

AGENDA ITEM 702

January 26, 2017

DATE: January 26, 2017

TO: Members, Board of Trustees

FROM: Leah Wilson, Chief Operating Officer

SUBJECT: Adoption of the 2017 Budget

EXECUTIVE SUMMARY

This agenda item presents the proposed budget for 2017; the Executive Committee approved the proposed budget on behalf of the Board on January 16, 2017. The Board is asked to approve the budget as well, including any changes that have been made since the January 16 Executive Committee adoption, as highlighted herein¹.

Whereas in prior years the State Bar has presented three year budgets which are updated annually, due to the significant uncertainty regarding the Bar's budget outlook for 2018 and beyond, as well as the need to revisit the utility of multi-year budgeting overall, the Board of Trustees is asked to consider and approve a one-year budget only at this time.

The overall proposed 2017 budget of \$164.7 million represents a 12.7 percent increase from the \$146.1 million 2016 budget, and is reliant on the use of reserves due to the reduced level of the authorized 2017 licensing fee, and one-time costs associated with the advancement of key initiatives and Board directives. The budget is built using the cost allocation methodology approved by the Board in 2016, including the allocation of capital improvement costs associated with the Bar's Howard Street location. Increased overall expenses specifically relate to significant staffing augmentations in the Office of the Chief Trial Counsel, increased grant distribution due to bank settlement funding, the implementation of the discipline system case management system (CMS) project, Reduction in Force (RIF) Program separation payments, and a significant increase in Legal Specialization (LS) program funding in accordance with a Board directed spend down of program reserves. Approval of the proposed budget will result in \$18.7 million in spending from the Bar's reserves across all Funds. Much of this reserve spending was planned and does not impact the Bar's Consolidated General Fund. Further, this reduction to the reserves will not impact the mandated fund balance levels as authorized by the Board, or otherwise adversely impact any contractual obligations other commitments that are tied to the Bar's reserves. Importantly, the proposed budget also allows the Bar to weather

¹ Aside from the modified approach to the LAP transfer, most changes relate to the application of the 2016 indirect cost allocation methodology; this step was not fully implemented as of the January 16, 2017 version of the budget. Staff will provide the Board with a detailed overview of the 2017 indirect cost allocation at its March meeting.

the funding reductions resulting from the lack of a statutory fee authorization without having to issue layoff notices to staff.

The somewhat unusual 2017 proposed budget which relies on deficit spending at a macro level belies the significant budget reductions and operating efficiencies that are also reflected therein. These efforts build upon similar work done in 2016 budget development and implementation. This agenda item provides a brief summary of 2016 budget to actuals, as an important point of reference for the Board.

BACKGROUND

The State Bar's proposed budget represents a complex mix of 23 General and non-General Fund funding sources supporting over 40 distinct functions within the organization. Pursuant to Board action in 2015, all of these sources can be categorized as one of three Fund types:

- Consolidated General Fund: accounts for spendable financial resources that can be used generally to support most aspects of the Bar's operations. The Consolidated General Fund consists of nine sub-funds:
 - Unconsolidated General Fund
 - Howard Building Fund
 - Legal and Education Development Fund
 - Los Angeles Facility Fund
 - Public Protection Fund
 - Support and Administration Fund
 - Technology Improvement Fund
 - Fixed Assets Fund
 - Benefits Reserve Fund
- Restricted Funds: Funds: accounts for activities and financial resources that can only be used for specific purposes or when constraints are placed on the use of resources imposed externally through legislation or similar external restrictions. The State Bar has ten funds in this group:
 - Legislative Activities Fund
 - EOB/Bar Relations Fund
 - Lawyer Assistance Program Fund
 - Legal Specialization Fund
 - Client Security Fund
 - IT Special Assessment Fund
 - Legal Service Trust Fund
 - Equal Access Fund
 - Justice GAP Fund
 - Bank Settlement Fund

- **Special Revenue Funds:** accounts for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes. The State Bar has four funds in this group:
 - Admissions Fund
 - Annual Meeting Fund
 - Grant Fund
 - Sections Fund

The primary source of funding for the Consolidated General Fund is the licensing fee paid by members of the State Bar, as (typically) authorized annually by Business and Professions Code section 6041. Accordingly, the Bar's discipline system, and the majority of the administrative functions supporting that system, are funded by the Consolidated General Fund.

Restricted Funds are primarily generated outside of the fee bill process, through either separate statutory authority (for example, the Client Security (CSF) and Lawyer Assistance Program (LAP) Funds), or grant or settlement sources. However two Restricted Funds may be dependent on fee bill authorization: Legislative Activities and Elimination of Bias/Bar Relations. Special Revenue Funds, including the Admissions and Sections Funds, are self-sustained by applicant fees or dues paid by members. While Restricted and Special Revenue Funds differ in their underlying revenue sources, neither is used to support Consolidated General Fund activity, other than as charged for administrative support services through the cost allocation process.

With respect to the Bar's 2017 Consolidated General Fund budget, after full negotiation involving stakeholders and multiple legislative hearings, the California Legislature adjourned its 2015-2016 Regular Session without having enacted a fee bill authorizing the State Bar to collect from active members the basic annual membership fee of \$315.

As a result, and pursuant to the State Bar's request, the Supreme Court issued an order authorizing an interim 2017 special regulatory assessment in the amount of \$297. This assessment level reflected full support for most programs funded by the Consolidated General Fund, as well as corresponding administrative support costs, with limited or no funding provided for a small number as follows:

Funded	Partially Funded	Unfunded
Office of the Chief Trial Counsel	Office of Communications (70 percent funded)	Access Commission
State Bar Court	California Young Lawyers Association (13.5 percent funded)	Center on Access to Justice
Office of Probation		Commission on Judicial Nominees Evaluation
Office of Professional Competence		
Mandatory Fee Arbitration		

Office of Member Records and Compliance		
Cost Allocated Administrative Programs ²		

In addition, the \$297 assessment, though a reduction from the 2016 authorized level overall, includes a \$9 per member, or \$1.67 million, *increase* in funding for the Office of the Chief Trial Counsel (OCTC). Lastly, the Court did not approve two “opt out” provisions, one \$5 opt out for Elimination of Bias/Bar Relations, and another \$5 for Legislative Activities.

DISCUSSION

I. 2016 Budget Performance and Implications for 2017

Preliminary actuals suggest that the Bar will close the 2016 books with an \$8.8 million budget surplus in the Consolidated General Fund. Approximately \$1.4 million of this surplus results from an interfund transfer from Fund 88 to the Consolidated General Fund, as approved by the Executive Committee at its January 16, 2017, meeting³.

The adopted 2016 budget reflected a 6.2 percent overall reduction from the prior year; reductions were focused particularly on travel and catering costs, temporary help, and professional services. Current projections suggest that the Bar exceeded budgeted reductions in these particular areas. While travel, catering, and temporary help expenses align with budgeted amounts, savings of nearly \$2 million, or 50 percent, were realized in professional services expenses. A significant portion of these savings can be attributed to the Office of General Counsel, which has drastically reduced outside counsel expenses. Additional 2016 savings resulted from reduced capital improvement spending and salary savings. 2016 budget surpluses have increased the Bar’s reserves, providing an important tool for mitigating 2017 budget challenges.

II. Consolidated General Fund⁴

Proposed 2017 Consolidated General Fund expenditures total \$79.3 million. A \$1.6 million transfer from the CGF to the CSF represents an additional negative impact on the Consolidated General Fund balance. Of this amount, \$8.2 million represents one-time costs⁵. Projected

² Including the Office of the General Counsel, which was identified as a direct discipline program by the Supreme Court, Member Billing, similarly identified as a direct discipline function by the Supreme Court, and all other cost allocated functions including Human Resources, Finance, General Services, and Information Technology.

³ Although approved in 2017, this transfer has been recorded as a 2016 transaction for accounting purposes.

⁴ Due to the fact that the Consolidated General Fund has been significantly impacted by the lack of a fee bill and the resulting authorized assessment level, the present overview of the proposed 2017 budget disaggregates the Consolidated General Fund (Section II) and non-General Funds (Section III) so that the Board can readily identify the impact of staff’s recommendations on the most dependent and vulnerable area of the Bar’s budget (the Consolidated General Fund). As a result, some cost drivers, such as the Reduction in Force Program, are listed in both Sections.

⁵ LAP transfer reversal (\$1.6 million); Capital improvement budget (\$1.7 million); Reduction in Force (\$2.2 million); and CMS procurement (\$2.5 million), all discussed below.

Consolidated General Fund revenues total \$72.7 million. These figures compare to 2016 estimated actual expenditures of \$66.4 million and revenue of 73.8 million. The 2017 Consolidated General Fund budget is not balanced; staff recommends that \$8.2 million of the Consolidated General Fund balance be used to address this budget variance. The impact of staff's recommendation on the Consolidated General Fund balance is reflected in Attachment A.

The proposed 2017 Consolidated General Fund budget reflects the following principles:

- Reductions to travel, catering, professional services and temporary help initiated in 2016 should continue;
- Eligible employees will receive step increases in 2017;
- A minimum investment of \$1.67 million should be made in OCTC, and, to the extent possible, additional funding should be identified to support workforce planning and backlog reduction efforts;
- The new CMS will be procured in 2017 and the project will begin;
- Funding should be identified to support Unfunded Programs, particularly JNE, the Access Commission, and the Center on Access to Justice; and
- Salary savings associated with staff's recommendation regarding Reduction in Force Program participation should not be reflected in the 2017 proposed budget.

In addition, assumptions were made regarding one-time costs impacting the Consolidated General Fund:

- The cost of the reversal of the \$1.6 million transfer from LAP to the CSF should be borne by the Consolidated General Fund (rather than CSF).
- Limited capital improvement investments are needed to maintain capital infrastructure integrity; and
- Separation payments associated with staff's recommendation regarding Reduction in Force Program participation should be reflected in the 2017 proposed budget.

Travel, Catering, Professional Services and Temporary Help

Continuing the priorities established in 2016, budgets in these areas have been scrutinized, with significant cuts realized. Although 2016 budgeted amounts in these areas reflected reductions ranging from 15-25 percent, preliminary 2016 actuals indicate that total spending in these areas was nearly \$2 million less than those reduced budgeted amounts. 2017 budgeted expenses in continue this trend, at \$3 million less than 2016 budgeted amounts, with temporary help and professional services each reduced in half as compared to the 2016 budget.

Employee Salaries

Consolidated General Fund employee salaries and benefits, totaling approximately \$50.1 million in 2017, up from \$44.8 million in 2016, are the largest single driver of the State Bar's costs. As described below, much of this increase is associated with increased staffing in OCTC. Additional cost drivers include annual, contractually required "step" increases for bargaining unit employees who have not reached the top of the salary range.

Investments in OCTC

While the authorized 2017 assessment level mandates a \$1.67 million increase specifically for

increased staffing in OCTC, the 2017 proposed budget reflects a \$3.4 million increase for the Office, more than double the Court-directed amount. Staff believes additional investment in OCTC is warranted to ensure the success of the workforce planning restructure, and to address case processing backlog; the Board will receive an update regarding workforce planning implementation efforts at its January 26, 2017, meeting.

CMS

The proposed budget includes \$4.1 million in Consolidated General Fund expenditures related to the CMS project. \$2.5 million of this amount is for system purchase; the remaining budgeted amounts are for other technology infrastructure needed to support deployment, as well as subject matter expert and project manager staffing. The official project kick-off will occur in early February.

Unfunded Programs

The proposed budget includes funding for Unfunded Programs. The originally estimated and 2017 proposed budget Consolidated General Fund impact of the Unfunded Programs is outlined below:

Unfunded Programs	2016 FTE	2016 Budget	2017 FTE	2017 Budget
Office of Communications (30%)	1.7	\$365,300	1.4	\$254,000
CYLA (86.5%)	.8	\$149,700	0	\$0
Access Commission	0	\$21,800	0	\$17,000
Center on Access to Justice	9	\$1,233,100	8.5	\$1,142,000
Commission on Judicial Nominees Evaluation	4	\$678,700	3	\$463,000
Total Negative Impact	15.5	\$2,981,800	12.9	\$1,876,000

As reflected above, this budget proposes that no additional funding, beyond the 13.5 percent of the program authorized by the Court's assessment, be provided for CYLA⁶. In other areas, operating budget reductions and staff departures and transfers resulted in savings in Unfunded Program costs (when comparing 2016 vs. 2017), thus reducing the amount of funding needed to address the funding shortfall.

