

AGENDA ITEM

142 July 18 2014

DATE: June 16, 2014

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

FROM: Gayle Murphy, Senior Director, Admissions
Natalie Leonard, Director, Legal Specialization

SUBJECT: Proposed Rule Change to Schedule of Charges and Deadlines for Dual Specialists

EXECUTIVE SUMMARY

In order to encourage qualified attorneys to seek multiple specialties and to recognize these attorneys' commitment to the profession, the California Board of Legal Specialization (CBLIS) proposes that the Schedule of Charges and Deadlines be adjusted to allow certified specialists who hold certificates of specialization in more than one area of law to pay a reduced fee for any certified specialty in an additional area of law beyond the first certified specialty. Currently, certified specialists pay a full annual fee for each certified specialty in which they hold a certificate of specialization.

Specifically, the CBLIS suggests that a certified specialist holding certificates of specialization in two or more areas of law would pay the full annual fee of \$360 for the first specialty and a reduced annual fee of \$180 for any certificate of specialization in additional area of law held during that same year.

The Legal Specialization Program is self-funding and the program is expected to have sufficient funds if this dues adjustment is implemented.

ISSUE

Whether to adjust the Schedule of Charges and Deadlines to allow certified specialists who hold certificates of specialization in two or more areas to pay a full annual fee for the first certificate of specialization and a reduced annual fee for any additional certificate of specialization beyond the first area of law.

CONCLUSION

The Board of Trustees should adopt the adjusted Schedule of Charges and Deadlines allowing certified specialists who hold certificates of specialization in more than one field to pay a reduced fee for certificates of specialization in any area of law beyond the first area.

DISCUSSION

The legal specialization program is a special fund program that is required to be self-funding. It offers certification in eleven legal specialties.

Certification encourages attorney competence and protects the consumers by offering a way to independently assess an attorney's proficiency in the specialty area.

Currently, the annual fee for certified specialists is \$360 per certified specialty. Some attorneys in the program have earned certificates of specialization in more than one area of law. When they do so, they are required to pay annual fees of \$360 per specialty each year.

To encourage attorneys specializing in more than one area of the law to earn additional certificates of specialization, the CBLs proposes that certified specialists pay the full fee for their certificate of specialization in the first area of law and a reduced fee for additional certificates of specialization in additional areas of law.

Specifically, an attorney would pay the annual fee of \$360 for the first certificate of specialization, and a fee of \$180 be charged for any additional area of specialization, instead of the current fee of \$360.

A similar adjustment is proposed to the fee for who are certified in a second area of law during the middle of a calendar year. Currently, individuals who are certified for the first time between July 1 and November 30 pay a reduced annual fee of \$200 for that calendar year, which is 55% of the full year dues. Consistent with this reasoning, a fee of \$100 is proposed for those who earn a second specialty after July 1 in a given calendar year, since \$100 is approximately 55% of \$180.

Eighty-five certified specialists hold two or more certificates of specialization. The types of dual certification are as follows: taxation/estate planning, trust and probate (65), criminal/appellate (7), family/appellate (3), and family/estate planning, trust and probate (3); taxation/immigration and nationality (1), family/bankruptcy (1), family/workers' compensation (1), family/criminal (1), bankruptcy/estate planning, trust and probate (1), workers' compensation/admiralty (1), and appellate/legal malpractice (1).

The proposed amended schedule of fees is attached.

FISCAL / PERSONNEL IMPACT:

The revenue impact can be estimated for the current year based on the total number of dual specialists as noted in this chart:

Revenue Impact – Reducing Annual Fee for Certified Specialties Two and Beyond

Current # of Dual Certified Specialists	Current Annual Fee for a Dual Certified Specialist	Total Revenue	Proposed Total Annual Fee for Two Specializations	Proposed Revenue	Projected Revenue Decrease versus Current Annual Fee Structure
85	\$720	\$61,200	\$540*	\$45,900	\$15,300

While reducing the fees for additional specialties beyond one would result in an overall decrease in revenue for the legal specialization program, the change conforms with the program's goal to increase public protection by encouraging certification, and the program would still be able to cover its costs after this decrease is taken into account. Note that the legal specialization program is a separate fund program that does not use general funds.

RULE AMENDMENTS:

None

BOARD BOOK IMPACT:

None

RECOMMENDATION

The CBLS recommends that the Planning, Program Development and Budget Committee recommend that the Board of Trustees adopt the proposed amendments to the schedule of charges and deadlines, which would allow attorneys who hold more than one certificate of specialization to pay a reduced fee for any additional certificates of specialization in additional areas of law beyond the first area of law.

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 adopt the revised Schedule of Fees and deadlines, as attached hereto, which will allow certified specialists who hold certificates of

specialization in more than one area of law to pay a full annual fee for the first certificate of specialization and a reduced fee for any certificate of specialization in an additional area of law, effective immediately.

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 adopts the revised Schedule of Charges and Deadlines, as attached hereto, which will allow certified specialists who hold certificates of specialization in more than one area of law to pay a full annual fee for the first certificate of specialization and a reduced fee for any certificate of specialization in an additional area of law, effective immediately.