%
Over 4 Years	0	0	0	0	0	0%
Total Attorney General Cases Closed	9	3	10	2	24	100%
Investigations (Average %)						
Closed Within:						
90 Days	83	93	47	64	287	72%
91 - 180 Days	18	30	16	14	78	20%
181 - 1 Year	3	4	1	4	12	3%
1 - 2 Years	0	1	0	18	19	5%
2 - 3 Years	0	0	0	0	0	0%
Over 3 Years	0	0	0	0	0	0%
Total Investigation Cases Closed	104	128	64	100	396	100%

36. What do overall statistics show as to increases or decreases in disciplinary action since last review?

The number of complaints remains consistently small. The low number is attributed to two factors. First, court reporters work in the legal arena and are more aware of the law and the consequences for acting outside the law. Second, the license test is quite difficult, and most licensees are very careful to protect their license and keep it in good standing. An additional factor is possibly the institution of Best Practice Pointers, which are designed to help educate licensees on various areas of practice.

37. How are cases prioritized? What is the board's compliant prioritization policy? Is it different from DCA's *Complaint Prioritization Guidelines for Health Care Agencies* (August 31, 2009)? If so, explain why.

The Board uses the complaint prioritization guidelines from DCA. Under this model, enforcement staff reviews complaints upon receipt to determine the best course of action based on the priority assigned. These guidelines are included as Attachment N.

38. Are there mandatory reporting requirements? For example, requiring local officials or organizations, or other professionals to report violations, or for civil courts to report to the board actions taken against a licensee. Are there problems with the board receiving the required reports? If so, what could be done to correct the problems?

- a. What is the dollar threshold for settlement reports received by the board?
- b. What is the average dollar amount of settlements reported to the board?

The only mandatory reporting requirement is on the license renewal form on which licensees are required to self-report any convictions.

39. Describe settlements the board, and Office of the Attorney General on behalf of the board, enter into with licensees.

- a. What is the number of cases, pre-accusation, that the board settled for the past four years, compared to the number that resulted in a hearing?

No cases settled prior to the filing of the accusation.

- b. What is the number of cases, post-accusation, that the board settled for the past four years, compared to the number that resulted in a hearing?

Of the ten accusations filed, eight were settled prior to hearing.

- c. What is the overall percentage of cases for the past four years that have been settled rather than resulted in a hearing?

Eight settled of the ten accusations filed for 80%

40. Does the board operate with a statute of limitations? If so, please describe and provide citation. If so, how many cases have been lost due to statute of limitations? If not, what is the board's policy on statute of limitations?

The Board does not have a statute of limitations with regard to enforcement. There are statutory requirements for court reporters to retain their stenographic notes. California Code of Civil Procedure 2025.510(e) requires notes of depositions be retained for eight years from the date of the deposition where no transcript is produced and one year from the date on which the transcript is produced. On the official side, California Government Code 69955(e) requires notes to be retained for ten years from the taking of the notes in a criminal proceeding and five years in all other proceedings, except capital felony cases in which case the notes are only destroyed upon court order. If there is a complaint about accuracy of the transcript and the notes have been disposed of in accordance with the statutory requirements, there is nothing for the Board to review. If the court or court reporter continues to retain the notes, however, the complaint is processed normally.

41. Describe the board's efforts to address unlicensed activity and the underground economy.

From the Board's perspective, there are two aspects to unlicensed activity. In the first situation, there are court reporters who neglect to renew their licenses on time but continue to report, which is unlicensed activity from the standpoint that they are working without a current license. The Board issues citations and fines for this violation.

The second type of unlicensed activity relates to foreign corporations who are offering court reporting services in California without authorization. This has become an issue for the Board's enforcement activities. In 2010, the Board received a complaint that U.S. Legal, a Texas-based corporation, was violating CCR 22475(b)(8). After investigation, a citation and fine were issued. U.S. Legal responded via letter denying the Board's jurisdiction to issue it a citation. In April of 2011, the Board brought suit against U.S. Legal for declaratory relief. After a hearing, the Court ruled that although U.S. Legal was rendering court reporting services in California and was in violation of gift-giving regulations, there was no explicit authority in current statute authorizing the CRB to impose citations or fines against U.S. Legal because U.S. Legal was not authorized to do business in California.

California Corporations Code section 13401(c) sets out: "Foreign professional corporation' means a corporation organized under the laws of a state of the United States other than this state that is engaged in a profession of a type for which there is authorization in the Business and Professions Code for the performance of professional services by a foreign professional corporation." There is not authority within the Business and Professions Code for foreign corporations to render court reporting services in California.

As a result of the ruling in CRB v. U.S. Legal, the only remedy against violations by foreign corporations is to prevent the foreign corporations from operating in California since the foreign corporations offering court reporting services in California are successfully refusing to acknowledge or simply ignoring the Board's jurisdiction in the enforcement arena.

In 2017 the Board sponsored legislation to reinstitute firm registration via AB 1660 (Kalra). While the bill made it through the Legislature, the Governor vetoed the bill saying it created a new license category as well as there being a case on appeal that would deal with this issue.

In 2018 the Board again sponsored firm registration legislation via AB 2084 (Kalra). After meeting with the Governor's Office and the opposition, the Board targeted four specific practices relating to the integrity of the transcript that licensees are prohibited from doing and amended AB 2084 (Kalra) to extend that prohibition to non-licensed entities. Specifically, this law prohibits unlicensed individuals or entities providing court reporting services from requesting compensation for a transcript that is not in compliance with the minimum transcript format standards, requesting compensation for a certified court transcript using fees not set in statute, providing a transcript in advance to one party over another, or failing to notify a party of a request to prepare any portion of a transcript including rough drafts and expedites. A violation is punishable by civil fine not to exceed \$10,000 per violation. This bill was chaptered September 21, 2018.

Cite and Fine

42. Discuss the extent to which the board has used its cite and fine authority. Discuss any changes from last review and describe the last time regulations were updated and any changes that were made. Has the board increased its maximum fines to the \$5,000 statutory limit?