LAP Transfer

In recognition of the significant funding need in the CSF, staff originally recommended that the \$1.6 million reversal of the transfer of LAP reserves to the CSF directed by the Board of Trustees at its March 10, 2016, meeting be addressed by the Consolidated General Fund as opposed to the CSF. The Executive Committee took action regarding this proposed structure for the reversal at its January 16, 2017, meeting. Subsequent to that meeting, an alternate accounting approach

⁶ The 2017 proposed budget has been discussed with CYLA leadership. The funding provided will allow CYLA to continue core discipline related programming, in particular assisting in the development of new attorney MCLE and LAP outreach. The majority of the reduction comes from reduced Bar staffing in support of CYLA; staff believes that CYLA will continue to be appropriately supported even with this reduction. An additional impact of the proposed budget is that CYLA will not be funded for the development of its own programming in 2017.

was determined to be preferable; as such, the LAP transfer will be effectuated in two steps, with the CSF reimbursing the LAP in 2016, and the CGF reimbursing the CSF in 2017.

Capital Improvements

The Bar has a multi-year capital improvement program in place to ensure that its 180 Howard Street headquarters building operates safely and efficiently and complies with updated building codes. The inter-related, multi-stage projects involve the upgrade, replacement or new installation of components of Heating, Ventilation & Air Conditioning (HVAC) systems; Electrical and Plumbing systems; Fire/Life Safety systems; and roof, façade and structural elements.

Capital improvements were originally budgeted at \$4.6 million for 2016. However, due in part to uncertainty about the Bar's 2017 funding, and in part to the need to focus professional resources on the warm shell renovations of tenant floors (funded separately), some capital improvement projects were deferred or slowed down to where they could be suspended at efficient stopping points in 2016, ready to be picked up in 2017. 2016 projects (totaling approximately \$1.2 million) included upgrades to the smoke exhaust system; installation of a new fuel delivery system for the emergency generator; new risers (penetrations and conduits) related to the Fire/Life Safety System and Energy Management System; and replacement of the chiller fan coils. Projects for 2017 (estimated at \$1.7 million) include replacement of fire/smoke dampers on seven floors; replacement of cooling coils and condensate drip pans; repair or replacement of the main condenser water riser; structural upgrades to core walls; and additional waterproofing of the building façade.

Pursuant to the approach taken in 2016, a portion of the \$1.7 million has been allocated to non-Consolidated General Fund programs per the Board-adopted cost allocation methodology.

Reduction in Force

As outlined in a separate item also being considered by the Executive Committee on January 16, 2017, the estimated Consolidated General Fund impact of separation payments associated with staff recommended RIF participation and replacement numbers is \$2.2 million. The present budget includes the costs associated with these separation payments. Importantly, and reflecting a conservative fiscal approach, the proposed budget *does not* reflect anticipated associated salary savings associated with RIF participation. These Consolidated General Fund savings are estimated at \$1.4 million. Staff recommends that the Board of Trustees direct staff to prepare a final report on the fiscal impact of the RIF once the program has been fully implemented and actual participant numbers are known.

III. Other Funds (Non- Consolidated General Fund)

Proposed 2017 Special and Restricted (non- Consolidated General) Fund expenditures total \$85.3 million. Projected non-Consolidated General Fund revenues total \$73.3 million. These figures compare to 2016 estimated actual expenditures of \$73.4 million and revenue of \$115.2 million. The 2017 non-Consolidated General Fund budget is not balanced; staff recommends that \$12 million of the non-Consolidated General Funds balances be used to address this budget variance. The impact of staff's recommendation on non-General Fund balances is reflected in Attachment A.

The proposed 2017 non-Consolidated General Fund budget reflects the following principles:

- Reductions to travel, catering, professional services and temporary help initiated in 2016 should continue;
- Eligible employees will receive step increases in 2017 (discussed in Section I., above);
- The transition to the 2-day bar exam effective July, 2017, will result in reduced costs;
- The trend towards declining numbers of candidates taking the bar exam will continue in 2017; and
- Limited funding should be identified to support non-General Fund Unfunded Programs.

In addition, one-time costs impacting the non-Consolidated General Fund were identified:

- Bank grant settlement money received in 2016 will be allocated in part in 2017;
- Significant increases in LS spending as well as a program fee holiday in line with that program's reserve spend-down plan; and
- Separation payments associated with staff's recommendation regarding Reduction-in-Force Program participation should be reflected in the 2017 proposed budget.

Travel, Catering, Professional Services and Temporary Help

Proposed non-Consolidated General Fund spending in these target areas is equivalent to 2016 budgeted amounts after accounting for a significant increase in LS projected expenditures resulting from that program's planned spend-down of reserves. Thus, the 2017 proposed budget retains the reductions in these areas first implemented during the 2016 budget process.

Admissions Program Budget Assumptions

The bar exam will transition from a three to a two-day format effective with the July 2017 exam. Because of longstanding contracts for exam facilities, the change is not expected to immediately result in a 1/3 reduction in all exam administration related costs. Reductions of approximately \$350,000 are anticipated however, and have been incorporated in the proposed budget. Offsetting these savings are projected reductions in the numbers of applicants taking the exam, reflecting a recent trend stemming from declining law school enrollment. While difficult to predict, the proposed budget reflects a \$500,000 reduction in bar exam revenue to account for this trend.

Unfunded Non-General Fund Programs

As noted above the authorized assessment indirectly impacts two non-General Fund Funds: Elimination of Bias/Bar Relations and Legislative Activities, for a total negative impact of \$1.378 million. The originally estimated and 2017 proposed non-General Fund impact of the Unfunded Programs is outlined below:

Non GF Programs Impacted By Assessment	2016 FTE	2016 Budget	2017 FTE	2017 Budget ⁷
Legislative Activities	2	\$529,400	1.15	\$330,000
Elimination of Bias	2	\$475,670	1	\$274,000

⁷ Figures include Indirect Costs to be charged to programs where applicable.

Bar Relations	2	\$373,030	.7	\$163,100
Lost Indirect Costs		\$533,200		\$165,000
Total Negative Impact	6	\$1,911,300	2.85	\$932,000

Operating budget reductions and staff departures and transfers resulted in savings in non-General Fund Unfunded Program costs (2016 vs. 2017), thus reducing the amount of funding needed to be identified through the 2017 budget process. The recommended funding level allows for:

- Minimal levels of staff work to advance legislative relations;
- Funding for a contract lobbyist;
- 1 dedicated staff person to support continued Elimination of Bias efforts;
- A limited operating budget for the Council on Access and Fairness; and
- Transitional funding for Bar Relations, which staff recommends cease as a Bar program effective April, 2017.

Given that each of these is supported by a Restricted Fund, staff recommends that all budgeted funding for these programs be drawn from the respective Fund's balance (e.g. Legislative Activities expenses will be borne by the Legislative Activities Fund balance).

Bank Settlement Grants

The Bar received \$44.7 million in bank settlement funds in 2016; that initially unbudgeted revenue is reflected in the significant increase between the estimated and actual non-General Fund December 31, 2016, reserve balance. In 2017, \$5.5 million is budgeted to be spent from these funds.

Legal Specialization Spend-Down

On July 21, 2016, the Board of Trustees approved a \$6 million spend-down plan for the Legal Specialization program, needed to bring that program in compliance with the Board adopted Reserve Policy. The 2017 budget reflects this plan including a fee holiday (revenue reduction), and \$4.6 million in spending reflecting significant increases in technology and professional services expenditures related to key components of the plan. The July 21 agenda item is provided for reference as Attachment B⁸.

Reduction in Force

The estimated non-Consolidated General Fund impact of separation payments associated with staff recommended RIF participation and replacement numbers, is \$720,000.

IV. Overall Impact

The 2017 proposed budget is reliant on the use of reserves. The cumulative impact of staff's recommendations on reserve balances is detailed in Attachment A. As outlined in Attachment A, other than the EOB/Bar Relations Fund, proposed expenditures leave all Fund balances at or above the Board's minimum reserve floor of 17 percent. Staff feels that it is appropriate for the EOB/Bar Relations Fund balance to dip below this floor given the recommendation to discontinue

⁸ Agenda item is provided absent its attachments; these can be found on Board Meetings Archive page of the State Bar website.

the Bar Relations program effective April 1, 2017.⁹

With respect to non-Consolidated General Fund reserve spending, the corresponding projects and initiatives were long-planned to be funded by fund balances; as such, this deficit spending was expected and should not cause concern.

Of the 2017 projected Consolidated General Fund expenditures, \$6.6 Million (RIF program, capital improvements (\$1.7 million), and CMS purchase (\$2.5 million), are one-time in nature. The \$1.6 million transfer from the CGF to CSF is also a one-time transaction. Absent these one-time costs, the CGF budget is balanced (\$80.9 million in expenditures minus \$68.2 million in one-time costs totals \$72.7 million; projected CGF revenue totals \$72.7 million).

Although the budget draws upon reserves to balance, staff believes that, given the one-time nature of many of the expenses, as well as cost mitigation and revenue enhancement factors outlined below but not reflected in the budget, the proposed 2017 approach is fiscally prudent:

- RIF Program salary savings have not been factored into the budget while one-time separation payments have, in an effort to present the most conservative fiscal picture possible given the unpredictability of actual RIF participation numbers.
- Staff is in the process of reviewing fees charged for a myriad of Bar services including MCLE Provider Certification, which may result in adjustments that increase revenue. Most importantly, after a multi-year hiatus, the Bar has recently launched a reinvigorated collections effort, with a kick-off meeting taking place last week with a newly contracted collections vendor.
- Separate and apart from these internal revenue enhancement initiatives is the Bar's ongoing work with the Legislature, in a concerted effort to reach timely agreement regarding the 2018 fee bill that includes adequate funding for the Bar.

It is with these factors in mind that staff feels that the proposed 2017 budget, though drawing upon the reserves to balance, is an appropriate one. The budget allows the Bar to make significant progress on much needed investments in OCTC, sustain critical programs jeopardized by the 2017 assessment level, and to address one-time issues, such as the LAP transfer, in a timely and transparent manner. While the deficit-spending overall nature of the proposed budget might superficially suggest otherwise, the budget contains a number of important reductions in operating costs. These cuts, both small and large, will, in the aggregate, allow the Bar to absorb the "double-whammy" of reduced license fee funding and a mandated redirection of a portion of the remaining funds specifically to OCTC budget augmentation. The staff is to be applauded for creativity in reaching a solution that not only maintains status quo operations, but also allows for progress on key organizational initiatives.

⁹ Attachment A in fact reflects a small negative projected 12/31/17 fund balance for EOB/Bar Relations. This balance does not reflect \$89,457 in transfers from Fund 88 to the EOB/Bar Relations Fund approved by the Executive Committee on January 16, 2017. After this transfer, the EOB/Bar Relations Fund will have a net positive end-of-year balance.

BOARD BOOK IMPACT

None

RECOMMENDATION

Staff recommends that the Board of Trustees adopt the budget as provided in Attachment C. Staff also recommends that the Board of Trustees delegate to staff the ability to make technical adjustments and corrections to the proposed budget prior to its statutorily required submission to the Legislature and the Supreme Court on February 15, 2017.

PROPOSED EXECUTIVE COMMITTEE RESOLUTION:

Should the Executive Committee concur with staff's recommendation, the following resolution would be in order:

RESOLVED, that the Board of Trustees hereby adopts the 2017 Budget in the form presented to the Board this day including the following change from the January 16, 2017, Budget approved by the Executive Committee:

- LAP reimbursement to be effectuated in a two-step process, with CSF reimbursing LAP in 2016 and the CGF reimbursing CSF in 2017.

RESOLVED, that the Board of Trustees hereby authorizes staff to make technical adjustments and corrections to the 2017 Budget prior to submitting it to the Legislature and Supreme Court on February 15, 2017.

