AMY SHANKLETON-NOVESS (CER 0838) MODERN COURT REPORTING & VIDEO, LLC 101 -A North Lewis Street, Saline, Michigan 48176

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Dated: October 22, 2019

RE: Support for Michigan House Bill 4329

TO: Michigan Legislature Judiciary Committee Members

Hon. Graham Filler, Chair

Hon. Beau LaFave, Vice-Chair

Hon. Diana Farrington

Hon. Gary Howell

Hon. Steven Johnson

Hon. Daire Rendon

Hon. Ryan Berman

Hon. Douglas Wozniak

Hon. David LaGrand

Hon. Vanessa Guerra

Hon. Brian Elder

Hon. Tenisha Yancey

Hon. Kyra Bolden

Dear Michigan Representatives:

Thank you for taking your time to listen to us and consider our House Bill 4329.

The most important thing I hope you might go away with today is companies like mine, Modern Court Reporting & Video, LLC presently has about 5 stay-at-home transcribers. Were this bill to be passed I envision hiring, training and mentoring at least 4 or 5 more personnel. In our experience it takes at least 1-2 years for even a seasoned typist, usually with an associate's or paralegal degree or court /legal background to become proficient in typing court transcripts.

Having been grandfathered as a court recorder in 1979 I have had the privilege of being an official recorder at district and circuit courts, and as a substitute for an FMLA at probate court. I now own a court recording/transcription company. Presently we transcribe, certify and file court proceedings for 14 counties.

When I first started my business in 1988 we were recording and transcribing with audiocassette tapes and typing on IBM Selectric typewriters. In the early 90's courts started using videocassette recorders, often eliminating the court reporter/recorder positions and the court clerks operated the equipment. The tremendous costs of installing video recordings was justified by eliminating many of the recorder/reporter positions and utilizing court clerks to run the equipment.

Such freelance investment reaped huge cost savings to courts:

Personnel salaries incl. benefits:

about \$55,000 each position

Savings to the court were afforded in the 1990's by my company's purchasing expenses:

3 video transcribers at about \$1000 each = \$3,000.00

Computer systems: about \$3,000.00

furniture: \$00.00

In the early 2000's the courts started installing digital software to record proceedings. Many courts did not have in-house certified recorders to transcribe the proceedings so companies like mine have been fulfilling this need. This situation has been a tremendous savings to the courts in personnel salaries, benefits and overhead; overhead being the cost of computers, printers, software, office furniture and office space. IT services are provided by court/county personnel for the official court recorders. Freelance companies like mine are providing transcripts at our own costs as indicated later.

The early 2000's to present expenses for Modern Court Reporting & Video, LLC has afforded estimated savings to Michigan courts. My investments in the last 18 years are estimated as follows:

Update computers and printers (I'm on my 9th computer system) estimate:	\$10,000.00
Proprietary software and upgrades	1,500.00
(Laptop computer for working at home evenings, this choice is mine, of course)	600.00
I.T. computer expert at \$100.00/hour average about 6 hours a year	600.00
Ergonomic chairs at \$250 each (2 - one-time purchase)	500.00
Ergonomic keyboards at about \$75 each -replace every year and a half	75.00
Wireless headphones - (2 at \$275, two typists one-time purchase)	550.00
Our investment:	\$13,825.00

This tremendous cost of investment is not able to be passed on to the customers as is typical business practice via increase in prices since we are at the same statutory page rate as we were in 1986. We are forbidden by statute to charge a higher rate per page for official transcripts generating from Michigan courts.

I would offer the following information:

COST TO PRODUCE A 200 PAGE TRANSCRIPT TODAY.