Each complaint is considered on a case-by-case basis. Many factors go into the decision of whether to issue a citation and/or fine, including the violation, mitigating circumstances, prior issues (or lack thereof).

The Board has not increased its maximum fines to the \$5,000 statutory limit.

43. How is cite and fine used? What types of violations are the basis for citation and fine?

The cite and fine is used to gain compliance with the statutes and regulations governing court reporting, not as a form of punishment. The most common violations are untimely delivery of transcripts or unexcused failure to transcribe, unprofessional conduct, or working with an expired license (unlicensed activity).

44. How many informal office conferences, Disciplinary Review Committees reviews and/or Administrative Procedure Act appeals of a citation or fine in the last 4 fiscal years?

There have been eight informal conferences since the last sunset review.

45. What are the 5 most common violations for which citations are issued?

The most common violations for which citations are issued include the following:

- Untimely production of a transcript
- Working without a valid license
- Accuracy of the transcript
- Loss of stenographic notes

46. What is average fine pre- and post- appeal?

The average fine pre-appeal is \$1222.73 and post-appeal is \$1160.00.

47. Describe the board's use of Franchise Tax Board intercepts to collect outstanding fines.

Staffing resources are such that this option is currently not used.

Cost Recovery and Restitution

48. Describe the board's efforts to obtain cost recovery. Discuss any changes from the last review.

The Board's policy is to request cost recovery in every instance where the case merits recovery and is ordered by the administrative law judge. Typically, the amount ordered in a cost recovery encumbers costs for the Attorney General's Office only. The Board is generally successful in collecting these amounts, as seen on Table 11.

49. How many and how much is ordered by the board for revocations, surrenders and probationers? How much do you believe is uncollectable? Explain.

As demonstrated in Table 9a, there have been two revocations in the last three fiscal years, three voluntary surrenders, and five placed on probation. Table 11 shows the amounts ordered and collected for those years. Another tool the Board has employed in obtaining full recovery is working with probationers to set up a payment plan over time, rather than demanding the payment in full at the time of the decision.

50. Are there cases for which the board does not seek cost recovery? Why?

Cost recovery is always initially requested, but on a very rare occasion the Board will abandon the request as part of a stipulated settlement.

51. Describe the board's use of Franchise Tax Board intercepts to collect cost recovery.

Staffing resources are such that this option is currently not used.

52. Describe the board’s efforts to obtain restitution for individual consumers, any formal or informal board restitution policy, and the types of restitution that the board attempts to collect, i.e., monetary, services, etc. Describe the situation in which the board may seek restitution from the licensee to a harmed consumer.

There is no statutory authority for Board-ordered restitution. However, the Board has maintained a proactive stance in assisting consumers in receiving money owed to them. The claims are based on fees charged by official court reporters for transcripts, which are regulated by law in Government Code 69950. There are no statutory fee requirements for work performed in a deposition or hearing setting by a freelance reporter.

Table 11. Cost Recovery (list dollars in thousands)				
	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18
Total Enforcement Expenditures	62,550	44,519	63,039	39,613**
Potential Cases for Recovery *	7	0	6	1
Cases Recovery Ordered	4	0	5	0
Amount of Cost Recovery Ordered	9,667.50	0	7,382.50	0
Amount Collected	7,037.35	7,594.99	9,291.41	3,153.09
* “Potential Cases for Recovery” are those cases in which disciplinary action has been taken based on violation of the license practice act.				
** Projected year-end.				

Table 12. Restitution (list dollars in thousands)				
	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18
Amount Ordered	0	0	0	0
Amount Collected	0	0	0	0

Section 6 – Public Information Policies

53. How does the board use the internet to keep the public informed of board activities? Does the board post board meeting materials online? When are they posted? How long do they remain on the board’s website? When are draft meeting minutes posted online? When does the board post final meeting minutes? How long do meeting minutes remain available online?

The Board uses its website, www.courtreporters.ca.gov, to provide transparency into the Board’s activities. It is the Board’s intent to post as much information as possible as more and more people are gaining information via the Internet. On the Board’s website, the public can find out who the Board members are, where and when the Board meets and hold exams, everything from the Board’s history to its current strategic plan. Additionally, applicants can obtain information regarding all three portions of the license examination, from application to grading policies, lists of court reporting schools to examination statistics broken down by school. The Consumer tab gives information on the complaint process, including providing the complaint form, information on disciplinary action taken against licensees, information on how students may complain, and also complete information about the Transcript Reimbursement Fund.

The Board makes every effort to have meeting materials available via the website ten days before the actual meeting date. Minutes from meetings are posted as soon as they are approved by the Board. Minutes from past Board meetings are available back to 2007. Draft minutes are not posted.

54. Does the board webcast its meetings? What is the board's plan to webcast future board and committee meetings? How long to webcast meetings remain available online?

The Board utilizes the services of DCA's Office of Public Affairs (OPA) to webcast its meetings when sufficient Internet services are available at the meeting location and OPA has staff available. The Board prefers to webcast all of their Board meetings but does not webcast task force meetings. The webcasts are available online for a couple years, as DCA's server space is available.

55. Does the board establish an annual meeting calendar, and post it on the board's web site?

The Board does not establish an annual meeting calendar but does post meetings on the Board's website as soon as the date and location are confirmed.

56. Is the board's complaint disclosure policy consistent with DCA's *Recommended Minimum Standards for Consumer Complaint Disclosure*? Does the board post accusations and disciplinary actions consistent with DCA's *Web Site Posting of Accusations and Disciplinary Actions (May 21, 2010)*?

The complaint disclosure policy is set by Business and Professions Code 8010. It provides that information regarding a complaint against a specific licensee not be disclosed until the Board has filed an accusation and the licensee has been notified of the filing of the accusation against his or her license. This does not apply to citations, fines, or orders of abatement, which are disclosed to the public upon notice to the licensee. These are also posted on the Board's website. This is consistent with DCA's complaint disclosure and public disclosure policies

57. What information does the board provide to the public regarding its licensees (i.e., education completed, awards, certificates, certification, specialty areas, disciplinary action, etc.)?