2017 Consolidated Fund Condition and Reserve Level

Fund Description	Projected 12/31/2016 Reserve Bal	2017 Budget					Projected 12/31/2017 Reserve Bal	Changes	Reserve Level	Meeting 17% Reserve Target?	Above 30% Reserve Ceiling?
		Revenue	Expenditures (B)	Indirect Cost (C)	Total Expenditures Inc. Indirect Costs (B+C)	Fund Transfers					
General Fund (10)	12,939,000	68,715,000	(55,513,000)	(18,158,000)		(1,600,000)	6,383,000	(6,556,000)		(D)	(E)
Building Fund (26)	2,196,000	1,365,000	(1,700,000)	986,000		-	2,847,000	651,000			
Legal Educ. And Dev. Fund (18)	7,536,000	2,155,000	(242,900)	(84,000)		-	9,364,100	1,828,100			
LA Facility Fund (35)	(5,301,000)	447,000	(2,300,000)	2,300,000		-	(4,854,000)	447,000			
Public Protection Fund (25)	6,508,000	-	-	-		-	6,508,000	-			
Support & Adm (23)	(513,000)	-	(24,338,000)	24,738,000		(400,000)	(513,000)	-			
Technology Fund (19)	3,698,000	-	(4,283,000)	(774,000)		400,000	(959,000)	(4,657,000)			
Fixed Asset Fund (15)	-	-	-	-		-	-	-			
Benefit Reserve Fund (34)	-	-	-	-		-	-	-			
Consolidated General Fund: (A)	27,063,000	72,682,000	(88,376,900)	9,008,000	(79,368,900)	(1,600,000)	18,776,100	(8,286,900)	19.26%	Yes	No
Special Revenue Fund Group:											
Admissions Fund (20)	4,506,000	20,957,600	(16,380,500)	(4,666,000)		1,000,000	5,417,100	911,100	25.74%	Yes	No
Annual Mtg Fund (14)	(55,000)	-	-	-		-	(55,000)	-	NA	NA	NA
Grant Fund (12)	415,000	6,400	(6,400)	-		-	415,000	-	NA	NA	NA
Sections (70-89)	5,850,000	9,006,000	(7,358,000)	(1,640,000)		-	5,858,000	8,000	65.10%	Yes	Exempted
Total Special Revenue Fund Group:	10,716,000	29,970,000	(23,744,900)	(6,306,000)	(30,050,900)	1,000,000	11,635,100	919,100			
Restricted Fund Group:											
Legislative Activities Fund (16)	418,000	101,800	(329,500)	(66,000)		-	124,300	(293,700)	31.43%	Yes	Yes
Elimination of Bias Fund (17)	513,000	-	(434,000)	(100,000)		-	(21,000)	(534,000)	-3.93%	No	No
Lawyer Assistance Program (21)	3,015,000	2,084,800	(1,242,600)	(447,000)		-	3,410,200	395,200	201.83%	Yes	Yes
Legal Specialization Fund (24)	6,161,000	430,000	(4,608,000)	(756,000)		(1,000,000)	227,000	(5,934,000)	16.64%	w/in margin of error	No
Client Security Fund (27)	1,498,000	8,030,000	(6,734,300)	(562,000)		1,600,000	3,831,700	2,333,700	295.59%	Yes	Yes
Info. Tech Special Assessment Fund (31)	1,215,000	-	-	-		-	1,215,000	-	NA	NA	NA
Legal Service Trust Fund (28)	8,202,000	12,450,000	(14,471,000)	(717,000)		2,133,000	7,597,000	(605,000)	347.21%	Yes	Exempted
Equal Access Fund (29)	1,234,000	19,653,000	(19,226,000)	(15,000)		-	1,646,000	412,000	682.99%	Yes	Exempted
Justice Gap Fund (32)	1,555,000	601,500	-	(9,000)		(2,133,000)	14,500	(1,540,500)	161.11%	Yes	Exempted
Bank Settlement Fund (37)	44,270,000	-	(5,503,000)	(30,000)		-	38,737,000	(5,533,000)	700.11%	Yes	Exempted
Total Restricted Fund Group:	68,081,000	43,351,100	(52,548,400)	(2,702,000)	(55,250,400)	600,000	56,781,700	(11,299,300)			
Total Before Tenant Buildout:	105,860,000	146,003,100	(164,670,200)	-	(164,670,200)	-	87,192,900	(18,667,100)			
SF Tenant Improvement Fund (38)	(284,000)	50,000	(1,040,000)	-	-	-	(1,274,000)	(990,000)			

Notes:

(A) Consolidated General Fund reserve balances consist of \$8.3 million restricted reserve (\$4.6 million restricted cash and \$3.7 million designated for IT/CMS projects) as of 12/31/16. This restricted balance will be reduced to \$4.6 million after spending down the \$3.7 million on the CMS project by end of 2017.

(D) Reserve Level is calculated as: (Total Reserve - Restricted Reserve)/(Recurring Operating Expenditures)

(E) Summary of Budget Revenues, Expenditures and Interfund Transfers:

	2016 Reserve	2017 Revenues	2017 Exp & Indirect Costs	2017 Transfers	2017 Reserve	Changes
Consolidated GF	27,063,000	72,682,000	(79,368,900)	(1,600,000)	18,776,100	(8,286,900)
Non-General Fund	78,797,000	73,321,100	(85,301,300)	1,600,000	68,416,800	(10,380,200)
Total:	105,860,000	146,003,100	(164,670,200)	-	87,192,900	(18,667,100)

AGENDA ITEM

703 JULY 2016

DATE: July 21, 2016

TO: Members, Board of Trustees

FROM: Ricardo Goñi, Chair, California Board of Legal Specialization
Gayle Murphy, Senior Director, Admissions
Natalie Leonard, Director, Legal Specialization

**SUBJECT: RESERVE POLICY AND APPROPRIATE LEVEL OF RESERVE FOR
LEGAL SPECIALIZATION FUND**

EXECUTIVE SUMMARY

During its January 2016 meeting, the State Bar of California's Board of Trustees adopted a new reserve policy, which requires all State Bar funds to maintain reserves at the target rate of 17 percent and a maximum fund balance of no more than 30 percent. The Legal Specialization Fund Balance is significantly over the reserve policy maximum; thus, in accordance with the policy, which states that reserve balances in excess of 30 percent must be reduced, the California Board of Legal Specialization (CBLs) approved the following recommendations for consideration by the Board of Trustees relative to spending down the reserve fund balance.

BACKGROUND

The new reserve policy adopted by the Board of Trustees states the following:

Whenever reserve levels surpass 30 percent in either the General Fund, or any fund within the Restricted or Special Revenue Program Funds, for a consecutive six month period, they are considered to be materially above the target minimum level and subject to spend-down, with the exception of Sections Funds.

Spend-down shall occur in accordance with the following principles:

1. Fund balance spend-down should be utilized to offset member dues and other assessments and use charges, where possible.
2. Fund balance spend-down should be used to advance strategic efficiency investments that will result in short- or long-term reductions in operating costs.
3. Fund balance spend-down should be used to bolster the Client Security Fund, where possible.

Currently, the Legal Specialization Program reserve contains approximately \$5.4 million, and it is projected to reach approximately \$6.4 million by year's end. The program for certifying legal specialists is a special fund/separate fund program fully funded through fees taken in by the program. (See Cal. Rules of Court, Rule 9.35(e).) It does not have access to general funds of any kind, and the program pays indirect costs for State Bar services such as facilities, Human Resources, General Counsel, etc. Last year's indirect costs totaled \$425,892; total revenue was \$2,574,755; and total expenses were \$1,543,151.

A number of factors combined to create the fund balance that exists today. The first issue relates to a fee increase implemented in 2011 and 2012 based on the best data available at that time. In 2010, budgeted expenses versus revenue for the legal specialization program reflected a deficit of \$800,000, which would have significantly diminished the reserve that was available at the time. The program had not raised fees in over eighteen years, although costs had continued to climb.

It was thought at the time, that, since there had not been a fee increase for many years, some certified specialists might resign from the legal specialization certification program if fees were increased. Given this concern, the California Board of Legal Specialization (CBLs) determined that it would be preferable to increase the fee significantly, with the thought being that doing so would preclude the need for any additional increases for a number of years.

While originally a two-step fee increase over a two-year period to address the deficit was recommended, ultimately, the CBLs adopted a fee level that was somewhat higher and added several new fees to reflect the costs associated with those activities.

The Board of Trustees approved the fee adjustments as proposed by the CBLs. Attachment A shows the changes in fees charged to certified specialists from 2010 to 2012. The fees have not changed since 2012. Contrary to the speculation that fee increases would result in declining membership, increases in the number of attorneys seeking specialization as well as stabilization of the rate at which existing specialists continue to participate in the program, have been realized. As a result, the program's reserve has grown significantly.

Another contributing factor to the growth of the reserve has been that certain budgeted expense items have not occurred, including a publicity campaign delayed while social media guidelines were created. Other savings associated with the increased use of technology were also achieved.

In addition, there were significant non-recurring salary savings over a three-year period as several long-term employees transferred to positions outside of the Legal Specialization Department.

Before the reserve policy was adopted by the Board of Trustees, the CBLs had already adopted as one of its goals for 2015 the need to invest the fund balance and to revisit legal specialization program fees that were being charged due to the reserve that had grown beyond expectations. Once the reserve investment has been accomplished, a revised fee schedule will be proposed to the Board of Trustees.

DISCUSSION

During its March 2016 meeting, the CBLs established the following priorities for spending down the reserve and directed staff to create a plan consistent with these priorities:

Online Processing/Computer	35%
Social Media/Outreach	25%
Examination Banks/Preparation	20%
New Specialties	10%
Refund/Educational Credit	5%
Exam Fee Holiday	5%

After reviewing the recommendations proposed by staff during its June 2016 meeting, the CBLS approved a plan to invest approximately \$6 million, which would leave a compliant reserve or fund balance of approximately \$464,000, subject to the approval of the Board of Trustees. The following recommended initiatives reflect the priorities outlined in the table above, and include an additional item not originally contemplated by the CBLS in March:

1. 2017 Certified Legal Specialist Fee Holiday – \$1,666,000

The initiatives discussed by the CBLS during its meeting in March, if adopted, would not completely resolve the issue of the reserve. According to the policy adopted by the Board of Trustees, one of the primary ways to spend down a reserve should be to “offset member dues and other assessments.” Elimination of the annual legal specialist fee for one year would be consistent with the policy as well as provide benefits to all certified specialists in a neutral manner, and will accomplish the timely investment of the reserve needed to conform to State Bar policy.

2. Online Processing/Computer (Development of Admissions/Legal Specialization Case Management System) - \$1.5 million

The legal specialization program has already shown that technology can improve efficiency. Legal Specialization plans to invest in an Admissions Information Management System (AIMS), which will allow the legal specialization program to do online processing of applications, internal examination administration, and customer relationship management analysis and reporting. Note that the system is not currently scoped to offer candidates the opportunity to take the examinations online, though that option can be addressed under a separate initiative. A Request for Proposals for the new system is currently being finalized. Using recent proposals received for a new system for the State Bar’s Office of the Chief Trial Counsel, the estimated cost for a new AIMS is approximately \$1.5 million to \$2 million. The California Board of Legal Specialization recommends that the legal specialization program set aside \$500,000 for its portion, and loan the Admissions Fund \$1 million to support broader Admissions AIMS needs. Both groups would benefit from this method of financing the computer system that will help to create long-term efficiencies, increased reporting capabilities and user satisfaction. If the Board approves this approach, staff will return to the Board with loan repayment terms and conditions at its October meeting.

3. Social Media/Outreach - \$100,000

An initial capital funding is proposed to begin a social media campaign to the public and to attorneys. Social media is the most common means of communication today, and statistics show that, after personal referrals, consumers are most likely to search for an attorney online, and most attorneys manage their lives online.

There are several investments that must take place to ensure a strong foundation for digital communication. A new logo that can be used digitally must be created, and materials must be updated using this new logo.

In addition, a strategy must be created for the most common platforms, Facebook, LinkedIn, Twitter, and Instagram. A blog should also be considered as well.

Outside assistance is needed for logo creation, training of internal personnel on this new software, and architecture for the sites, as well as written and visual content.

It is recommended that a total of \$100,000 be set aside, with a portion of that sum to be used for logo and material redesign, and the remainder to be used to build and populate sites. Firms that specifically work with non-profits and government agencies have expertise in this area that can ultimately save the program money.

4. Examination Banks/Preparation - \$2,222,500

The CBLS also has the opportunity to transition examination drafting and grading to paid contractors, which will increase transparency, accelerate creation of examination question banks, allow exploration of online examination and grading, and potentially provide the opportunity to increase the frequency of the specialist examination from every other year to annually or even on-demand. The proposed banks would be of sufficient size to allow a release of past questions to assist candidates in their study for the legal specialist examination; there has been an increasing demand for this information from both candidates and test preparation providers.

There are three key components proposed for these initiatives, two of which will be supported by a reserve spend down: question drafting and technical infrastructure are to be funded through the reserve, while question grading will be addressed in the program's 2017 budget. After the questions are developed, contractors would need to be retained to pre-test the questions. Finally, a tool would need to be created to maintain the questions in a secure manner, and to generate examinations as needed.

a. Invest in Professional Drafters to Create a Question Bank

Bar examination questions are typically written by paid drafters and graded by paid graders. When the legal specialist examination was first created, professors drafted the questions. Along the way, the process changed, and volunteer commissioners now draft the examination questions with assistance from the Director for Legal Specialization and outside consultants. The volunteer drafters have been stretched as the demands on their time as practicing attorneys have grown, creating a need for increased flexibility. In addition, because Advisory Commission terms are four years, often the expertise a member has obtained during that time is lost when his or her term ends.

Industry experts suggest that the bank for each subject should contain at least 900 multiple-choice questions and 60 essay questions. The questions are estimated to be drafted at a cost of \$100 per multiple-choice question and \$500 per essay, consistent with the fees paid for Bar Examination question drafting.

