

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0814H.02P  
 Bill No.: Perfected HCS for HB 90  
 Subject: Courts; Fees  
 Type: Original  
 Date: March 28, 2023

Bill Summary: This proposal modifies provisions relating to court operations.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
General Revenue**	(\$1,666,667)	(\$2,000,000)	(\$2,000,000)
General Revenue***	\$0	\$0	\$0
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$1,666,667)</b>	<b>(\$2,000,000)</b>	<b>(\$2,000,000)</b>

\*The current appropriation (12.320) for the Statewide Court Automation program includes a \$2 million General Revenue supplement – which Oversight assumes will continue if the sunset date is extended to 2029 with this proposal.

\*\*Oversight also assumes, should the Statewide Court Automation Fund be extended to September 1, 2029, there will be no transfer of the unexpended balance to the General Revenue Fund after September 1, 2023 as currently required in §476.055.1 RSMo. Oversight notes the balance for Fund 0270 as of December 31, 2022 was \$5,030,475.

\*\*\*Oversight assumes the bill clarifies the pay raises Court Reporters received (or were supposed to receive) on January 1, 2022 from HB 271 (2021). In the fiscal note for HB 271, Oversight assumed the pay increases based on length of employment (5.25%, 8.25%, 8.50% & 8.75%) would be compounded (as they are specified in this bill). In that fiscal note, Oversight made the assumption that the 147 court reporters are distributed evenly on the experience spectrum of 0 years to 21+ years of service and therefore reflected an annual cost of approximately \$2 million to the General Revenue Fund for these raises. Oversight notes the actual fiscal impact could vary greatly depending upon actual years of service (which Oversight does not have) for the court reporters.

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Statewide Court Automation Fund (0270)	\$1,175,595	\$1,410,714	\$1,410,714
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$1,175,595</b>	<b>\$1,410,714</b>	<b>\$1,410,714</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
State Court Automation Fund (0270)*	34 FTE	34 FTE	34 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>34 FTE</b>	<b>34 FTE</b>	<b>34 FTE</b>

\*Oversight notes these are current positions and this bill simply extends the sunset of the Statewide Court Automation fund

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

**§476.055 – Statewide Court Automation**

Officials from the **Office of the State Courts Administrator (OSCA)** assume this proposal extends the expiration dates for provisions relating to the Statewide Court Automation Fund. §476.055 would extend the Statewide Court Automation Fund until September 1, 2029. The Statewide Court Automation Fund’s annual appropriation is approximately \$6.6 million and 34 FTE.

Officials from the **Missouri Office of Prosecution Services** and the **Office of the State Public Defender** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

**Oversight** notes the Statewide Court Automation Fund is a statutorily created fund and was created to build and sustain "an integrated court system that renders geography largely irrelevant...with greater efficiency, wider access, and enhanced accountability" for the litigant and taxpayer. This plan includes installation and ongoing development of Show-Me Courts, Show-Me Jury, Case.net, eFiling, Track This Case, Pay-By-Web, eBench, and other software packages. The fund is set to expire September 1, 2023.

The fund has a court fee of \$7 per case and has received the following receipts during FY19 – FY22:

STATEWIDE COURT AUTOMATION FUND (0270)	
	<u>Receipts</u>
FY 19	\$ 4,205,465
FY 20	\$ 3,889,127
FY 21	\$ 3,632,708
FY 22	\$ 4,500,815
Total	\$ 16,228,115
4 year average	\$ 4,057,029
Source: State Treasurer Fund Activity Reports	

**Oversight** notes the appropriation for the Statewide Court Automation program is made up of General Revenue Funds and funds from the Statewide Court Automation Fund. Below is a history of the expended funds for the last three fiscal years:

STATEWIDE COURT AUTOMATION				
	<u>Appropriation</u>	<u>General Revenue</u>	<u>Statewide Court Automation Fund</u>	<u>Unexpended Fund</u>
FY 20	\$ 7,276,217	\$ 2,000,000	\$ 3,269,800	\$ 2,006,417
FY 21	\$ 7,302,126	\$ 2,000,000	\$ 2,330,611	\$ 2,971,515
FY 22	\$ 7,336,965	\$ 2,000,000	\$ 2,338,534	\$ 2,998,431
Average	\$ 7,305,103	\$ 2,000,000	\$ 2,646,315	\$ 2,658,788
Source: FY 24 OSCA Budget Requests Book				

**Oversight** notes this proposal will extend the program until September 1, 2029. If this proposal is extended, Oversight assumes revenue and expenditures will continue for the fund and will therefore use the average amount, from the tables above, to reflect the fiscal impact over the next 3 years for this fund.

The appropriations for the Statewide Court Automation Fund includes 34 FTE. **Oversight** assumes should this proposal be extended, the 34 FTE will also continue to be funded through the Statewide Court Automation program and will be reflected in the table below.

HA 1 – Title Change

**Oversight** assumes no fiscal impact for this amendment.

HA 3 - §509.520 – Court Pleadings, Attachments, and Exhibits

In response to similar legislation from this year, Perfected HCS for HB Nos. 994, 52 & 984, officials from **Department of Corrections (DOC)** assumed this section prohibits the court from including some personal identifying information in judgments or orders, therefore, making it difficult for staff to verify identity before individual can be accepted for incarceration. This could have an unknown impact.

**Oversight** assumes because the potential for impact is speculative, the DOC will not incur significant cost related to this section of the proposal. If a fiscal impact were to result, the DOC may request additional funding through the appropriation process.