The Board verifies whether a license is in good standing, when it was issued, and when it will expire, as well as an address of record. All disciplinary actions, including citations and fines, are available to the public on the Board website."

58. What methods are used by the board to provide consumer outreach and education?

The Board utilizes its website as the main source of consumer education.

Licensee Board members and the executive officer participate in trade association meetings at local, state, and national levels at their own expense. They also make presentations at career fairs and high school events. Seminars are prepared and given at industry meetings as well as at court reporting schools.

To maximize resources, the Board continually seeks to develop other outreach methods, including renewal form inserts and webinars. Additionally, the Board utilizes an e-mail subscription service to alert interested parties as to Board activities.

Section 7 – Online Practice Issues

59. Discuss the prevalence of online practice and whether there are issues with unlicensed activity. How does the board regulate online practice? Does the board have any plans to regulate internet business practices or believe there is a need to do so?

As far as the practice of court reporting itself, as electronic communication replaces physical paper, the online issue is the verification or authentication of the original transcript. Currently, the original transcript must have an actual “wet” signature or be digitally signed through a service that offers authentication of the signature to ensure there have been no changes to the text of the transcript.

Firms outside of California are web-camming depositions within California utilizing court reporters in other states to produce deposition transcripts that are under the jurisdiction of California courts. This is of concern because there is no oversight of these out-of-state reporters by the Court Reporters Board of California to ensure compliance with California statutes and regulations that protect consumers.

Additionally, the Board is tracking technological advances in forms of videoconferencing as that becomes a more common practice for depositions. Existing laws and regulations continue to apply to the practice and are really not impacted by the online aspect. The Board will continue to monitor trends, however, and take action should the need arise.

Section 8 – Workforce Development and Job Creation

60. What actions has the board taken in terms of workforce development?

As part of the 2015-18 strategic plan, the Board has established the goal of supporting schools’ recruitment efforts in order to preserve the integrity and continuity of the court reporter workforce for consumer protection. Board staff will work with DCA’s Office of Public Affairs to develop a communications plan. Additionally, the student brochure will be updated, and content for the website will be developed. This is of particular importance to the Board as there is a predicted shortage of court reporters, which is explained more fully under the answer to question 64.

61. Describe any assessment the board has conducted on the impact of licensing delays.

The Board has experienced no licensing delays.

62. Describe the board’s efforts to work with schools to inform potential licensees of the licensing requirements and licensing process.

Board staff meets with schools as a group three times a year in conjunction with the practical portion of the license examination. Board staff is also available upon request to speak at court reporting schools at all levels, from beginning classes to more advanced classes.

63. Describe any barriers to licensure and/or employment the board believes exist.

To be very literal, the only barrier to employment is licensure and successful completion of the license exam. The license exam is difficult but rigorously reviewed to ensure it is testing for entry-level skills only.

64. Provide any workforce development data collected by the board, such as:

a. Workforce shortages

Some parts of the U.S. are experiencing a shortage of court reporters, including parts of California. Some deposition firms here are having so much trouble covering their jobs that they are paying bonuses to reporters to take their jobs. Some are even forced to turn to videotaping a deposition without a court reporter being present at all.

The Board is exploring licensing voice writers, which would increase the workforce. The Board looked at and rejected eliminating the requirement to pass California's license exam for those holding a national certification or a license in another state. The Board feels that with the size and complexity of California's judicial system, its current license exam is adequate for ensuring entry-level skills.

b. Successful training programs.

Pass rates for each school are included as Attachment M.

Section 9 – Current Issues

65. What is the status of the board's implementation of the Uniform Standards for Substance Abusing Licensees?

Substance abuse has not manifested itself as an issue with the court reporting industry. The rare cases that appear are dealt with on a case-by-case basis.

66. What is the status of the board's implementation of the Consumer Protection Enforcement Initiative (CPEI) regulations?

The Board has participated in updating and standardizing its enforcement reporting as a part of the CPEI. As demonstrated in the Board's performance measures, enforcement targets have been set and progress is monitored to ensure goals are achieved.

67. Describe how the board is participating in development of BreEZe and any other secondary IT issues affecting the board.

a. Is the board utilizing BreEZe? What Release was the board included in? What is the status of the board's change requests?

The CRB was in Release 3 and is, therefore, not utilizing BreEZe.

b. If the board is not utilizing BreEZe, what is the board's plan for future IT needs? What discussions has the board had with DCA about IT needs and options? What is the board's understanding of Release 3 boards? Is the board currently using a bridge or workaround system?

The Board is working with SOLID, the training division of the Department of Consumer Affairs, to complete a business modernization project which will map out all of the Board's business

services. Upon completion of the mapping process, the Board will be able to see if BreEZe is a fit for its needs or, in the alternative, request bids from outside vendors for the services required.

Section 10 – Board Action and Response to Prior Sunset Issues

Include the following:

1. Background information concerning the issue as it pertains to the board.
2. Short discussion of recommendations made by the Committees during prior sunset review.
3. What action the board took in response to the recommendation or findings made under prior sunset review.
4. Any recommendations the board has for dealing with the issue, if appropriate.

(Following are the issues from the prior oversight committee, the prior committee staff recommendation, and the prior Board's response. Current Board responses are indicated by ** and are underlined.)

Issue #1: Are current license fees sufficient to maintain the Board's long-term fiscal solvency?

Staff Recommendation: *The Committees may wish to consider amending BPC Section 8031 to increase the statutory fee cap for license fees from \$125 to \$250, in order to ensure that the Board retains its solvency and can meet its statutory duties, including funding the TRF. In addition, the Board should explain to the Committees if it is considering raising other fees, such as examination fees, that are not currently at their statutory caps.*

Board Response: As part of its fiduciary oversight, the Board closely monitors the budget and has projected that the Board would need to address an anticipated fund imbalance for fiscal year 2017-18. Having already implemented all cost-savings measures, the Board looked at the various options for increasing revenue. The Board looked at increasing the examination fees, but with a relatively small number of candidates annually, even a Draconian hike in the exam fee would not significantly improve the Board's long-term solvency. The Board has also evaluated the possibility of doing continuing education to increase revenue, ultimately finding that the required increase in staff would not make it cost-effective, nor would it be a mission-critical activity.