Pre-testers would be paid to review the questions, estimated at a rate of \$250 per 10 multiple-choice or 1 essay question.

b. Sample Questions as an Examination Preparation Tool

The creation of a bank of questions would allow for the release of some questions for guidance and study, much as questions are released for the bar examination. New preparation tools could be developed in the form of a booklet or a mobile application for use by busy attorneys. The details and costs could vary, but an Internet search showed an average of \$250,000 for development of a mobile application, and it can be assumed that the development would be complex here since so many specialties are involved.

5. New Specialties - \$200,000

CBLS' mission includes continually exploring and potentially expanding the range of areas of the law for specialization. It is proposed that a portion of the reserve be used to explore, propose and develop up to two new specialties, and that \$50,000 be set aside for that purpose. A CBLS working committee would be established to advance this goal, and would consult with consumer protection groups, interested attorneys and State Bar Sections to develop proposals for CBLS consideration. If the CBLS approves the proposal for a new area of specialization, it would then be submitted to the Board of Trustees for approval. The process as contemplated would allow for five meetings per specialty, including public meetings to gain feedback and propose the requirements for the specialty.

It is also proposed that an additional \$150,000 be set aside to draft initial questions to allow the specialties to begin and to grow. Additional questions can be added as the individual certified specialties as they continue to gain members.

6. Exam Fee Holiday [Reduction] - \$318,000

In lieu of a total fee waiver for the October 2017 administration of the Legal Specialization Examination, it is proposed that the examination fee(s) be reduced and the laptop fee be waived. Applicants pay an examination application fee depending upon the time that they apply to take the examination, and the fee rises as the examination day approaches. Currently, the examination fees range from \$350 to \$750, plus a surcharge for the laptop option. It is proposed that the fee be lowered on a one-time basis to \$100 for applicants applying by April 30, 2017 to take the October 2017 examination, \$250 if applying by August 31, and \$350 if applying by October 1, the final registration deadline. Attachment B shows the proposed one-time examination fee reduction for the 2017 Legal Specialist Examination. If the laptop fee is waived on a one-time basis for the October 2017 examination, the program will forego approximately \$122,400 in revenue, but will still have the associated software licensing, electrical cabling, and printing costs associated with offering the laptop option. Examination fees were \$418,000 in 2015. It is expected that revenues would be approximately \$100,000 under this one-time fee adjustment, requiring an investment of approximately \$318,000 from the reserve. This is proposed to be a one-time cost.

FISCAL/PERSONNEL IMPACT

The amounts associated with spending down the reserve are as follows:

1. 2017 Certified Legal Specialist Fee Holiday	\$1,666,000
2. Online Processing/Computer	\$1,500,000
3. Social Media/Outreach	\$ 100,000
4. Examination Banks/Preparation	\$2,222,500
5. New Specialties	\$ 200,000
6. Exam Fee Holiday [Reduction]	<u>\$ 318,000</u>
Total Investment	\$6,006,500

This investment of just over \$6 million will result in a reserve of \$464,931, which is above the minimum and below the maximum required by the State Bar's reserve policy.

RULE AMENDMENTS

None.

BOARD BOOK IMPACT

None.

BOARD GOALS & OBJECTIVES

1. Ensure a timely, fair, and appropriately resources discipline and regulatory system

- g. Complete full implementation of the Auditor's 2015 recommendations.

- i. Design and implement a program of preventative education.

3. Improve fiscal and operational management, emphasizing integrity, transparency, and accountability.

- d. Reallocate funds to reflect expenditure review, new reserve policy, and other reengineering efforts.

BOARD RECOMMENDATIONS

Should the Board of Trustees agree with the proposal recommended by the California Board of Legal Specialization, the following resolution would be appropriate:

RESOLVED, that the Board of Trustees approves and adopts the California Board of Legal Specialization's proposal relating to spending down the Legal Specialization Fund reserve.

RESOLVED, that the Board of Trustees approves the Legal Specialization Fee Charges and Deadlines be revised in the form attached hereto for 2017.

ATTACHMENT(S) LIST

- A.** Table of fees charged to certified specialists from 2010-2012
- B.** Redlined Version of Proposed Legal Specialization Schedule of Charges and Deadlines
- C.** Final Version of Proposed Legal Specialization Schedule of Charges and Deadlines

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Admissions

The Office of Admissions is responsible for all activities pertaining to the admission of attorneys to the practice of law in the State of California. Its principal activities include developing, administering and grading the Bar Examination and the First-Year Law Students' Examination, as well as conducting moral character investigations. The Office also carries out the Committee of Bar Examiners' responsibility to accredit and register law schools. Finally, Admissions administers programs to allow non-members to practice in certain defined, limited areas, as well as programs to certify specialists in areas of legal practice.

For 2017, budgeted expenses for the Legal Specialization Fund significantly exceed budgeted revenue. These expenditures relate to a required spend-down of the Legal Specialization Fund's reserves necessary for that Fund to be in compliance with the State Bar's policy on reserve balances. The Admissions Fund includes a \$1 million transfer from Legal Specialization to the Admissions Fund to support the Information Management System (AIMS) upgrade; this transfer was made as part of the planned Legal Specialization Fund reserve spend-down.

	<u>Revenue</u>
FUNDING SOURCE	2017*
Admissions Fund	21,956
Legal Specialization Fund	430
TOTAL REVENUE (All Funds)	22,386

	<u>Positions</u>	<u>Expenditures</u>
SUMMARY OF PROGRAM REQUIREMENTS	2017	2017*
Admissions Administration	9.0	1,783
Examination Development	2.0	906
Admissions Operations and Processing	26.0	8,683
Examination Grading	7.0	2,555
Moral Character Determinations	13.0	1,616
Law School Regulation	2.0	354
Special Admissions	2.0	186
Specialization	8.0	4,608
Admissions Overhead		4,960
Legal Specialization Overhead		1,756
TOTAL (All Programs)	69.0	27,407

PROGRAM DESCRIPTIONS

Admissions Administration

Staff in this area provides general oversight and management of the Office of Admissions, which carries out the functions delegated to the Committee of Bar Examiners by statute. The responsibilities of this area include: developing and implementing policies and procedures; supporting the activities of the Committee of Bar Examiners, Board of Trustees and its Committee on Admissions and Education; compiling and monitoring the departmental budget; interacting with law schools and communicating with applicants and the public; and monitoring and implementing IT projects for the office.

Examination Development

Staff in this area is responsible for the acquisition, development, editing and production of examination questions. This area also processes petitions and determines reasonable testing accommodations for applicants with disabilities, and coordinates the production of Admission certificates for new admits.

Admissions Operations

Staff in this area is responsible for the receipt and processing of applications for registration, the First-Year Law Students' Examination, the California Bar Examination, moral character determinations, moral character determination extension, multi-jurisdictional practice program, Foreign Legal Consultant program, determining the eligibility of applicants to take the examinations, and administering examinations on behalf of Committee of Bar Examiners. In addition, this area is responsible for the reception and telephone services provided by the Los Angeles office.

Examination Grading

Staff in this area is responsible for ensuring that examinations administered by the Committee of Bar Examiners are graded using the standards and protocols adopted by the Committee, and that the results provided to applicants are error free and on time.

Moral Character Determinations

Staff in this area is responsible for completing the moral character investigations of applicants seeking admission to practice law in California and scheduling and coordinating informal conferences for applicants with the Committee of Bar Examiners' Subcommittee on Moral Character.

Law School Regulation

Staff in this area is responsible for the registration of unaccredited law schools and the accreditation of law schools in California. The workload of the staff includes monitoring applications received, reviewing annual reports, completing law school visitations and reporting findings and recommendations to the Committee of Bar Examiners.

Special Admissions

Staff in this area process applications for the Pro Hac Vice and Out-of-State Attorney Arbitration Counsel, which allow attorneys from other jurisdictions to practice law in California in limited ways. Staff also process applications from law students who wish to enhance their legal training by participating in the Practical Training of Law Students Program.

Specialization

Staff in this area support the work of the Legal Specialization department, which is responsible for administering the requirements for certification in 11 different areas of law. In addition, staff coordinate the administration of the legal specialization examinations that are administered every other year.

	Positions	Expenditures
EXPENDITURES BY CATEGORY	2017	2017*
Regular Salary & Benefits	69.0	7,587
Severance Expenses		168
Supplemental Staffing		375
Travel & Training		606
Supplies and Postage		398
Professional Services		2,985
Exam & Software Licensing		1,627
Exam Room Rental		1,771
Exam Proctors		1,501
Exam Graders		825
Occupancy		175
Telecommunications		97
Other Outside Services		2,169
Computers & Software		535
Buildings & Equipment		24
Retiree Medical Funding		125
Other Expenditures		17
Indirect Costs		5,422
Interfund Transfers		1,000
TOTAL	69.0	27,407

Chief Trial Counsel

The Office of Chief Trial Counsel (OCTC) is the prosecutorial arm of the State Bar, responsible for investigating and prosecuting attorneys for violations of the Rules of Professional Conduct and State Bar Act. In addition to its core attorney regulatory function, OCTC is responsible for regulatory proceedings before the State Bar Court, such as representing the Committee of Bar Examiners in moral character appeals to the State Bar Court and representing the Board of Legal Specialization in specialization certification appeals to the State Bar Court. OCTC is also responsible for ancillary proceedings such as superior court proceedings involving the assumption of a law practice and conducting certain investigations of non-attorneys who may be engaging in the unauthorized practice of law.

OCTC is staffed with executive, attorney and non-attorney staff. Non-attorney staff includes investigators, paralegals, complaint analysts, administrative assistants, secretaries, record coordinators and clerks. The Office will undergo a significant restructure in 2017, with the vast majority of staff transitioning to interdisciplinary teams. These teams will be responsible for Intake and Enforcement functions.

Intake processes include receiving and initiating new cases involving attorney violations of ethical rules and complaints against non-attorneys alleging the unauthorized practice of law. Staff conducts the initial review of complaints and determines whether the matters should be forwarded to Enforcement for further action.

Enforcement handles the investigation and prosecution of matters before the State Bar Court and superior court proceedings involving the assumption of a law practice.

The 2017 OCTC budget reflects a significant budget augmentation from 2016. This funding increase reflects a \$1.67 million augmentation resulting from the Supreme Court's 2017 attorney licensing fee assessment, as well as additional resource redirection to the Office.

	<u>Revenue</u>
FUNDING SOURCE	2017*
General Fund	61
TOTAL REVENUE (All Funds)	61

	<u>Positions</u>	<u>Expenditures</u>
SUMMARY OF PROGRAM REQUIREMENTS	2017	2017*
Chief Trial Counsel	247.1	35,445
Rule 2201 Conflict Cases	0.3	157
Indirect Cost		10,100
TOTAL (All Programs)	247.4	45,702

	Positions	Expenditures
EXPENDITURES BY CATEGORY	2017	2017*
Regular Salary & Benefits	247.4	33,153
Supplemental Staffing		300
Travel & Training		142
Supplies and Postage		331
Professional Services		195
Telecommunications		150
Other Outside Services		241
Other Expenditures		9
Indirect Costs		12,181
Reimbursements		-1,000
TOTAL	247.4	45,702

Probation

The Office of Probation (OP) monitors disciplined attorneys who have been ordered to comply with probation or reprobation conditions pursuant to orders issued by the California Supreme Court and/or the State Bar Court. Once these orders or agreements become effective, the OP establishes its own case files to maintain a record of compliance or non-compliance for each attorney.

OP monitoring requires staff to contact the attorney being monitored and third parties such as former clients, service providers, and other departments of the State Bar. OP staff provides timely information to the attorney, Office of Chief Trial Counsel, and State Bar Court regarding non-compliance and are available to testify under oath in Court.

	Positions	Expenditures
SUMMARY OF PROGRAM REQUIREMENTS	2017	2017*
Probation	7.0	890
Indirect Cost		236
TOTAL (All Programs)	7.0	1,126

	Positions	Expenditures
EXPENDITURES BY CATEGORY	2017	2017*
Regular Salary & Benefits	7.0	731
Travel & Training		1
Supplies and Postage		10
Telecommunications		6
Buildings & Equipment		2
Indirect Costs		376
TOTAL	7.0	1,126

Client Security Fund

The main purpose of the Client Security Fund (CSF) is to reimburse victims of attorney theft by processing, investigating, reviewing and administering the legal decisions made on applications for reimbursement. There are four main areas that encompass the work of CSF: (a) legal case processing; (b) support for the CSF Commission, the Board of Trustees and other State Bar departments; (c) financial management; and (d) basic internal administrative functions. The CSF is self-supporting, with funding derived from a statutorily mandated \$40 fee paid as part of the annual attorney licensing process.