HA 4 - Repeals §217.785 - Missouri Post-conviction Drug Treatment Program

In response to similar legislation from 2023 (SB 276), officials from the **Department of Corrections (DOC)** stated repealing §217.785 will have no financial impact on the department as the court still retains the authority to require an offender to participate in a non-institutional drug treatment program under §559.021 or may sentence an offender to a 120-day sentencing program under §559.036 or §559.115.

In response to similar legislation from 2023, HB 119, officials from the **Office of the State Courts Administrator** assumed the proposal will have no fiscal impact on their organization.

**Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies for this section of the proposal.

HA 5 - §485.060 – Compensation for Court Reporters

In response to similar legislation from this year, HB 537, officials from the **Office of the State Courts Administrator (OSCA)** assumed the court reporters would receive an increase each time they meet a new level of service and calculated the fiscal impact as if each court reporter would reach the highest level of salary throughout their career (21 years or more) and would be increased to the highest annual salary level indicated. Based on 147 court reporters at current salary levels, the fiscal impact would be a cost of at least \$3,272,085 and up to \$8,604,946.

**Oversight** has requested additional information from the OSCA regarding their response to court reporter salaries. Upon the receipt of this information, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note if needed.

**Oversight** notes that the \$22,259.15 is the difference of the rate at the highest year of service (21+ years) less the base salary. OSCA used \$64,643 as a base salary. Oversight will assume court reporters will realize their increase in salary based on the schedule of the years of service:

Current salary		\$64,643
06-10 years of service (initial 5.25% raise)	-	\$68,037
11-15 years of service (...plus a 8.25% raise)	-	\$73,650
16-20 years of service (...plus a 8.50% raise)	-	\$79,910
21+ years of service (...plus a 8.75% raise)	-	\$86,902

**Oversight** notes officials from OSCA provided a previous listing of the current court reporters from 2021, but did not provide a start date (to calculate years of service) for each. Therefore, Oversight will make the assumption that the 147 court reporters are distributed evenly on the experience spectrum of 0 years to 25 years of service.

**Oversight reflected the following cost of the raises in 2021 fiscal note for TAFP HB 271:**

	FY 2022 (6 months)	FY 2023	FY 2024
Personal Service	(\$691,224)	(\$1,432,687)	(\$1,533,165)
Fringe Benefits	(\$233,288)	(\$ 483,532)	(\$ 517,443)
Total Cost to General Revenue	(\$930,975)	(\$1,916,219)	(\$2,050,608)

**Oversight** assumed a fringe benefit rate of roughly 33.75% for retirement, social security, long-term disability, basic life insurance, unemployment compensation, and workers' compensation.

**Oversight notes the actual fiscal impact could vary greatly depending upon actual years of service (which Oversight does not have) for the court reporters.**

**Oversight** assumes it has already reflected the fiscal impact of these pay increases in the fiscal note for TAFP HB 271 in 2021, that were supposed to occur beginning January 1, 2022. Therefore, Oversight will make the assumption that this language is clarifying and therefore will not reflect an additional fiscal impact from this section beyond what Oversight reflected for TAFP HB 271 (2021).

Bill as a Whole as Amended

Officials from the **Missouri Office of Prosecution Services** and the **Department of Mental Health** each assume the proposal will have no fiscal impact on their respective organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for MOPS.

<u>FISCAL IMPACT – State Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
<b>GENERAL REVENUE</b>			
<u>Cost – OSCA – continuation of expenditures (\$476.055)</u>	<u>(\$1,666,667)</u>	<u>(\$2,000,000)</u>	<u>(\$2,000,000)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>(\$1,666,667)</u></b>	<b><u>(\$2,000,000)</u></b>	<b><u>(\$2,000,000)</u></b>
<b>STATEWIDE COURT AUTOMATION FUND (0270)</b>			
<u>Revenue – OSCA – continuation of receipts received from \$7 court fee (\$476.055)</u>	\$3,380,858	\$4,057,029	\$4,057,029
<u>Cost – OSCA – continuation of expenditures (\$476.055)</u>	<u>(\$2,205,263)</u>	<u>(\$2,646,315)</u>	<u>(\$2,646,315)</u>
FTE Change (continuation) – OSCA (\$476.055)	34 FTE	34 FTE	34 FTE
<b>ESTIMATED NET EFFECT ON THE STATEWIDE COURT AUTOMATION FUND</b>	<b><u>\$1,175,595</u></b>	<b><u>\$1,410,714</u></b>	<b><u>\$1,410,714</u></b>
Estimated Net FTE Change (continuation) for the Statewide Court Automation Fund	34 FTE	34 FTE	34 FTE

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT – Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

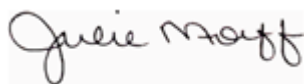
§476.055 – Statewide Court Automation

This bill provides that any unexpended balance remaining in the Statewide Court Automation Fund shall be transferred to General Revenue on September 1, 2029, rather than September 1, 2023, as provided in current law. Additionally, the court fee collected for the Statewide Court Automation Fund shall expire on September 1, 2029, rather than September 1, 2023. Finally, this bill repeals the provision requiring the Court Automation Committee to complete its duties by September 1, 2025, and repeals the expiration date for the provision establishing the Statewide Court Automation Fund and the Court Automation Committee.


This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the State Courts Administrator  
Office of the State Public Defender  
Missouri Office of Prosecution Services  
Department of Corrections  
Department of Mental Health



Julie Morff  
Director  
March 28, 2023



Ross Strobe  
Assistant Director  
March 28, 2023