Thus, in January of 2015, the Board decided that an increase in the license fee was necessary. The Board is currently at the statutory cap for license fees set in 1951. The statutory cap was reached in 2010. The Board directed staff to look for an author for legislation to change B&P Code section 8031, increasing the fee cap from \$125 to \$250. The Legislative Counsel's Office informed the Board that because a portion of the license fees is used to fund the Transcript Reimbursement Fund, the fee cap increase would actually be considered a tax, requiring a two-thirds vote. While the Board pointed out another board that successfully avoided this tax label with a similar type program, this board and industry and legislative proponents were unable to change the final decision. Despite overall support for the fee cap increase, the Board was unsuccessful in finding an author, but has continued working with consultants from both Senate and Assembly Business and Professions Committees to find a solution to the dilemma.

The timing of a solution is becoming critical as the funding to the TRF is now in jeopardy. Business & Professions Code 8030.2(a) prohibits a transfer being made from the Court Reporters Fund to the Transcript Reimbursement Fund if the transfer will result in reduction of the balance of the Court Reporters Fund to an amount less than six months' operating budget. That is projected to occur as early as fiscal year 2016-17. The TRF comprises roughly one-third of the Board's total budget. If the

TRF were not funded, the Board would be able to accomplish its licensing and enforcement programs for several more years.

Since 1981, the TRF has provided over \$8.5 million in transcripts to those in need.

The Board has been working closely with legislative staff to find a workable solution to the license fee cap issue in order to maintain not only the access to justice provided by the TRF to the most vulnerable of consumers, but also to continue the Board's other mission-critical programs previously mentioned. It is important to acknowledge that in our search for an author to increase the fee cap, every legislator's office we contacted said they could support this bill; however, none were willing to actually author the bill. We respectfully ask the oversight committees to author this bill for us.

** The Board is currently pursuing an increase to license and examination fees via the regulatory process. A regulatory package that would increase license renewal fees from \$125 to \$225 and examination fees from \$25 to \$50 for each portion of the three-part exam was submitted to the Office of Administrative Law (OAL) in April of 2018. The Board voted on the final regulatory package at its July 2018 meeting, and the final package was submitted to the OAL for review in October. It is anticipated the increase will be effective by January 1, 2019.

Issue #2: Should the Legislature amend the \$300,000 amount that must, unless reserves are too low, be allocated to the TRF each year?

Staff Recommendation: *The Committees may wish to consider amending the Pro Bono Program to allow for a review at the end of the Pro Bono Program's fiscal year, June 30th, to see if there are unspent funds in the Pro Bono Program from that year and authorize the Board to transfer leftover funds to the Pro Per Program, which runs on a calendar year. The Legislature could also consider raising the Pro Per Program's statutory cap of \$30,000 per year in order to accommodate more flexibility in how the TRF funds are disbursed. In addition, the Committees should consider whether the Board should be able to transfer less than \$300,000 to the TRF at the beginning of the fiscal year, depending on the TRF fund balance in order to provide the Board with greater flexibility. Lastly, the Committees may wish to require the Board to establish a review program to verify the financial status of applicants, and should explore ways to ensure that recipients of TRF pro per funds are deserving of those funds. For example, the Board could consider ways to limit access to certain types of litigants, such as vexatious litigants who are identified by courts as bringing frivolous lawsuits.*

Board Response: Funded completely from court reporter license fees, the TRF was set up to assist qualified indigent litigants with transcript costs. The fund has two programs. The main fund, set up in 1981, requires indigent litigants to have a pro bono attorney handling the case. In 2011, a two-year pilot project was developed to allow pro per litigants, litigants representing themselves, access to the fund. The pilot project was a success and is now a permanent part of the TRF.

Business and Professions Code 8030.2 requires a transfer of \$300,000 from the Court Reporters Fund to the Transcript Reimbursement Fund at the beginning of each fiscal year. One proposed sunset amendment that would be helpful to the Board and offer greater flexibility would be amending the language to allow for transfers "as needed" up to \$300,000 per fiscal year.

As it relates, the Pro Per Program is capped at \$30,000. Since its inception, that cap has proven to be too low for the demand. It is not uncommon for the funds to be completely allocated only three months into the funding year, requiring applicants to wait well over a year to receive reimbursement. This shortage of funds became so severe it impacted the schedule of litigation in courts, and a Rule

of Court was adopted requiring litigants to receive provisional approval from the TRF within 90 days, find an alternative method of obtaining transcripts, or forfeit their cases. One method of increasing access to the Pro Per Program without increasing the overall transfer to the TRF is to use the calendar versus fiscal year difference between the two programs. The main fund or the Pro Bono Program runs on a fiscal year. The Pro Per Program runs on a calendar year. The total program is capped at \$300,000 per year, of which \$270,000 is given to the Pro Bono Program and \$30,000 to the Pro Per Program. Because the Pro Bono Program rarely utilizes the entirety of the \$270,000 allocated to it, language could be added to the statute allowing for a transfer of non-expended funds from the Pro Bono Program at year end, June 30th, to the Pro Per Program. This would also require an increase to the \$30,000 cap in existing law. As this would be mid-year of the Pro Per Program, many more pro per litigants would be able to receive assistance without added burden to court reporters through higher fees.

The Board notes that there is a legislative staff recommendation for the Committees to require the Board to establish a review program to verify financial status of applicants to ensure that the recipients of TRF pro per funds are deserving of those funds. While the Board applauds the intent behind this recommendation, it is important to note the difficult if not impossible nature of the task to set up fair, accurate, and objective procedures to verify the financial status of applicants to the Pro Per Program with our budgetary and administrative personnel restraints. However, in an effort to ensure the best use of the fund, the Board would seek to prohibit vexatious litigants from having access to the fund. The Judicial Council's duty under Code of Civil Procedure section 391.7 is to maintain the Vexatious Litigant List that is updated monthly. The council has delegated the responsibility of maintaining the list to its staff. Judicial Council staff compiles and disseminates a list of persons against whom pre-filing orders have been entered [or issued]. Publication of this list began in 1991. Only orders filed from 1991 to the present are included on this list. The Board will review this list in an ongoing effort to ensure that those deserving of the funds receive them.