	<u>Revenue</u>
FUNDING SOURCE	2017*
Client Security Fund	9,630
TOTAL REVENUE (All Funds)	9,630

	<u>Positions</u>	<u>Expenditures</u>
SUMMARY OF PROGRAM REQUIREMENTS	2017	2017*
Client Security Fund	8.0	6,620
Indirect Cost		677
TOTAL (All Programs)	8.0	7,297

	Positions	Expenditures
EXPENDITURES BY CATEGORY	2017	2017*
Regular Salary & Benefits	8.0	1,250
Severance Expenses		94
Travel & Training		13
Supplies and Postage		18
Telecommunications		10
Other Outside Services		17
CSF Payments		6,000
Computers & Software		1
Retiree Medical Funding		21
Other Expenditures		-149
Indirect Costs		562
Reimbursements		-540
TOTAL	8.0	7,297

Mandatory Fee Arbitration

The Mandatory Fee Arbitration program provides arbitration in cases of attorney-client disputes over legal fees pursuant to Business and Professions Code 6200 et seq. The program also assists clients in enforcing those awards where an attorney has been ordered to return unearned fees to the client, but fails to do so.

	Revenue	
FUNDING SOURCE	2017*	
General Fund	44	
TOTAL REVENUE (All Funds)	44	

	Positions	Expenditures
SUMMARY OF PROGRAM REQUIREMENTS	2017	2017*
Mandatory Fee Arbitration	4.5	625
Indirect Cost		210
TOTAL (All Programs)	4.5	835

	Positions	Expenditures
EXPENDITURES BY CATEGORY	2017	2017*
Regular Salary & Benefits	4.5	523
Travel & Training		29
Supplies and Postage		10
Professional Services		1
Telecommunications		4
Other Outside Services		57
Other Expenditures		1
Indirect Costs		210
TOTAL	4.5	835

State Bar Court

The California State Bar is the only state bar in the United States with independent professional judges dedicated to ruling on attorney disciplinary and regulatory cases. The independent State Bar Court adjudicates matters filed by OCTC, and has the power to recommend that the California Supreme Court suspend or disbar those attorneys found to have committed acts of professional misconduct or convicted of serious crimes. For lesser offenses, public or private reprimands may be issued. In regulatory matters, the State Bar Court adjudicates attorney reinstatements and matters where applicants for admission are challenging an adverse moral character determination.

	<u>Revenue</u>
FUNDING SOURCE	2017*
General Fund	26
TOTAL REVENUE (All Funds)	26

	<u>Positions</u>	<u>Expenditures</u>
SUMMARY OF PROGRAM REQUIREMENTS	2017	2017*
Administration	3.9	672
Hearing Department & Effectuations Unit	30.0	6,066
Review Department	9.0	2,116
Indirect Cost		3,026
TOTAL (All Programs)	42.9	11,880

PROGRAM DESCRIPTIONS

Administration

Administration encompasses the day-to-day administration of the State Bar Court, as well as the State Bar Court Reporter.

Hearing Department

The Hearing Department of the State Bar Court hears disciplinary cases brought by the Office of the Chief Trial Counsel, regulatory matters brought by petitioners, motions for modification and revocation of attorney probation and other matters.

Review Department

The Review Department of the State Bar Court decides cases on appeal, exercises suspension and other powers delegated pursuant to Rule 9.10, California Rules of Court, and conducts interlocutory review on issues materially affecting the outcome of Hearing Department cases.

Effectuations Unit

The Effectuations Unit of the State Bar Court transmits cases to the California Supreme Court and processes all other cases not requiring Supreme Court action.

	Positions	Expenditures
EXPENDITURES BY CATEGORY	2017	2017*
Regular Salary & Benefits	42.9	7,185
Travel & Training		116
Supplies and Postage		108
Occupancy		22
Telecommunications		64
Other Outside Services		33
Buildings & Equipment		5
Other Expenditures		1
Indirect Costs		4,346
TOTAL	42.9	11,880

Member Records & Compliance

The State Bar of California's Office of Member Records and Compliance maintains, on behalf of the Supreme Court, the official "Roll of Attorneys," i.e., the list of all attorneys who are licensed to practice law in the State of California. Upon admission to the practice of law in California, an attorney becomes a "member" of the State Bar. That official "membership" or licensing record is public information.

The Office also manages the registration of law corporations and of LLPs providing legal services, and is responsible for ensuring the compliance of all bar members with the requirements for mandatory continuing legal education (MCLE). In 2017, Member Records and Compliance has also assumed responsibility for MCLE Provider Certification.

Member Records and Compliance staff is responsible for answering all calls and emails to the Member Services Center, and is dedicated to efficiently providing reliable information to State Bar members and the broader public.

	Revenue
FUNDING SOURCE	2017*
General Fund	1,102
TOTAL REVENUE (All Funds)	1,102

	Positions	Expenditures
SUMMARY OF PROGRAM REQUIREMENTS	2017	2017*
Member Service Center	26.0	3,184
Indirect Cost		1,357
TOTAL (All Programs)	26.0	4,541

	Positions	Expenditures
EXPENDITURES BY CATEGORY	2017	2017*
Regular Salary & Benefits	26.0	2,596
Supplemental Staffing		165
Travel & Training		4
Supplies and Postage		177
Professional Services		88
Telecommunications		22
Other Outside Services		121
Other Expenditures		11
Indirect Costs		1,357
TOTAL	26.0	4,541

Professional Competence

The Office of Professional Competence administers the State Bar's attorney professional responsibility programs and resources, including revisions to the Rules of Professional Conduct of the State Bar of California, Rule 1-100(E). These activities assist practicing attorneys in complying with their professional duties.

	<u>Revenue</u>
FUNDING SOURCE	2017*
General Fund	21
TOTAL REVENUE (All Funds)	21

	<u>Positions</u>	<u>Expenditures</u>
SUMMARY OF PROGRAM REQUIREMENTS	2017	2017*
COPRAC & RRC		127
Outreach & Education	13.0	1,634
Publications		24
Indirect Cost		782
TOTAL (All Programs)	13.0	2,567

PROGRAM DESCRIPTIONS

Ethics Hotline

The Ethics Hotline is a confidential legal research service that helps lawyers identify and analyze professional responsibility issues. Although legal advice is not provided, lawyers receive research assistance that helps them make informed decisions on issues such as: conflicts of interest; fee arrangements; advertising; and ex parte communications. Among the types of information provided are references to: Rules of Professional Conduct; State Bar Act sections; Rules of Court; Bar committee advisory ethics opinions; and case law citations, including published opinions of the State Bar Court.

Board of Trustees, Ethics Opinion Committee (COPRAC), and Rules Revision Commission (RRC) Support

As needed, Professional Competence staff provides a full range of staffing support to the Board of Trustees for issues related to attorney professional responsibility. On an ongoing basis, staffing support is provided to the Standing Committee on Professional Responsibility and Conduct (COPRAC), the State Bar Rules Revision Commission (RRC), and other special task forces and committees as directed. These support services include developing meetings agendas, attending meetings, distributing assignments, making logistical arrangements for meetings, completing legal research and writing, maintaining records of all official materials, assisting in the appointment process for members, implementing approved work product (such as distributing ethics opinions and submitting proposed amended Rules of Professional Conduct to the Supreme Court for approval, etc.), serving as liaison between groups and others, both internal and external to the State Bar, tracking staff and volunteer meeting expenditures, facilitating policy input and legal advice, and preparing annual committee accomplishment reports.

Outreach & Education

Professional Competence staff participates in and coordinates outreach and educational activities that enhance attorney awareness of issues in professional conduct. This education and outreach also disseminates information on State Bar resources that facilitate compliance with the Rules of Professional Conduct and the State Bar Act. This helps to protect the public from violations, such as inadvertent violations of the Board of Trustees' client trust account recordkeeping standards. Professional Competence's outreach and educational activities include: preparing and presenting the State Bar's Annual Ethics Symposium; preparing and making presentations to local and specialty bar associations, related legal professional associations, and law schools; and making presentations and providing information to other State Bar departments. To complete delivery of these educational and outreach services, Professional Competence staff identify speakers, compile written materials, complete legal research, prepare and update slide presentations, attend programs, arrange for program publicity, produce materials, and solicit and review feedback about the quality of educational programs and presentations.

Publications

Professional Competence staff produce, update and distribute publications related to attorney professional responsibility including: The California Compendium on Professional Responsibility; The Handbook on Client Trust Accounting for California Attorneys; and Publication 250 - The California Rules of Professional Conduct, The State Bar Act, and Related Statutes. The latter book also is offered as an e-Book for any device compatible with the Amazon.com Kindle reader application. Staff's publication work includes extensive online professional responsibility resources on topics such as: ethics and technology; judicial ethics; civility and professionalism; and senior lawyer resources. These online resources are continually updated by Professional Competence staff.

	Positions	Expenditures
EXPENDITURES BY CATEGORY	2017	2017*
Regular Salary & Benefits	13.0	1,596
Travel & Training		65
Supplies and Postage		28
Professional Services		50
Occupancy		3
Telecommunications		21
Other Outside Services		19
Buildings & Equipment		1
Other Expenditures		2
Indirect Costs		782
TOTAL	13.0	2,567

Education

The Office of Education provides opportunities for continuing legal education and professional development. It encompasses the Sections of the State Bar as well as the California Young Lawyers Association (CYLA) and the California Solo & Small Firm Summit.

Although discussions regarding separation of the Sections are underway, the Budget reflects status quo operations of the Office of Education through 2017.

	<u>Revenue</u>
FUNDING SOURCE	2017*
Sections Funds	9,006
TOTAL REVENUE (All Funds)	9,006

	<u>Positions</u>	<u>Expenditures</u>
SUMMARY OF PROGRAM REQUIREMENTS	2017	2017*
Sections	18.0	7,358
CYLA		25
Indirect Cost		1,642
TOTAL (All Programs)	18.0	9,025

PROGRAM DESCRIPTIONS

Sections

The Sections are voluntary organizations of attorneys and associates who share an area of interest. The Sections help their members maintain expertise in their various fields of law, expand their professional contacts, and serve the profession, the public and the legal system. The State Bar of California has 16 Sections. Each Section is governed by an executive committee of members appointed by the State Bar Board of Trustees.

California Solo & Small Firm Summit

The Summit content is geared to California attorneys who are in a solo or small firm practice and offers a wide variety of education and networking opportunities for solo practitioners.

CYLA

CYLA is the nation's largest association of young lawyers. A California young lawyer is defined as a member in good standing of the State Bar of California who is in his or her first five (5) years of practice in California or whose age is 36 or under.

	Positions	Expenditures
EXPENDITURES BY CATEGORY	2017	2017*
Regular Salary & Benefits	18.0	2,125
Severance Expenses		290
Supplemental Staffing		89
Travel & Training		2,583
Supplies and Postage		403
Professional Services		411
Occupancy		10
Telecommunications		75
Other Outside Services		1,127
Buildings & Equipment		4
Retiree Medical Funding		42
Other Expenditures		224
Indirect Costs		1,642
TOTAL	18.0	9,025

Legal Services

The Office of Legal Services (OLS) operates several programs intended to ensure that all Californians have appropriate access to the legal system, regardless of income. The programs administered by the Office are supported by a mix of General Fund and grant funding sources. In 2017, the Office of Legal Services will assume responsibility for the Bar's Elimination of Bias Program, which works to diversify the legal profession and to eliminate bias in the practice of law.

	Revenue	
FUNDING SOURCE	2017*	
Equal Access Fund	19,653	
General Fund	60	
Grants Fund	6	
Justice Gap Fund	602	
Legal Services Trust Fund	14,583	
TOTAL REVENUE (All Funds)	34,904	

	Positions	Expenditures
SUMMARY OF PROGRAM REQUIREMENTS	2017	2017*
Access To Justice		17
Program Development	8.5	1,142
Legal Services Funding	11.5	39,097
Elimination of Bias	1.0	253
Indirect Cost		3,805
TOTAL (All Programs)	21.0	44,314

PROGRAM DESCRIPTIONS

Access To Justice

OLS works to expand, support, and improve the delivery of legal services to low and moderate income Californians. This work includes the development of policy initiatives and other programs in collaboration with institutions working to expand access to justice for low income Californians (e.g. the Judicial Council; legal services programs; local, state and national organizations such as the American Bar Association and National Legal Aid and Defender Association). The work includes the promotion of language access, rural access to justice, and innovative programs to increase access to justice. Services are provided through the Office of Legal Services and the California Commission on Access to Justice.

Program Development

OLS develops and administers a range of programs that support and promote the direct delivery of legal services to low and middle income Californians. These efforts include encouraging increased pro bono participation; designing and facilitating free high-quality substantive and skill-based training for legal services lawyers, pro bono counsel, and other advocates on a variety of topics; administering the Lawyer Referral Service (LRS) certification program and bilingual hotline; and providing staff support to volunteer entities dedicated to access to justice, including the California Commission on Access to Justice, and Board of Trustee initiatives focused on access to justice issues.

OLS also coordinates a statewide Disaster Legal Services Response network and hosts the Pathways to Justice conference, a comprehensive, statewide legal services conference held every three years. Services are provided through OLS' Center on Access to Justice.

