

Variance Report by Line Item - as of June 30, 2016

Item	Cost Center	Object Code	Account Description	2016 YTD Actual	2016 YTD Budget	2016 YTD Variance: (unfavorable)/favorable	2016 YTD Variance in %	2016 Annual Budget	Explanation
a) Variance - Budget Amendment Required:									
1	29002	36030	AB 145 Filing Fee - EAF	(855,000)	(1,849,998)	(994,998)	54%	(3,699,996)	The variance is due to: Budgeted revenues were allocated evenly over a 12-month period vs. the grant distribution schedule. In addition, the AB 145 filing fee revenues were estimated based on the number of cases filed with the court. Expected revenues for 2016 will be lower than 2015. Staff recommends reducing the budget by \$645K.
2	29002	36050	Ptnr Grant - AB145	(380,000)	(225,000)	155,000	-69%	(450,000)	The variance is due to: Budgeted revenues were allocated evenly over a 12-month period vs. the grant distribution schedule. In addition, the revenues were estimated based on the contract. Expected revenues for 2016 will be lower than 2015. Staff recommended reducing the budget by \$70K.
3	29002	47110	Grants Expenses	7,037,208	7,500,000	462,792	6%	15,000,000	The variance is due to: Budgeted expenses were allocated evenly over a 12-month period vs. the grant distribution schedule. In addition, the AB 145 filing fee revenues were estimated based on the number of cases filed with the court. The reduced revenues for 2016 compared to 2015 will be mirrored in grant expenses. Staff recommends reducing the budget by \$800K.
4	37	38600	BoA Settlement	(44,728,659.00)	-	44,728,659.00	100%	-	In February 2016, as a result of a settlement between the U.S. Department of Justice and Bank of America, Bank of America awarded the Legal Services Trust Fund Program (LSTFP) approximately \$44.73 million for administration of grants to legal services organizations to provide foreclosure prevention legal assistance and community redevelopment legal assistance. The LSTFP Commission funded seven community redevelopment and six foreclosure prevention projects, totaling nearly \$3 million. The Commission allocated another \$4 million for 2017 grants, and for supporting grantee participation in thoughtful planning to ensure the most effective use of the remainder of the funds over the next several years. Budget amendment is required.
5	28006	38600	BoA Settlement	(2,485,197.43)	-	2,485,197.43	100%	-	
6	28007	38700	Citi Settlement	(3,600,000.00)	-	3,600,000.00	100%	-	
7	28006	47110	Grants Expenses	2,253,879.00	-	(2,253,879.00)	100%	-	
8	28007	47110	Grants Expenses	1,878,911.00	-	(1,878,911.00)	100%	-	
b) Follow-Up From Adopted Board Resolutions - Required Budget Amendment:									
9	27001	46010	CSF Applications Paid	4,214,106	3,000,000	(1,214,106)	-40%	6,000,000	Escalated payments on CSF applications. This is the result of General Counsel clearing 10 years of backlogged judgments and the transfer of \$2.02 million to devote additional resources to support the CSF payouts in 2016. Budget amendment is required.

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c) Variance - Result of Timing, Self Correcting:									
10	10	30110	Mandatory Membership Dues	(63,683,400)	(63,900,000)	(216,600)	0.34%	(64,500,000)	Dues collected as of June 30, 2016 are slightly lower than last year. Approximately 98.5 of members paid on time in 2015 compared to 95.3% in 2016. Staff will continue on monitoring the collection process.
11	20009	31210	Applic. Fees-New July	(5,072,394)	(5,370,000)	(297,606)	5.54%	(5,370,000)	600 fewer applicants applied to take the July exam, a drop of 6% over last year. This may be due to timing. Staff will monitor the status and will report back to the Board at the next meeting.
12	23350	42190	Repairs and Maintenance- Build	60,382	189,498	129,116	68%	378,996	Due to timing of payment. No amendment is needed.
13	23350	42320	Electric	91,396	216,000	124,604	58%	432,000	Due to timing of payment. No amendment is needed.
d) Variance - Over/Underspending, Corrected with Internal Reallocation:									
14	23600	40110	Salaries - Regular	1,195,968	1,369,848	173,880	13%	2,968,004	Favorable variance due to delay in hiring.
15	23001	40110	Salaries - Regular	1,109,541	1,288,572	179,031	14%	2,791,904	Salary savings resulting from vacancies.
16	10310	40110	Salaries - Regular	9,152,285	9,863,862	711,577	7%	21,371,700	Salary savings resulting from vacancies.
17	10310	40115	Salaries - Special	120,000	-	(120,000)	-	-	Severance payments.
18	10310	40150	Fringe Allocation	2,502,319	2,642,676	140,357	5%	5,725,798	Benefit savings resulting from vacancies.
19	10310	40159	Misc. Benefits	-	103,572	103,572	100%	224,404	Severance is budgeted to this line but being paid from Special Salaries.
20	23600	40160	Temporary Outside Help	446,654	91,950	(354,704)	-386%	183,900	Higher temp costs due to delayed hiring for salaried positions.
21	10310	40160	Temporary Outside Help	239,382	404,100	164,718	41%	808,200	Lesser need than budgeted. Expected savings of \$200K.
22	35	42010	Building Improvements	182,233	-	(182,233)	-	-	Unbudgeted expenses: HVAC upgrade. Costs will be covered by GF savings from indirect cost allocation.
23	19009	43510	Professional Services	-	158,598	158,598	100%	317,196	Budget was for SharePoint, but the project was put on hold. The rest is for the Web Portal project where professional services have been used for the migration of the new site design to be implemented.
24	23101	43510	Professional Services	175,309	600,048	424,739	71%	1,200,096	Auditor's fees for 2015 are approx. \$250K lower than expected.
e) Variance - Others									
25	28002	32510	Client Trust Account Revenue	(3,071,937)	(2,500,002)	571,935	-22.88%	(5,000,004)	IOLTA interest remitted to State Bar is higher as a result of higher IOLTA trust account balance. Amendment is not required until the IOLTA Committee makes the grant distribution decision later this year.
26	79001	33610	Sections Atty. Membership Fees	(696,027)	(566,100)	129,927	-22.95%	(566,100)	Increase in Section dues from \$75 in 2015 to \$95 in 2016. The variances could be due to timing. Staff will monitor the budgetary condition and will bring to the Board for amendment at the next meeting when appropriate.
27	88001	38300	All Other Miscellaneous	(570,833)	(307,548)	263,285	-86%	(615,096)	This item involves the reserve in Sections Fund 88. Staff are still in progress of identifying the sources of the revenues and reserve balance in this Fund. Staff will bring recommendation to the Board at the next meeting.
28	88001	39550	Net revenue sharing	627,030	355,500	(271,530)	-76%	711,000	This item involves the reserve in Sections Fund 88. Staff are still in progress of identifying the sources of the revenues and reserve balance in this Fund. Staff will bring recommendation to the Board at the next meeting.