**The Board believes the current level of \$300,000, \$75,000 of which is earmarked exclusively for the Pro Per Program, is the appropriate funding level. The program is currently closed because the Board's fund reserves fell to below six months beginning with the current fiscal year.

Issue #3: Should an extension be granted to continue the TRF for indigent litigants?

Staff Recommendation: The Committees may wish to consider deleting the sunset date for the Pro Per Program if the funding issues can be resolved to ensure the program's solvency. The TRF is a valued program serving the indigent community and that it is vital for the court process to have an extension of the program, thereby increasing access to justice for California's most vulnerable citizens. Has the Board considered developing an alternative funding source that is not statutorily tied to the license renewal fees?

Board Response: The TRF is funded entirely from license fees, using no General Fund money whatsoever. It has helped countless indigent litigants obtain transcripts necessary for their litigation, reimbursing more than \$8.5 million in transcript costs to date. The Board agrees with Legislative staff's analysis that it is a valued program serving the indigent community, helping those in need get access to justice.

The Board sees no harm in the staff recommendation to delete the sunset date for the Pro Per Program, thus reinforcing that it is one program, funding two types of applicants. Clearly, this assumes the funding issues we've been discussing are resolved.

The Board has been able to find no alternate funding source for the TRF that is not tied to license fees and allowed per statute. It is our understanding that the State's General Fund is already stretched to the maximum. Through the State Bar of California, attorneys already have the option for a portion of their license fees to go toward the Bar's pro bono efforts. The Judicial Council could match funds, but it is constantly seeking cost-savings measures and greater efficiencies, and their budget is stretched thin as well. The current situation is truly a win-win situation. Court reporters are completely willing to fund the TRF via license fees, knowing that ultimately these funds will be paid back to them in the form of reimbursement for transcripts, and clearly the qualified indigent litigant who receives the necessary transcripts at no or low cost also benefits.

**The Board believes the Pro Per Program is one way to help ensure access to justice. However, the funding remains an issue.

Issue #4: Is the Board able to enforce court reporting statutes against foreign court reporting corporations?

Staff Recommendation: The Board should continue to monitor the progress of SB 270, which was granted reconsideration to be heard by the Assembly Committee on Business and Profession, and inform the Committees of any issues as the bill moves forward. The Board should explain to the committee if it has considered any solutions to the issues of foreign corporations operating in California without Board oversight.

Board Response: The Board has had a long journey in its quest to ensure all companies offering court reporting services obey the same laws and regulations governing court reporting, starting with convening a task force to explore the issue in 2007. In 2009, the Board supported AB 1461 (Ruskin), which would have clarified that any entity offering court reporting services was required to comply with all laws governing court reporting. That bill ultimately failed.

In 2010, the Board received a complaint against U.S. Legal for violation of gift-giving provisions. After an investigation, a citation and fine were issued, but U.S. Legal denied the Board's jurisdiction. In 2011, the Board brought suit against U.S. Legal for declaratory relief. The Court in that matter found that although U.S. Legal was rendering court reporting services in California and was indeed in violation of the gift-giving regulations, there was no explicit authority in statute authorizing the Board to impose citations or fines against a foreign corporation breaking the law.

The heart of the problem is with the Board's jurisdiction over these corporations. Corporations Code 13410(a) requires professional corporations, defined as those that provide services for which a license is required, be subject to the same rules and regulations as licensees. So while both the Corporations Code and the Business and Professions Code are clear that licensees and professional corporations must be held to all the rules and regulations applicable to the practice of court reporting, the corporations in question claim they are merely "arranging" for court reporting services and not providing them, therefore are exempt from following the law. This would mean pursuing an injunction against each corporation, and the court would need to determine on a case-by-case basis if that corporation were providing court reporting services. Clearly a decision of this financial magnitude would need to be analyzed carefully in conjunction with the Attorney General's Office.

The Board has been exploring many options, and we find ourselves listening to people who are very passionate about their positions on the best course of action. It's the Board's job to sort through the rhetoric and make decisions based on what is ultimately best for the consumer.

One avenue the Board is exploring is firm registration. We anticipate SB 270 (Mendoza) to be amended to include firm registration, which, if implemented, would assist the Board in enforcement efforts regarding court reporting firms. This would not be a complete change for the industry as the Board had registered firms until the early 90s when it decided registering with the Board was duplicative of the filing requirements of the Secretary of State. For many years there were no issues, but increasingly if there are problems, the non-licensee-owned firm points the finger at the court reporter, while the court reporter points the finger at the firm that hired them. We have corporations overbilling, re-formatting transcripts to increase the cost to the litigant, cost-shifting wherein one side unwittingly and unknowingly ends up funding the litigation costs, as well as indulging in excessive and unethical gift-giving.

Court reporting in California is a multi-billion-dollar industry, making it attractive to large out-of-state firms owned by non-licensees. Like other pro-business stakeholders, the Board welcomes business owners. However, in order to protect the California consumer, it is imperative that business owners be held to the same standards set out in California statute and regulation as for licensees.

The Board's job becomes difficult and complex when there are multiple consumers with, at times, competing interests. Certainly when there are opposing viewpoints, there is no way for all sides to win. But the Board is striving to help all interested parties work together to achieve the best possible outcome for the consumers.

Requiring all businesses offering court reporting services to register with the Board with a designation of a licensee to be held accountable would greatly enhance the Board's ability to protect the California consumer from practices outside the law. It is the first step of many to rein in those who do not follow the law.