Legal Services Funding

This Service Area focuses on the administration of grants generated through Interest on Lawyer Trust Accounts (IOLTA), the state Equal Access Fund, the Justice Gap Fund, and other revenue sources to fund the provision of free legal services to low income Californians. Services are provided through the Legal Services Trust Fund Program and the Legal Services Trust Fund Commission.

Elimination of Bias

Elimination of Bias focuses on local and statewide programs and initiatives to diversify the legal profession and to eliminate bias in the practice of law. The activity in this area is funded solely through voluntary contributions to the State Bar, and is largely conducted by the Council on Access & Fairness (COAF). Staff also compiles and disseminates demographic information and other resource materials to inform and facilitate diversity efforts by the State Bar and other organizations. COAF is a State Bar appointed entity that serves as the Bar's diversity think tank to advise the Board of Trustees on strategies to enhance diversity opportunities and advancement in the legal profession along the full diversity pipeline (e.g. from pre-K to high school, community colleges to law school and the bar exam, to the legal profession and the judiciary).

	Positions	Expenditures
EXPENDITURES BY CATEGORY	2017	2017*
Regular Salary & Benefits	21.0	2,647
Severance Expenses		168
Travel & Training		101
Supplies and Postage		29
Professional Services		236
Occupancy		2
Telecommunications		25
Other Outside Services		7
Legal Services Grants		37,386
Computers & Software		66
Buildings & Equipment		1
Retiree Medical Funding		63
Other Expenditures		1
Indirect Costs		1,449
Interfund Transfers		2,133
TOTAL	21.0	44,314

Lawyer Assistance Program

The Lawyer Assistance Program provides substance abuse and mental health support services to members of the bar. For 2017, \$1.6 million of the revenue is made up of a transfer from the Unconsolidated General Fund, to replenish the 2016 transfer to the Client Security Fund which was reversed pursuant to a directive of the State Bar Board of Trustees.

	<u>Revenue</u>
FUNDING SOURCE	2017*
Lawyer Assistance Program Fund	2,085
TOTAL REVENUE (All Funds)	2,085

	<u>Positions</u>	<u>Expenditures</u>
SUMMARY OF PROGRAM REQUIREMENTS	2017	2017*
Lawyer Assistance Program	7.0	1,152
Indirect Cost		538
TOTAL (All Programs)	7.0	1,690

PROGRAM DESCRIPTIONS

Orientation and Assessment

All members of the bar are eligible to receive a free professional mental health assessment by a LAP case manager without making a longer-term commitment to participate in the program. Members are also entitled to attend up to three free sessions of LAP group with obligation to continue further.

Monitored LAP

Monitored LAP is for attorneys who want to satisfy a specific monitoring or verification requirement imposed by an employer, the Office of the Chief Trial Counsel, State Bar Court, Committee of Bar Examiners, or another entity. It is also available to attorneys seeking help independently. The program offers long-term structure and the support of a professional case manager. Attendance at LAP group meetings and lab testing are typically required as conditions of participating in Monitored LAP. There is a fee for group participation.

Support LAP

Support LAP is for attorneys who are interested in participating in a weekly group meeting with other lawyers and would like the support of a qualified mental health professional. There is a fee for group participation.

	Positions	Expenditures
EXPENDITURES BY CATEGORY	2017	2017*
Regular Salary & Benefits	7.0	871
Severance Expenses		91
Travel & Training		74
Supplies and Postage		6
Professional Services		178
Telecommunications		16
Other Outside Services		6
Other Expenditures		1
Indirect Costs		447
TOTAL	7.0	1,690

Executive Director

The Office of the Executive Director is responsible for the overall direction and administration of the day-to-day operations of the State Bar, as well as for legislative activities on behalf of the Bar. In addition, the OED is responsible for supporting the Board of Trustees and its task forces and working groups and the Judicial Nominees Evaluation (JNE) Commission. In 2017, the OED will assume responsibility for oversight of the Bar's Affinity and Insurance Programs, which generate revenue housed in the Legal Education and Development Fund.

	<u>Revenue</u>
FUNDING SOURCE	2017*
General Fund	15
Legislative Activities Fund	102
Legal Education and Development Fund	2,154
TOTAL REVENUE (All Funds)	2,271

	<u>Positions</u>	<u>Expenditures</u>
SUMMARY OF PROGRAM REQUIREMENTS	2017	2017*
Management, Oversight and Planning	14.8	3,154
Board Support - Secretariat	1.0	370
Judicial Evaluations	3.0	463
Governmental Affairs	1.2	330
Affinity & Insurance	1.2	241
Indirect Cost		-2,843
TOTAL (All Programs)	21.2	1,715

PROGRAM DESCRIPTIONS

Management, Oversight and Planning

OED, through the Chief Operating Officer's Office (COO) provides support and direction to all management within the State Bar regarding personnel administration, budget, facilities, and all other management related matters. In its management leadership role, OED staff leads the Senior Management Team in establishing and effectuating operational/programmatic oversight. OED establishes Bar-wide operating policies and procedures, communicates and reinforces those policies and procedures to all staff. OED leads the State Bar's efforts to ensure accountability for the use of resources and compliance with all mandated functions and/or requirements. OED takes the lead in working with the union to reach agreeable memoranda of understanding between the union and management. OED in collaboration with the Senior Management Team serves as the focus for problem-solving analysis and resolution Bar-wide. OED also manages the Bar's Professional Liability Insurance, Group Insurance and Affinity Programs. These Programs earn non-dues revenue for the Bar in excess of \$2,000,000 annually which are used to support the Bar's public protection functions.

Board Support

OED provides staff support to the Board of Trustees to support its effective and efficient operation. In fulfilling the Secretariat responsibilities, OED staff sets the schedule of Board meetings, oversees production of Board agendas, travels to and attends all Board meetings, oversees production of minutes and action summaries, maintains the Board Book and all official permanent records of the State Bar, and timely processes Board member expense reports. OED staff provides expert assistance to Board members and ensures that appropriate State Bar staff timely responds to all Board member inquiries.

In addition to providing support for regular Board meetings and business, OED staff coordinates all Board appointments to commissions, committees, and special task forces, administers annual Board elections, and prepares and conducts orientations for Board candidates, Board members & Committee Chairs. OED staff ensures effective relationships are developed between Board members and State Bar staff and clearly inform board and staff about and enforce policies related to lines of authority. OED staff is responsible for ensuring that all Board directives are carried out.

Judicial Evaluations

The Commission on Judicial Nominees Evaluation, established pursuant to Government Code Section 12011.5, is the State Bar agency which evaluates all candidates who are under consideration for a judicial appointment by the Governor. The mission of the Commission is to assist the Governor in the judicial selection process and thereby to promote a California judiciary of quality and integrity by providing independent, comprehensive, accurate, and fair evaluations of candidates for judicial appointment and nomination.

Office of Research and Institutional Accountability (ORIA)

The Office of Research and Institutional Accountability (ORIA) reports to the Chief Operating Officer and is responsible for leading strategic initiatives to improve the overall efficiency and effectiveness of Bar operations. ORIA staff are conduct studies of Bar operations; develop and implement business process improvement plans; research and write legislatively mandated studies, and; manage projects with agency-wide implications such as the implementation of Workforce Planning recommendations submitted to the Legislature in May, 2015, and the implementation of a new Case Management System for the Office of Chief Trial Counsel (OCTC) and the State Bar Court. In 2017, ORIA will work to centralize and enhance the Bar's collection activities, which is projected to result in increased compliance with court orders and revenue to support the State Bar's discipline functions.

ORIA staff are also responsible for managing key components of State Bar data, in particular, weekly management reports for OCTC, monthly reports to the Regulation and Discipline Committee and the annual Attorney Discipline Report. In addition to serving as the lead staff to the Regulation and Discipline Committee, ORIA staffs the subcommittees of Admissions and Education Committee, the

Stakeholders, Access to Justice and Appointment subcommittees of the Board of Trustees.

	Positions	Expenditures
EXPENDITURES BY CATEGORY	2017	2017*
Regular Salary & Benefits	21.2	3,388
Supplemental Staffing		95
Travel & Training		431
Supplies and Postage		323
Professional Services		217
Occupancy		1
Telecommunications		19
Other Outside Services		83
Other Expenditures		1
Indirect Costs		-2,843
TOTAL	21.2	1,715

Finance

The Finance Department is responsible for financial reporting and analysis, budget development and oversight, accounts payable, accounts receivable, general ledger; and member billing for the State Bar.

	Positions	Expenditures
SUMMARY OF PROGRAM REQUIREMENTS	2017	2017*
Finance	12.0	2,365
Member Billing	3.0	1,386
TOTAL (All Programs)	15.0	3,751

PROGRAM DESCRIPTIONSFinancial Reporting, Budgeting, and Analysis

This service area is responsible for the Bar's budgeting, financial planning, financial analysis and accounting, making accurate and timely payments to the State Bar's employees (payroll) and outside vendors (accounts payable), and for implementing related procedures and internal controls. It also works closely with the Bar's outside auditors and the California Bureau of State Audits to ensure the implementation of sound financial controls and public accountability.

Member Billing

Member billing is responsible for ensuring attorneys' annual fees and other payments are deposited with financial institutions. The primary task for Member billing staff is the treasury function of depositing and posting annual membership fees, discipline costs, and CSF payments in the billing system. In addition, staff responds to members' billing inquiries, assists in the annual suspension process, and assists in the status change process. In 2017, paper fee statements were replaced with an online portal as the primary mechanism for firms and individual members to make their payments.

	Positions	Expenditures
EXPENDITURES BY CATEGORY	2017	2017*
Regular Salary & Benefits	15.0	1,849
Supplemental Staffing		146
Travel & Training		4
Supplies and Postage		78
Professional Services		420
Telecommunications		21
Other Outside Services		830
Buildings & Equipment		2
Other Expenditures		1
Interfund Transfers		400
TOTAL	15.0	3,751

General Counsel

The Office of the General Counsel (OGC) functions as the State Bar's lawyer, and is responsible for providing legal advice and counsel to the Board of Trustees, its working groups, taskforces, and committees, and all departments and programs of the State Bar.

	Positions	Expenditures
SUMMARY OF PROGRAM REQUIREMENTS	2017	2017*
General Counsel	24.8	4,465
TOTAL (All Programs)	24.8	4,465

	Positions	Expenditures
EXPENDITURES BY CATEGORY	2017	2017*
Regular Salary & Benefits	24.8	4,090
Travel & Training		45
Supplies and Postage		37
Professional Services		150
Telecommunications		25
Other Outside Services		112
Buildings & Equipment		6
TOTAL	24.8	4,465

Human Resources

The Human Resources Department is responsible for recruitment, classification, compensation, and performance management, labor relations, and benefits administration.

	Positions	Expenditures
SUMMARY OF PROGRAM REQUIREMENTS	2017	2017*
Human Resources	11.0	1,764
TOTAL (All Programs)	11.0	1,764

PROGRAM DESCRIPTIONS

Compensation Administration

The Human Resources Department plays the leading role in developing, benchmarking and administering the Bar's employee compensation structure, including its salary schedules, benefit offerings and retirement alternatives. This service area also includes day-to-day operations of the Bar's payroll and benefit programs.

Recruitment and Retention

This service area encompasses recruiting new staff, institutional training, and administering the Bar's system of performance reviews for current employees.

Employee Relations

Employee relations encompasses activities ranging from health and wellness promotion to collective bargaining. It includes workplace safety efforts, labor negotiations and management of the employee grievance process.

Records and Information Systems

This service area is responsible for maintaining required employment records, processing security clearances, and operating the Bar's Human Resources Information System (HRIS).

	Positions	Expenditures
EXPENDITURES BY CATEGORY	2017	2017*
Regular Salary & Benefits	11.0	1,433
Travel & Training		151
Supplies and Postage		17
Professional Services		100
Telecommunications		19
Other Outside Services		10
Buildings & Equipment		34
TOTAL	11.0	1,764

Information Technology

The Information Technology (IT) Department is responsible for the Bar's IT infrastructure (including PC's, networks, servers, and mini-computers), for custom software development, for maintenance and administration of the Bar's existing software, and for the Bar's public-facing internet presence.

	Positions	Expenditures
SUMMARY OF PROGRAM REQUIREMENTS	2017	2017*
IT Admin and Operations	26.0	6,555
TOTAL (All Programs)	26.0	6,555

PROGRAM DESCRIPTIONS

IT Admin

Responsible for the management and oversight of the IT Department. This includes planning and organizing activities of the department, and to promote and facilitate the effective use of technology in order to improve cost effectiveness and service quality that supports the Bar's Strategic Plan and mission.

IT Applications

Responsible for providing leadership, direction and guidance for the implementation, maintenance, enhancement, improvement, and security and integrity of the State Bar's enterprise information systems.

