

AGENDA ITEM

143 NOV

DATE: November 14, 2013

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

FROM: John Chiappetta, Director of Budget and Performance Analysis

SUBJECT: Year End Budget Adjustments

EXECUTIVE SUMMARY

This agenda item requests year-end budget adjustments for the Sections and Legal Specialization funds. These include adjustments to address “mark-to-actuals” in the indirect cost allocation formula (\$325,000 in Sections and \$160,000 in Legal Specialization), and the correction of inadvertent under-budgeting of travel/catering and outside services in Sections (by \$300,000 and \$90,000) respectively. These are technical adjustments and do not represent any change in policies or programs. Both funds have adequate resources to accommodate these adjustments.

BACKGROUND

Every year, the Bar allocates approximately \$25 million in support costs to its operating units according to an indirect costing formula. The bulk of these costs are borne by the General Fund, but the formula assigns about 25% to other funds. When the budget is prepared, staff estimates the amount each fund will be assessed. As the year draws to a close, staff reevaluates those estimates and, when necessary, requests that budgets be adjusted to accommodate the actual assessments.

Original estimates indicated that the Sections and Legal Specialization funds would be assessed smaller amounts than in prior years. At this point in the year, however, it appears that their assessments will be about the same as in previous years. Staff is requesting that the budgets in these funds be increased by sufficient amounts to accommodate these assessments: \$325,000 in the Sections Fund and \$160,000 in the Legal Specialization Fund.

In addition, in the Sections Fund, travel/catering and outside services were inadvertently budgeted at levels noticeably lower than in previous years. Staff requests these items be increased by \$300,000 and \$90,000 respectively, to bring them into line with prior years' budgets and actual spending.

FISCAL / PERSONNEL IMPACT:

This action would increase the budget in the Sections Fund by a total of \$715,000 and in the Legal Specializations Fund by \$160,000. Both funds have adequate resources to support these increases.

BOARD BOOK IMPACT:

None

RECOMMENDATION

Staff recommends that the Committee on Planning, Program Development and Budget and the Board of Trustees authorize the budget amendment described above.

PROPOSED BOARD COMMITTEE RESOLUTION:

Should the Planning, Program Development and Budget Committee agree with the above recommendation, the following resolution would be appropriate:

RESOLVED, that the Planning, Program Development and Budget Committee recommends that the Board increase the budget in the Sections Fund by a total of \$715,000 and in the Legal Specializations Fund by \$160,000.

PROPOSED BOARD OF TRUSTEES RESOLUTION:

Should the Board concur with the Planning, Program Development and Budget Committee's recommendation, the following resolutions would be in order:

RESOLVED, that upon the recommendation of the Planning, Program Development and Budget Committee, the Board hereby amends the 2013 budget to increase the budget in the Sections Fund by a total of \$715,000 and in the Legal Specializations Fund by \$160,000.