** The Board sponsored legislation in 2017, AB 1660 (Kalra) to implement firm registration. This bill was vetoed by the Governor. The Board sponsored similar legislation in 2018, AB 2084 (Kalra), which was amended to take a more narrow approach to enforcement vis-à-vis out-of-state corporations. It targets laws pertaining to the handling of the transcript and prohibits specific acts that compromise the integrity of the transcript. Specifically, this law prohibits unlicensed individuals or entities providing court reporting services from requesting compensation for a transcript that is not in compliance with the minimum transcript format standards, requesting compensation for a certified court transcript using fees not set in statute, providing a transcript in advance to one party over another, or failing to notify a party of a request to prepare any portion of a transcript including rough drafts and expedites. A violation is punishable by civil fine not to exceed \$10,000 per violation. This bill was chaptered September 21, 2018.

The passage of AB 2084 (Kalra) will allow the Board to accept complaints for violations by out-of-state firms, a very important step forward for consumer protection. It is hoped that these laws will be followed now that the Legislature has made it clear that they apply to all providers of court reporting services, but if not, the consumer has some recourse.

Issue #5: How can the Board address the pending shortage of court reporters?

Staff Recommendation: *The Board should continue to monitor the issue of workforce shortages, inform the Committees of the biggest obstacles to ensuring an adequate court reporter workforce, and how best to overcome these obstacles. The Committee recommends that the DCA work with the Board to develop content for the website in addition to developing a communications plan.*

Board Response: The Board will continue to monitor all workforce issues. On a positive note, the predicted shortage is several years out, giving the industry and schools opportunity to improve and/or increase recruitment efforts. There are a number of challenges with regard to ensuring an adequate court reporter workforce. First, the demand for captioners, both broadcast and in educational settings, is providing stiff competition for traditional judicial reporters (court and deposition). The FCC requires more and more mandatory captioning of television broadcasts, and needs from the hearing-impaired community have expanded that to closed captioning of movies and live theater events, as well as conventions and meetings.

Second, we have a bit of a generational issue at play. Millennials are less motivated by remuneration and are much more concerned with quality of life and achieving a good work-life balance. While court reporting as a career offers a great deal of flexibility with regard to schedule, school is a rigorous program requiring a measure of fortitude and perseverance.

Third, while court reporting has changed immensely with technological advancements, the stenographic keyboard has not changed, leading many a layperson to believe technology in the form of voice recognition will soon make court reporters obsolete. Nothing could be further from the actual truth. There are areas where voice recognition can be utilized, but it's simply not useful in a captioning or judicial context, where access to communication or access to justice is at stake. The multitude of speakers with a variety of accents and technical subject matter is only accurately captured with the aid of a human brain in the form of a court reporter.

The image problem is likely the easiest to overcome, as the National Court Reporters Association has taken on that particular piece of the puzzle, working with marketing consultants to help update the image with the general public. Their work can be expanded to reaching the newest generation of workers, whether appealing to the constant variety offered or issuing a challenge to see who can make the cut, for instance.

Enrollment and recruitment are the biggest obstacles, and a multi-pronged approach will have to be utilized. Not only is it necessary to target those just entering the workforce, but court reporting is a wonderful second career choice as all the prior work and life experience will increase the odds of success.

The Board has been working with DCA's Office of Public Affairs to develop a communications plan, a portion of which is targeted to supporting the recruitment efforts of schools.

Should the demand for court reporters actually outstrip the supply, the Board can look at several options, including expanding reciprocity of licensing from other states, provisional licensing of students who have passed the qualifying exam and are awaiting a testing date, as well as looking at alternative ways of making the record such as voice writers. It appears to be premature to explore these options at this point, however, as a recent official court reporter position in Sacramento netted 69 applications for the single opening.

The Board will closely monitor the situation and respond as the situation changes to ensure a strong labor force for the consumer.

**Some parts of the U.S. are experiencing a shortage of court reporters, including some parts of California. Some deposition firms here are having so much trouble covering their daily calendars of scheduled depositions that they are paying bonuses to reporters to take their jobs. Some are even forced to turn to videotaping a deposition without a court reporter being present at all.

The Board is exploring the possibility of licensing voice writers, which would increase the workforce. The Board also considered but rejected eliminating the requirement to pass California's license exam for those holding a national certification or a license in another state. It is the Board's belief that with the size and complexity of California's judicial system, the current license exam is needed for ensuring entry-level skills.

Issue #6: How can the Board best address issues relating to examination development?

Staff Recommendation: *The Board should keep the Committees informed about its request to conduct an OA, and continue to explore ways to reduce and recovers its costs for examination development, including, for example, by increasing examination fees which are currently only \$25 per examination. Has the Board considered moving towards a nationally recognized examination provider, which may help reduce Board costs and increase the accessibility of reciprocity for licensed court reporters?*

Board Response: The Board works closely with DCA's Office of Professional Examination Services to develop the written portions of the license exam. Last year, the Board received approval for ongoing exam development costs to help ensure a robust bank of test questions to ensure understanding of the subject matter, not the memorization of answers to rote questions.

Essential to this process is the occupational analysis, which per DCA policy should be conducted every five to seven years in order to ensure that the exam accurately reflects the skills and knowledge that are currently required in the industry. The occupational analysis results in an examination plan outlining the skills and knowledge necessary for an entry level court reporter. Each question on the license exam is directly tied to the most current occupational analysis. The last occupational analysis for the CRB was validated in 2010. In accordance with the policy of conducting a new occupational analysis every five to seven years, the Board has submitted a Budget Change Proposal for one-time funding to complete a new occupational analysis beginning in budget year 2016-17 and finishing in budget year 2017-18. It is reflected in the Governor's budget. The Board is currently working with the Assembly and Senate budget subcommittees to answer questions they have about the BCP.

The Board has considered raising the examination fees, although the relatively low number of candidates will not result in a significant increase in revenue. Clearly, an increase would help offset the cost of the occupational analysis.

The Board has considered moving to a nationally recognized examination provider; however, the national exam is a completely different format from the license test currently used in California. With its long history of consumer protection, California has always had one of the most comprehensive license exams in the country, which is appropriate for one of the largest court systems in the country.