IT Operations

Responsible for providing leadership, direction and guidance for the implementation, maintenance, support, enhancement, improvement, and security and integrity of the State Bar's enterprise infrastructure systems.

	Positions	Expenditures
EXPENDITURES BY CATEGORY	2017	2017*
Regular Salary & Benefits	26.0	4,100
Supplemental Staffing		250
Travel & Training		55
Supplies and Postage		17
Professional Services		178
Occupancy		120
Telecommunications		65
Computers & Software		1,720
Buildings & Equipment		50
TOTAL	26.0	6,555

Strategic Communications and Stakeholder Engagement

The State Bar's Office of Communications and Stakeholder Engagement (OCSE) is responsible for ensuring that the general public and the legal community are informed about the agency's public protection role and know how to access the Bar's services and resources. The office is tasked with conveying critical information to Californians about how to protect themselves from attorney misconduct and what to do if that happens, including by filing complaints against attorneys or seeking compensation for harm through the Client Security Fund. In addition, the Office is responsible for maintaining a connection with voluntary bars throughout the state. Activity related to this latter function is funded solely through voluntary contributions to the State Bar.

	Positions	Expenditures
SUMMARY OF PROGRAM REQUIREMENTS	2017	2017*
Communications	4.7	844
Bar Relations	1.5	58
Indirect Cost		306
TOTAL (All Programs)	6.2	1,208

PROGRAM DESCRIPTIONS

Media Relations

Communications is the State Bar's principal day-to-day liaison with the news media. Media Relations staff are responsible for fielding inbound inquiries from the press and electronic media and for actively communicating the Bar's message via press releases and other means. Media Relations also provides support and training for other Bar staff who may have contact with the press.

Public Education

Staff develop and update consumer education pamphlets, brochures and guides. These public education materials are initially researched and written by staff whose work is then reviewed by attorneys for completeness and accuracy. Staff designs, lays out, edits, and oversees the translation of the final materials in multiple languages. Staff coordinates printing and contracts for storage and fulfillment. In addition, staff also organizes and attends public education forums throughout the state and helps to market those forums to encourage attorney participation and public attendance.

Social Media

Staff maintains the Bar's official social media accounts and assist the Bar in developing best practices and policies for its use.

Website

The website is the State Bar's primary communications channel with attorneys and the public. In overseeing the content, staff works to ensure the information is accessible and assists the public in finding the information they are looking for.

Bar Relations

Bar Relations focuses on supporting the work of the 280 local, minority, specialty and women's voluntary bar associations in California. In addition to working with California bar associations, the Bar Relations team serves as liaison to external organizations including the American Bar Association, National Association of Bar Executives, National Conference of Bar Presidents, Executives of California Legal Associations as well as individual state and local bar associations throughout the country. Bar Relations conducts annual leadership training for bar leaders and executive directors. Bar Relations maintains a clearinghouse of program and governance information which is drawn upon to assist organizations within the state. Activity in conjunction with voluntary bar associations is funded solely through voluntary contributions to the State Bar.

	Positions	Expenditures
EXPENDITURES BY CATEGORY	2017	2017*
Regular Salary & Benefits	6.2	798
Travel & Training		3
Supplies and Postage		8
Professional Services		58
Telecommunications		3
Other Outside Services		32
Indirect Costs		306
TOTAL	6.2	1,208

General Services

The Office of General Services provides a comprehensive range of administrative and facilities services that support the work of all State Bar departments.

	Positions	Expenditures
SUMMARY OF PROGRAM REQUIREMENTS	2017	2017*
General Services	22.0	7,649
TOTAL (All Programs)	22.0	7,649

PROGRAM DESCRIPTIONS

The Office of General Services provides a comprehensive range of administrative and facilities services that support the work of all State Bar departments. General Services is divided into the following three service areas:

Administrative Services

As the organization's administrative support arm, the Office of General Services manages mail and courier services; reception and public inquiry; document imaging and printing; fax and copier support; meeting and conference support; and travel services.

Facilities Management

The Office of General Services manages over 350,000 square feet of office space for Bar staff and tenants. It maintains the Bar's facilities and safeguards its physical assets by managing engineering and janitorial services; landlord/tenant relations; space planning and use; construction; safety and security programs; parking; and recycling programs.

Procurement

The Office of General Services facilitates the State Bar's purchasing and contracting process, including compliance with mandated competitive bidding requirements and contract control procedures. It manages the purchase order process, contract administration and credit card program, and audits spending and travel for policy compliance.

	Positions	Expenditures
EXPENDITURES BY CATEGORY	2017	2017*
Regular Salary & Benefits	22.0	2,291
Supplemental Staffing		2
Travel & Training		23
Supplies and Postage		26
Professional Services		349
Occupancy		4,552
Telecommunications		53
Other Outside Services		319
Buildings & Equipment		64
Other Expenditures		-30
TOTAL	22.0	7,649

Technology Projects

This category includes telecommunications and IT infrastructure upgrades as well as upgrades to and replacement of software applications. For 2017, the Technology Project Budget will primarily be used for the discipline system CMS Project. 2017 revenue reflects a \$400,000 transfer from the Consolidated General Fund to the Technology Fund pursuant to Board of Trustee direction; the transfer derives from savings associated with a transition to electronic billing for the electronic license fee. This funding will be used to support the discipline system CMS Project.

	<u>Revenue</u>
FUNDING SOURCE	2017*
Technology Fund	400
TOTAL REVENUE (All Funds)	400

	Positions	Expenditures
SUMMARY OF PROGRAM REQUIREMENTS	2017	2017*
Technology Projects	10.0	4,283
Indirect Cost		775
TOTAL (All Programs)	10.0	5,058

PROGRAM DESCRIPTIONS

The 2017 Technology Fund budget will be used to support the following projects:

Discipline Case Management System (CMS) for the Office of the Chief Trial Counsel, State Bar Court, and Probation

The CMS project will improve the level of automation, functionality, and end-to-end integration between OCTC, SBC, and Probation. The CMS integrated solution also reduces operational costs and complexity by reducing the number of disparate applications (e.g. a different DMS system) and tools needed for the lifecycle processes of the discipline system. Budgeted costs include one-time procurement costs as well as personnel costs associated with dedicated Subject Matter Experts and project management staffing.

SF Courtroom AV

Web and video conferencing capability will be added to the SF courtrooms.

SF Boardroom AV

This project is to replace end-of-life and failing AV equipment in the SF 4th floor conference rooms.

	Positions	Expenditures
EXPENDITURES BY CATEGORY	2017	2017*
Regular Salary & Benefits	10.0	1,633
Computers & Software		2,650
Indirect Costs		775
TOTAL	10.0	5,058

Facilities Projects

This category includes capital improvement projects at State Bar buildings. Capital improvement projects are undertaken, when necessary, to preserve these major physical assets and ensure that the buildings function efficiently and safely. Capital improvement projects are managed by the Office of General Services.

	<u>Revenue</u>
FUNDING SOURCE	2017*
Building Fund	1,365
TOTAL REVENUE (All Funds)	1,365

	<u>Positions</u>	<u>Expenditures</u>
SUMMARY OF PROGRAM REQUIREMENTS	2017	2017*
Facilities Projects - San Francisco		1,700
Indirect Cost		-986
TOTAL (All Programs)		714

PROGRAM DESCRIPTIONS

Facilities Projects at 180 Howard Street, San Francisco

The Bar is progressing through a multi-year capital improvement plan for 180 Howard Street, focused primarily on upgrades to the building's Heating, Ventilation & Air Conditioning system and Fire/Life Safety Systems. These upgrades are required due to normal aging, wear and tear and technical obsolescence of existing equipment. For 2017, the Board of Trustees has approved a \$1.7 million budget for this work.

	Positions	Expenditures
EXPENDITURES BY CATEGORY	2017	2017*
Buildings & Equipment		1,700
Indirect Costs		-986
TOTAL		714

SF Tenant Improvement Fund

This Fund houses the \$10 million loan taken out in 2016 to support tenant improvement work at the Bar's 180 Howard Street location. To date, \$2.6m has been spent from this loan, including \$2.3m in tenant improvement expenditures and \$0.3M in loan interest. The 2017 budget of \$1.04M will include \$0.64m broker commission and \$0.4m loan interest. The loan balance as of December 2016 is \$9.4M. \$2.5M in this Fund is classified as restricted cash, which represents two-year debt service payments as security pledged with BankofAmerica. Vacant spaces are anticipated to be rented by April 2017.

	Revenue
FUNDING SOURCE	2017*
SF Tenant Improvement Fund	50
TOTAL REVENUE (All Funds)	50

	Positions	Expenditures
SUMMARY OF PROGRAM REQUIREMENTS	2017	2017*
SF Tenant Improvement Fund		1,040
TOTAL (All Programs)		1,040

	Positions	Expenditures
EXPENDITURES BY CATEGORY	2017	2017*
Other Outside Services		640
Debt Service		400
TOTAL		1,040

Statements of Fund Condition

General Fund	2017*
Beginning Balance	12,939
<u>Revenues</u>	
Mandatory Dues	63,964
Administrative Fees	2,009
Penalties and Late Fees	2,392
Other Fees and Charges	65
Interest Income	105
Other Revenues	179
Total Revenues	68,714
<u>Expenditures</u>	
Regular Salary & Benefits	50,719
Supplemental Staffing	560
Severance Expenses	1,895
Travel & Training	801
Supplies and Postage	989
Professional Services	448
Occupancy	26
Telecommunications	50
Other Outside Services	535
Buildings & Equipment	8
Retiree Medical Funding	457
Other Expenditures	25
Indirect Costs	18,157
Reimbursements	-1,000
Interfund Transfers	1,600
Total Expenditures	75,270
Ending Balance	6,383

* Budget, \$ thousands

State Bar of California

Statements of Fund Condition

Grants Fund	2017*
Beginning Balance	415
<u>Revenues</u>	
Grants	6
Total Revenues	6
<u>Expenditures</u>	
Legal Services Grants	6
Total Expenditures	6
Ending Balance	415
Annual Meeting Fund	2017*
Beginning Balance	-55
Ending Balance	-55
Fixed Assets Fund	2017*
Beginning Balance	0
<u>Expenditures</u>	
Depreciation (Non-Expenditure)	1,627
Total Expenditures	1,627
Ending Balance	-1,627

* Budget, \$ thousands

State Bar of California

Statements of Fund Condition

Legislative Activities Fund	2017*
Beginning Balance	418
<u>Revenues</u>	
Voluntary Dues & Donations	100
Interest Income	2
Total Revenues	102
<u>Expenditures</u>	
Regular Salary & Benefits	157
Supplies and Postage	9
Professional Services	162
Telecommunications	2
Indirect Costs	66
Total Expenditures	396
Ending Balance	124
Elimination of Bias Fund	2017*
Beginning Balance	513
<u>Expenditures</u>	
Regular Salary & Benefits	249
Severance Expenses	87
Travel & Training	33
Supplies and Postage	8
Professional Services	5
Occupancy	2
Telecommunications	3
Other Outside Services	5
Retiree Medical Funding	42
Indirect Costs	100
Total Expenditures	534
Ending Balance	-21

* Budget, \$ thousands

State Bar of California

Statements of Fund Condition

Legal Education and Development Fund		2017*
Beginning Balance		7,536
<u>Revenues</u>		
Insurance Commissions		1,912
Other Revenues		242
Total Revenues		2,154
<u>Expenditures</u>		
Regular Salary & Benefits		142
Travel & Training		40
Supplies and Postage		5
Other Outside Services		54
Indirect Costs		84
Total Expenditures		325
Ending Balance		9,365
Technology Fund		2017*
Beginning Balance		3,698
<u>Revenues</u>		
Interfund Transfers		400
Total Revenues		400
<u>Expenditures</u>		
Regular Salary & Benefits		1,633
Computers & Software		2,650
Indirect Costs		775
Total Expenditures		5,058
Ending Balance		-960

* Budget, \$ thousands

State Bar of California

Statements of Fund Condition

Admissions Fund	2017*
Beginning Balance	4,506
<u>Revenues</u>	
Administrative Fees	1,174
Penalties and Late Fees	461
Student Registration Fees	1,195
Exam Fees	13,733
Moral Character Fees	4,123
Other Fees and Charges	245
Interest Income	25
Interfund Transfers	1,000
Total Revenues	21,956
<u>Expenditures</u>	
Regular Salary & Benefits	6,785
Supplemental Staffing	345
Severance Expenses	168
Travel & Training	423
Supplies and Postage	372
Professional Services	478
Exam & Software Licensing	1,589
Exam Room Rental	1,696
Exam Proctors	1,466
Exam Graders	825
Occupancy	171
Telecommunications	87
Other Outside Services	1,825
Buildings & Equipment	9
Retiree Medical Funding	125
Other Expenditures	13
Indirect Costs	4,666
Total Expenditures	21,043
Ending Balance	5,419