COST TO PRODUCE A 200 PAGE TRANSCRIPT TODAY:	
My (1099) transcriptionist at \$1.65 per page x 200 pages	\$330.00
(as opposed to 90 cents per page in 1986 = \$180.00)	
Printing 200 pages x 3 (original and 2 copies) = (paper cost	6.24
(1 carton paper, 5000 pages = \$52.00)	
Toner: 600 pages = (1 toner, \$85 for 3000 page cassette=.028 per page) =	
Covers, 3 at .70 each	2.10
Phone/internet (at \$4.50 per day, x 2 days)	9.00
Cost to produce a 200 pages transcript:	\$364.33
I usually bill the 200 pages x \$2.35 per page	\$470.00
Net income for this transcript if I proofread and process it myself taking 4.5 hours:	

I have to proofread and process the 200 pages from my typist, taking about 3.5 hours (If I sign my name to the transcript, I proofread it, this is uncompensated time to me)

If I pay Kristen to proofread 200 pages = about 3.5 hours at \$15.00/hr. \$52.50 My net income for a 200 page transcript if Kristen proofreads it: \$53.17 Out of that I still pay: Overhead expenses

License/CER certification: \$30.00 annually

Worker's comp, unemployment, medical insurance and social security income for my employee

Utilities: heat, water and trash removal, etc.

My own social security, medicare and income taxes

I, personally, have a unique perspective on the court reporting profession, having worked at all levels of state trial courts and as a freelance business owner. I understand the situations, pressures, and frustrations that arise from both court employees and freelance recorders. The expert services we provide are a great convenience and cost savings to the courts, the bar and our communities. Our professionally prepared transcripts are mandated and regulated by Michigan statutes. Court recorders' and reporters' expertise and hard work make sure the wheels of justice keep turning.

It should be noted that the State of Michigan contracts through LARA for about 30 various state bureaus/agencies averaging \$3.00 per original page. Many contracts do not specify what the copy rate for the parties may be which is arbitrary to the transcription company.

Attached is a breakdown of the page rates in other states. This information is gleaned from the National Center for State Courts' site, as of December 31, 2018.

We would respectfully request this committee and the Michigan Legislature approve House Bill 4329 for an increase and submit to Governor Whitmir for signature with a path to immediate implementation.

Thank you for your consideration and support of the court reporters, recorders and transcribers in the wonderful state of Michigan.

Yours truly,

Amy Shankleton-Novess

Owner, Modern Court Reporting & Video, LLC

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SCAO firm #08228

TRANSCRIPT RATES BY STATE* as of December 31, 2018

Federal Court (no copies are usually produced): \$3.65 per page

(*Information obtained from National Center for State Courts at: but

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		Original	Сору
Alabama:		\$3.50	.50
Arkansas:		\$4.10	<u>.50</u>
Colorado:		\$2.35	.50
Connecticut		\$3.00	(some stipulations)
D.C.		\$3.65	.90
(mirrors F	ederal rates)		
Delaware		\$3.00	\$2.00
Georgia		6.00	\$1.51
(original + 2)			
Hawaii		\$3.25	\$1.50
Idaho		\$3.25	
Indiana	(varies by county)		
Kansas		\$3.50	.50
Louisiana	(varies by district)		
Maine		\$3.00	.50
Maryland		\$3.00	.50-1st copy; .25-2d copy
Massachusetts		\$3.00	1.00 (.75 if party is indigent)
MICHIGAN		\$1.75	.30
Minnesota		\$.50	.10
(Judges per district	may set rates)		
	local organization:	\$2.00	.50
for other pa		\$2.50	
Nebraska		\$3.25	.50
Nevada		\$3.55	.55
(indigent or pro bone	o representation:	\$2.75	.55
	for appeals	\$3.00	Not stated
	Non appeals	\$2.75	
New Jersey		\$3.97	.66
North Dakota		\$1.90	.35-first copy; 2nd copy: .15
Oklahoma		\$3.50	
	copies, no charge fo		
Oregon		\$2.50	.25
Pennsylvania		\$1.25	.30
(If county provides	copy:)	\$2.00	
South Carolina		\$3.25	.75
South Dakota		\$3.00	.40
Tennessee		\$3.00	(included in original rate)
Utah		\$4.50	(1 copy Included in original rate)
Vermont		\$2.65	not stated
West Virginia		\$2.85	\$1.00
		\$1.50	.50