**The Board has conducted an occupational analysis for the two written portions of the exam as well as conducted a survey regarding working speeds for the skills portion of the exam. The Board believes the license exam is truly entry level.

The current fee increase regulation package does include raising the examination fees from \$25 per portion to \$50 per portion, in order to help offset the cost of developing and administering the license exam.

Issue #7: What is the status of BreEZe implementation by the Board?

Staff Recommendation: *The Board should update the Committees about its plan and procedures for the transition to a new system. In addition, the Board should inform the Committees about any costs it has incurred as a result of the original BreEZe project. Does the Board have any updates on potential release dates for a new system? The Board should also inform the Committees about any administrative or fiscal challenges facing the Board as a result of its current database system.*

Board Response: The Board is in Release Group 3. Groups 1 and 2 have already gone live with the BreEZe system. The benefit to being later in the queue means we reap the benefits of lessons learned in prior implementation waves. Currently DCA is evaluating the options for the next release, including whether it would be better to contract with a new consultant or whether there is now enough knowledge in-house to bring the remaining boards and bureaus on line using DCA staff. Until that evaluation is complete and a decision for the best way to move forward is reached, no release date is available.

The year-to-date figure will be unavailable until fiscal year 2015/16 ends, but the projected figure is \$65,305.

The main challenge to using the legacy systems are on the customer service side. For instance, it is unfathomable to licensees and applicants that in 2016 the Board is unable to accept a credit card or debit card for payment of fees.

**The Board is in the process of mapping out its business services to determine if BreEZe's services or the services of an outside vendor would better meet the Board's needs. The process is expected to be completed in the fall of 2018.

Issue #8: **How is the Board and the profession affected by technological advancements?**

Staff Recommendation: *The Board should continue to monitor this issue and inform the Committees about the need for any potential statutory changes to clarify issues relating to online practices.*

Board Response: Court reporters have a long history of embracing changes in technology. In the past 30 years alone, they have moved from dictating notes for a typist using carbon paper to make copies to realtime translation of the spoken word web streamed around the world. These changes do make for challenges as the Board seeks to keep the practice of court reporting within existing statutes. In the case of web streaming to remote locations, for instance, it is possible that the Board will seek statutory or regulatory language to set rules in place on disclosure of who is receiving a feed.

Additionally, the courts are moving toward e-filing, making paper transcripts obsolete. The deposition field will no doubt follow, so the Board will continue to monitor changes to electronic and digital signatures to ensure the integrity of the electronic transcript.

** The newest technological developments involve the growth of remote communication capabilities. As quality and dependability of videoconferencing and web interfaces improve, court reporting is changing to allow parties to participate from multiple locations. Electronic and digital signatures allow for easier deponent review of deposition transcripts.

The Board will continue to monitor changes for the purpose of proposing any legislative changes that may be required in the future.

Issue #9: Are there technical changes to the practice act that may improve the Board's operations?

Staff Recommendation: *The Board should submit their proposal for any technical changes to its practice act to the Senate PB&ED Committee for possible inclusion in one of its annual committee omnibus bills. A technical amendment should be made to correct the name of the Bureau for Private Postsecondary Education in BPC Section 8027(a) and amend DPC 8027 et seq. to correct outdated timeframes. The Committees should also consider repealing BPC Sections 8027(p); 8027.5(ac) and (ad); 8030.2(b); and, 8030.5(c) and (d), which are no longer applicable.*

Board Response: The following technical changes are submitted for possible inclusion in a committee omnibus bill:

1. BPC 8027(n) If a school offers a course of instruction that exceeds the board's minimum requirements, the school shall disclose orally and in writing the board's minimum requirements and how the course of instruction differs from those criteria. The school shall make this disclosure before a prospective student executes an agreement obligating that person to pay any money to the school for the course of instruction. The school shall also make this disclosure to all students enrolled on or after January 1, 2002.
2. BPC 8027(o)(6) ~~On or after January 1, 2005,~~ The school shall also provide to prospective students the number of hours each currently enrolled student who has qualified to take the next licensing test, exclusive of transfer students, has attended court reporting classes.

**Technical changes pertaining to licensing voice writers may be required.

Issue #10: Should the licensing and regulation of CSRs be continued and be regulated by the current Board membership?

Staff Recommendation: *The court reporting profession should continue to be regulated by the current Board in order to protect the interests of the public and be reviewed once again in four years.*

Board Response: Court reporters play an essential role in our judicial system as a neutral third party who creates verbatim transcripts of proceedings in a timely fashion, thus ensuring the appeal rights of all litigants. Under the watchful eye of the Board, court reporters do their best work, and, should any fall short, the Board is available to step in and correct the issue and work to ensure it does not happen again.

The Board embraces its consumer protection mission and has worked hard to parlay scarce and limited resources into the most effective operation possible. The Board works hard to balance the multiple consumer interests that would otherwise be left to the entity with the deepest pockets and strongest power, despite a right or wrong position. The current Board members are actively engaged in their policy-setting duties as well as the enforcement matters that rise to their level. The current Board should continue its dedicated oversight of the court reporting industry for the protection of California consumers.

**Faced with ever-advancing technology and an increasing possibility of a shortage of licensed court reporters, some deposition firms seem willing to push the statutory/regulatory envelope to skirt the law and regulations governing the court reporter industry. It is more important than ever that the consumer continue to have a governmental entity to which they can turn for assistance in the case of a violation of the laws pertaining to the practice of court reporting.

Section 11 – New Issues

This is the opportunity for the board to inform the Committees of solutions to issues identified by the board and by the Committees. Provide a short discussion of each of the outstanding issues, and the board's recommendation for action that could be taken by the board, by DCA or by the Legislature to resolve these issues (i.e., policy direction, budget changes, legislative changes) for each of the following:

1. Issues that were raised under prior Sunset Review that have not been addressed.
2. New issues that are identified by the board in this report.
3. New issues not previously discussed in this report.
4. New issues raised by the Committees.

