

AGENDA ITEM

NOVEMBER 141

Schedule of Charges and
Deadlines for Accredited
Law Schools - Proposed

DATE: October 27, 2008

TO: Members, Board of Governors
Members, Board Planning, Program Development and Budget Committee

FROM: The Committee of Bar Examiners
Gayle Murphy, Senior Executive, Admissions

SUBJECT: Schedule of Charges and Deadlines for Accredited Law Schools –
Proposed

EXECUTIVE SUMMARY

The Committee of Bar Examiners (Committee) is charged with the responsibility of accrediting law schools in California. In order to appropriately administer the program, fees are collected for the services provided to the law schools. The last increase in fees was in 2006. The Committee proposes that the fees charged to accredited law schools be increased so that they are paying the same fees charged to unaccredited law schools for the same services and with the eventual goal of having the program self-supporting. Historically, other fees that are collected through the admissions process have subsidized the law school accreditation and registration functions. The Committee considered this matter and adopted, subject to approval by the Board of Governors, the fees that will be charged for services related to accrediting law schools in California, which, if approved by the Board, would become effective January 1, 2009.

BACKGROUND:

The Committee of Bar Examiners (Committee) is responsible for the accreditation of law schools in California. In order to appropriately administer the program, fees are charged to the law schools for the services provided. The last increase in the fees charged was implemented in 2006. The fees collected have never fully supported the program, which is subsidized by the fees collected for other functions administered by the Office of Admissions, such as the fees required to apply for registration, examinations and moral character. Several years ago, the Committee determined that the fees should be increased over time with the eventual goal of making the program self-supporting. To do so at this time, however, would put an undue burden on the schools. Attached for your information as Attachment A is a copy of the current law school fees charged to accredited law schools.

Last year a schedule of charges and deadlines was adopted for registered unaccredited law schools, which became effective January 1, 2008. Attached for your reference is a copy of that schedule marked as Attachment B. The fees collected in connection with this program assist in the Committee's commitment to eventually making the educational standards department fully funded through the fees collected for law school registration and accreditation. It would be appropriate at this time to adjust the fees charged for services provided to accredited law schools to conform to the fees charged to unaccredited law schools.

SUMMARY OF PROPOSAL:

The hourly rate for services provided accredited law schools currently is \$165.00. This rate was implemented in 2006. The hourly rate for services provided registered unaccredited law schools currently is \$200.00, which was approved by the Board of Governors last year for implementation January 1, 2008. The hourly fee was arrived at by dividing the total cost of the department by the number of staff hours in a year. It is recommended that the hourly rate for services provided to accredited law schools be increased to \$200.00, so that it is the same for both categories of law schools.

In proposing the adoption of the hourly rate of \$200.00 for services provided to registered unaccredited law schools last year, it was estimated that only about one-half the expenses of the Educational Standards Department in 2008 will be covered by those fees and the fees currently charged accredited law schools. Increasing the hourly rate for services rendered to accredited law schools effective January 1, 2009 to parallel the hourly rate charged registered unaccredited law schools continues the Committee's efforts to offset program expenses by program fees to the extent reasonably possible.

The proposed increase in the filing fee for annual reports from \$700 to \$1,500 is to also make it comparable to what is charged to registered unaccredited law schools. Approximately seven to eight hours, on average, is spent by staff in its review of each accredited law school's annual report and preparing a report for the Educational Standards Subcommittee and Committee. The charge of \$1,500 equals 7.5 hours of staff time at \$200.00 an hour. Current rates for registered unaccredited law schools range from \$500.00 for law schools with enrollments of nineteen or fewer students to \$1,000.00 for law schools with enrollments of 200 or more students. If this fee is approved by the Board of Governors during this meeting, the affected law schools will have a year to budget for the increased fee, as the new fee would not be due until November 2009.

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Finally, the fee schedule requires that the initial deposit for responses to notices of deficiency be raised to \$800.00. This is not an increase in fees because it is merely an initial deposit. The change merely synchronizes this amount with the amount registered unaccredited law schools are required to pay with their responses to notices of noncompliance.

Attachment C contains the proposed fees for purposes of the Schedule of Charges and Deadlines, which is the new format required under the new *Accredited Law School Rules* that were previously approved by the Board of Governors for implementation January 1, 2009.

EFFECTIVE DATE OF PROPOSAL:

If approved by the Board of Governors, the proposed fees would become effective January 1, 2009.

FISCAL AND PERSONNEL IMPACT:

Revenue related to educational standards department's visitation to law schools, annual report reviews and consulting in 2008 is expected to total approximately \$120,000. The 2008 expense budget for the Educational Standards business unit is approximately \$317,000, which does not include indirect or overhead expense. The 2009 budgeted expense is \$343,173, plus an indirect cost of \$105,299 that has been allocated to that department. If the new fees are approved, anticipated 2009 revenue will be approximately \$185,000.

BOARD BOOK/ADMINISTRATIVE MANUAL IMPACT:

None

RULE AMENDMENTS:

The Schedule of Law School Fees, which is currently an appendix to the *Rules Regulating Accreditation of Law Schools in California*, would be superseded and replaced by the Schedule of Charges and Deadlines, which is an appendix to Title 4, Division 2 of the *Rules of the State Bar of California, Accredited Law School Rules*. The *Accredited Law School Rules* were previously approved by the Board of Governors for implementation January 1, 2009.

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PROPOSED BOARD COMMITTEE RESOLUTION:

Should the Board Planning, Program Development and Budget Committee agree with the Committee of Bar Examiners' recommendation to repeal the current Schedule of Law School Fees and approve the proposed accredited law school fees, the following resolution would be appropriate:

RESOLVED, upon recommendation of the Committee of Bar Examiners, that the Board Planning, Program Development and Budget Committee recommends that the Board of Governors of The State Bar of California repeal the current Schedule of Law School Fees and approve the proposed Schedule of Charges and Deadlines, which is an appendix to Title 4, Division 2 of the *Rules of the State Bar of California, Accredited Law School Rules*, in the form attached and made a part hereof, to be effective January 1, 2009.

PROPOSED BOARD RESOLUTION:

Should the Board of Governors concur with the recommendation of the Board Planning, Program Development and Budget Committee, adoption of the following resolution would be appropriate:

RESOLVED, upon recommendation of the Board Planning, Program Development and Budget Committee, that the Board of Governors of The State Bar of California hereby repeals the current Schedule of Law School Fees and approves the proposed Schedule of Charges and Deadlines, which is an appendix to Title 4, Division 2 of the *Rules of the State Bar of California, Accredited Law School Rules*, in the form attached and made a part hereof, to be effective January 1, 2009.