CRB ISSUE No. 1: Foreign corporations violating court reporting statutes and regulations.

This issue is outlined in the answer to question 41 on page 30.

Since AB 2084 (Kalra) is now law and will be effective January 1, 2019, it is believed that out-of-state firms will comply with at least the specific provisions outlined. If the violations continue, further legislative changes will be considered.

Legislative Action Needed: [none at this time]

CRB ISSUE No. 2: Low pass rate for skills portion of licensing exam.

Historically the pass rate for the skills portion of the license exam has been relatively low, with a higher percentage of first-timers passing. Since 2015, the overall pass rate has dipped even lower, resulting in candidates taking the exam multiple times.

Part of the problem is that so many court reporting programs have closed. From looking at the exam statistics, it is questionable whether the candidates who qualified immediately before their schools closed were, in fact, ready for the exam. This problem is compounded by the fact that those unsuccessful candidates cannot simply return to their programs to continue speed building.

It is incumbent upon the Board to ensure the test is offered as consistently as possible. To that end, each test is meticulously counted out both in word count and syllables. The word count allows the readers to stay on pace while giving the exam. Having a syllabic density of 1.3 to 1.5 ensures the test is neither too easy nor too hard in terms of difficult words. Prospective exams are pre-tested with a group of newly licensed court reporters to gain their feedback in accessing the ease or difficulty of the exam.

At the September 2018 meeting, the Board discussed a variety of options to improve the pass rate. It was decided to offer two tests to the candidates beginning November 2018 through the end of 2020. As a practical matter, one court proceeding and one deposition proceeding will be dictated to candidates at each exam session. Candidates will then have the option of choosing which test they would like to transcribe and offer for grading. This will allow the candidates to essentially have twice as many opportunities to pass the skills portion of the license exam without additional cost to the Board. At the end of the two years, the efficacy of the two-test format will be evaluated.

Legislative Action Needed: [none at this time]

CRB ISSUE No. 3: Shortage or perceived shortage of court reporters.

The supply of court reporters has long ebbed and flowed in response to the market demand. Currently, there appears to be a shortage of freelance reporters, while the courts are able to hire as needed. The perception of a shortage is as problematic as an actual shortage as decisions are made on available information and belief.

The Board has heard the perspective that there is no shortage in court, that the courts are simply refusing to hire sufficient staff. In the freelance arena, the argument has been presented that there is no shortage, just an unwillingness to pay a fair rate. In any case, the Board's concern is that a consumer has a place to go for help with obtaining a timely, verbatim transcript of their judicial proceeding.

Legislative Action Needed: Require all court transcripts to be produced by licensed CSRs, whether from their own notes or transcribed from an audio or video recording.

CRB ISSUE No. 4: Licensees not staying current on legislative changes.

Historically freelance reporters worked for court reporting firms, which acted much like temporary agencies. The firms secured the bookings for depositions directly from the attorneys and subcontracted the actual reporting to their network of individual reporters. While there are a few firms who hire the reporters as actual employees, most firms work with reporters as subcontractors. Firms worked very closely with their reporters, taking responsibility for training the reporters and advising them of changes to legislation governing court reporting.

As the IRS took closer looks at the industry, reporters were urged to work for more than one firm to ensure a true independent contractor status. As computers, copy machines, and printers all became inexpensive enough to become household items, many small court reporting businesses have sprung up, mainly the individual reporter covering their own work, with production taking place right in their home offices.

At the same time, business models were changing nationwide, and large corporations began buying court reporting firms and consolidating them under a single umbrella, with sometimes only regional offices. As the Internet became more commonplace, reporters were quick to jump onboard, and now a majority of transcripts are delivered to offices via e-mail.

This combination of factors has inadvertently caused freelance reporters to work in virtual isolation. Where firms used to be very involved in a reporter's initial training and continued education, many firms now are owned by corporations who possess only a passing knowledge of the legal duties incumbent on a court reporter. Small individual-based firms are often caught up doing things the way they always have.

There are many responsible CSRs who belong to a trade association and/or who stay current on CRB activity. Unfortunately, there is a significant number of reporters who for whatever reason are behind the times. For example: The CRB receives complaints about transcripts that fall outside the minimum transcript format, even though this was passed into legislation in 2000. Improperly formatted transcripts result in higher costs to consumers, unwitting victims who often have no idea they're being overcharged.

The CRB has also received complaints about violations of the gift-giving limitations, part of the professional code of conduct that went into effect in February of 2007. Legal secretaries are selecting court reporters based not on ability and rates, but on the most enticing booking reward offered, passing the higher costs on to their client, the consumer, again, an unwitting victim.

The Judicial Council of California already has recognized the need for continuing education for its court staff, including court reporters. The CRB seeks to ensure consumers are protected in all judicial venues in California, not simply the courts.

Legislative Action Needed: Require mandatory continuing education. This would have little effect on the CSRs who currently belong to trade associations and make an effort to attend seminars or read industry publications. While there are existing avenues for continuing education at no cost, provisions should be included for hardship cases.

Section 12 – Attachments

Please provide the following attachments:

- A. Board's administrative manual. *See Attachment J*
- B. Current organizational chart showing relationship of committees to the board and membership of each committee (cf., Section 1, Question 1). *See Attachment B*
- C. Major studies, if any (cf., Section 1, Question 4). *See Attachments C, E, F and G*
- D. Year-end organization charts for last four fiscal years. Each chart should include number of staff by classifications assigned to each major program area (licensing, enforcement, administration, etc.) (cf., Section 3, Question 15). *See Attachment B*

List of attachments:

- A. School List
- B. Organization Charts
- C. Best Practice Pointers
- D. Strategic Plan 2015 – 2018
- E. Online Skill Examination Policy and Procedures
- F. Occupational Analysis
- G. Speed Survey
- H. Performance Measures
- I. DCA Online Survey Summary
- J. Administrative Manual
- K. Application for Examination
- L. Application for Reexamination
- M. Pass Rates by School
- N. Complaint Prioritization Guidelines