* Budget, \$ thousands

State Bar of California

Statements of Fund Condition

Lawyer Assistance Program Fund		2017*
Beginning Balance		3,015
<u>Revenues</u>		
Mandatory Dues		2,085
Total Revenues		2,085
<u>Expenditures</u>		
Regular Salary & Benefits		871
Severance Expenses		91
Travel & Training		74
Supplies and Postage		6
Professional Services		178
Telecommunications		16
Other Outside Services		6
Other Expenditures		1
Indirect Costs		447
Total Expenditures		1,690
Ending Balance		3,410

* Budget, \$ thousands

State Bar of California

Statements of Fund Condition

Support and Administration Fund	2017*
Beginning Balance	-513
<u>Expenditures</u>	
Regular Salary & Benefits	13,763
Supplemental Staffing	398
Severance Expenses	302
Travel & Training	278
Supplies and Postage	175
Professional Services	1,197
Occupancy	4,672
Telecommunications	183
Other Outside Services	1,271
Computers & Software	1,720
Buildings & Equipment	156
Retiree Medical Funding	250
Other Expenditures	-29
Indirect Costs	-24,737
Interfund Transfers	400
Total Expenditures	-1
Ending Balance	-512

* Budget, \$ thousands

State Bar of California

Statements of Fund Condition

Legal Specialization Fund	2017*
Beginning Balance	6,161
<u>Revenues</u>	
Administrative Fees	253
Exam Fees	140
Other Fees and Charges	8
Interest Income	26
Other Revenues	3
Total Revenues	430
<u>Expenditures</u>	
Regular Salary & Benefits	802
Supplemental Staffing	30
Travel & Training	183
Supplies and Postage	26
Professional Services	2,507
Exam & Software Licensing	38
Exam Room Rental	75
Exam Proctors	35
Occupancy	4
Telecommunications	10
Other Outside Services	344
Computers & Software	535
Buildings & Equipment	15
Other Expenditures	4
Indirect Costs	756
Interfund Transfers	1,000
Total Expenditures	6,364
Ending Balance	227
Public Protection Fund	2017*
Beginning Balance	6,508
Ending Balance	6,508

* Budget, \$ thousands

State Bar of California

Statements of Fund Condition

Building Fund	2017*
Beginning Balance	2,196
<u>Revenues</u>	
Mandatory Dues	3
Penalties and Late Fees	6
Lease Revenues	1,345
Interest Income	11
Total Revenues	1,365
<u>Expenditures</u>	
Buildings & Equipment	1,700
Indirect Costs	-986
Total Expenditures	714
Ending Balance	2,847

* Budget, \$ thousands

State Bar of California

Statements of Fund Condition

Client Security Fund	2017*
Beginning Balance	1,498
<u>Revenues</u>	
Mandatory Dues	7,995
Interest Income	20
Other Revenues	15
Interfund Transfers	1,600
Total Revenues	9,630
<u>Expenditures</u>	
Regular Salary & Benefits	1,250
Severance Expenses	94
Travel & Training	13
Supplies and Postage	18
Telecommunications	10
Other Outside Services	17
CSF Payments	6,000
Computers & Software	1
Retiree Medical Funding	21
Other Expenditures	-149
Indirect Costs	562
Reimbursements	-540
Total Expenditures	7,297
Ending Balance	3,831

* Budget, \$ thousands

State Bar of California

Statements of Fund Condition

Legal Services Trust Fund	2017*
Beginning Balance	8,202
<u>Revenues</u>	
Voluntary Dues & Donations	6,325
IOLTA	6,000
Interest Income	50
Other Revenues	75
Interfund Transfers	2,133
Total Revenues	14,583
<u>Expenditures</u>	
Regular Salary & Benefits	1,293
Severance Expenses	81
Travel & Training	22
Supplies and Postage	11
Professional Services	21
Telecommunications	12
Legal Services Grants	12,952
Computers & Software	56
Buildings & Equipment	1
Retiree Medical Funding	21
Other Expenditures	1
Indirect Costs	717
Total Expenditures	15,188
Ending Balance	7,597

* Budget, \$ thousands

State Bar of California

Statements of Fund Condition

Equal Access Fund	2017*
Beginning Balance	1,234
<u>Revenues</u>	
Administrative Fees	460
Grants	19,192
Interest Income	1
Total Revenues	19,653
<u>Expenditures</u>	
Supplies and Postage	1
Professional Services	210
Legal Services Grants	19,014
Indirect Costs	15
Total Expenditures	19,240
Ending Balance	1,647
Info Tech Special Access Fund	2017*
Beginning Balance	1,215
Ending Balance	1,215
Justice Gap Fund	2017*
Beginning Balance	1,555
<u>Revenues</u>	
Voluntary Dues & Donations	600
Interest Income	2
Total Revenues	602
<u>Expenditures</u>	
Indirect Costs	9
Interfund Transfers	2,133
Total Expenditures	2,142
Ending Balance	15

* Budget, \$ thousands

State Bar of California

Statements of Fund Condition

LA Facility Fund		2017*
Beginning Balance		-5,301
<u>Revenues</u>		
Lease Revenues		400
Interest Income		-6
Other Revenues		53
Total Revenues		447
<u>Expenditures</u>		
Debt Service		2,300
Indirect Costs		-2,300
Depreciation (Non-Expenditure)		1,970
Total Expenditures		1,970
Ending Balance		-6,824
Bank Settlement Fund		2017*
Beginning Balance		44,270
<u>Expenditures</u>		
Regular Salary & Benefits		72
Travel & Training		4
Supplies and Postage		1
Telecommunications		2
Legal Services Grants		5,414
Computers & Software		10
Indirect Costs		30
Total Expenditures		5,533
Ending Balance		38,737

* Budget, \$ thousands

State Bar of California

Statements of Fund Condition

Sections Funds	2017*
Beginning Balance	5,850
<u>Revenues</u>	
Sections Member Dues	6,069
Other Fees and Charges	10
Interest Income	48
Other Revenues	2,879
Total Revenues	9,006
<u>Expenditures</u>	
Regular Salary & Benefits	2,110
Supplemental Staffing	89
Severance Expenses	290
Travel & Training	2,575
Supplies and Postage	403
Professional Services	410
Occupancy	10
Telecommunications	75
Other Outside Services	1,126
Buildings & Equipment	4
Retiree Medical Funding	42
Other Expenditures	224
Indirect Costs	1,640
Total Expenditures	8,998
Ending Balance	5,858

* Budget, \$ thousands

State Bar of California

Statements of Fund Condition

Howard Tenant Buildout Fund		2017*
Beginning Balance		-284
<u>Revenues</u>		
Interest Income		50
Total Revenues		50
<u>Expenditures</u>		
Other Outside Services		640
Debt Service		400
Total Expenditures		1,040
Ending Balance		-1,274

* Budget, \$ thousands

Admissions

	Positions	Expenditures
SUMMARY OF COST CENTER REQUIREMENTS	2017	2017*
20 Admissions Assets BU		4,960
20001 Admissions Overhead	4.0	909
20002 Admission Operations	26.0	8,683
20004 Admissions Administration	5.0	874
20007 Law School Regulation	2.0	354
20011 Examination Development	2.0	906
20013 Examination Grading	7.0	2,555
20019 Moral Character Determinations	13.0	1,616
20023 Special Admissions	2.0	186
24 Legal Specialization -Asset BU		1,756
24001 Legal Specialization	8.0	4,608
TOTAL	69.0	27,407

* 2017 Budget

Chief Trial Counsel

	Positions	Expenditures
SUMMARY OF COST CENTER REQUIREMENTS	2017	2017*
10310 OCTC-Enforcement (Consolidated)	247.1	45,522
10316 Rule 2201 Conflict Cases	0.3	180
TOTAL	247.4	45,702

* 2017 Budget

Probation

	Positions	Expenditures
SUMMARY OF COST CENTER REQUIREMENTS	2017	2017*
10601 Probation	7.0	1,126
TOTAL	7.0	1,126

* 2017 Budget

Client Security Fund

	Positions	Expenditures
SUMMARY OF COST CENTER REQUIREMENTS	2017	2017*
27 Client Security -Asset BU		677
27001 CSF Administration	8.0	6,613
27002 CSF Commission		7
TOTAL	8.0	7,297

* 2017 Budget

Mandatory Fee Arbitration

	Positions	Expenditures
SUMMARY OF COST CENTER REQUIREMENTS	2017	2017*
10503 Mandatory Fee Arb Committee		24
10504 Mandatory Fee Arbitration (Consolidated)	4.5	811
TOTAL	4.5	835

* 2017 Budget

State Bar Court

	Positions	Expenditures
SUMMARY OF COST CENTER REQUIREMENTS	2017	2017*
10401 SBC Sr. Executive	3.9	1,029
10402 Hearing Admin.-SF	7.0	1,665
10403 Hearing Counsel LA/SF	7.0	2,081
10404 Hearing Judges	5.0	1,805
10405 Hearing/Effec./Admin.-LA	11.0	2,452
10407 Presiding/Review Judges	3.0	1,149
10408 Review Counsel/Clerk	6.0	1,699
TOTAL	42.9	11,880

* 2017 Budget

Member Records & Compliance

	Positions	Expenditures
SUMMARY OF COST CENTER REQUIREMENTS	2017	2017*
10201 Child & Family Support	0.4	60
10251 Public Services Center	20.7	3,711
10252 Transition Assistance Services		30
10253 MCLE Regulation	5.0	740
TOTAL	26.1	4,541

* 2017 Budget

Professional Competence

	Positions	Expenditures
SUMMARY OF COST CENTER REQUIREMENTS	2017	2017*
10702 COPRAC		43
10706 Prof. Resp. & Conduct	13.0	2,403
10708 Rules Revision Committee		95
10709 OPC Publications (Consolidated)		26
TOTAL	13.0	2,567

* 2017 Budget

Education

	Positions	Expenditures
SUMMARY OF COST CENTER REQUIREMENTS	2017	2017*
10903 Calif. Young Lawyers Assoc.		27
70 Sections OH -Asset BU		1,972
70001 Sections Administration	18.0	2,386
71001 Antitrust Section Admin.		170
71500 Antitrust - SB Annual Mtg		4
72001 Business Law Section Admin.		283
72400 BusLaw Section Retreat		7
72403 BusLaw Online CLE		3
72500 BusLaw Annual Meeting		3
72704 BusLaw InsolvencyLaw Ctee.Mtgs		8
73001 Criminal Law Section Admin.		62
73200 Criminal Law Journal		1
73400 Crim Law Stand-Alone		1
73600 Criminal Law ExCom Mtgs		1
74001 Enviro Law Sections Admin		530
74200 Enviro Law Newsletter		1
74400 Enviro Law One Day Edu Program		5
74404 Enviro Law Student Negotiation		3
74601 Enviro Law ExCom Retreat		10
75001 Trust&Estate Section Admin		296
75400 Trust&Estate Fall Program		6
75600 Trust&Estate ExCom Meeting		4
76001 Family Law Section Admin.		239
76600 Family Law ExCom Mtg		12
76700 Family Law Sub Committees		3
77001 Intel. Prop. Sections Admin.		363
77200 Intel. Prop-Publication		2
77300 Intel. Prop-Treatise		62
77406 Intel. Prop-Trademark		1
78001 Intl. Law Section Admin		67
78403 Int'l Law Online CLE		2
79001 Labor & Empl. Administration		547
79200 Labor & Empl. Newsletter		6
79401 Labor & Empl. Section AN Mtg.		17
79600 Labor & Empl. ExCom Mtg.		1
80001 LPMT - Section Admin.		91
81001 Lit.-Administration		470
81200 Lit.- CA Litigation Journal		9

* 2017 Budget

	Positions	Expenditures
SUMMARY OF COST CENTER REQUIREMENTS	2017	2017*
81402 Lit.-Best Practices Program		3
81600 Lit.-ExCom Mtg		1
82001 Public Law Section Admin		104
82200 Public Law Journal		6
82600 Public Law ExCom Meeting		1
83001 Real Property - Sec Admin		354
83200 Real Property - Journal		16
83400 Real Property - Retreat		6
83402 Real Property - Subsection CLE		2
83403 Real Property - Online CLE		9
84001 Solo-Section Admin		60
84300 Solo - Big News		1
84403 Solo - Online CLE		1
84500 Solo-SB Annual Mtg		13
84600 Solo-ExCom Mtg		2
85001 Taxation Law- Sec Admin		322
85200 California Tax Lawyer Journal		7
85400 Tax AM & Cal Tax Policy Conf		2
85401 Tax - Estate & Gift Tax Conf		7
86001 Workers' Comp - Sec Admin		207
86400 Workers' Comp Spring Programs		13
86403 Workers' Comp Online CLE		2
87001 Council of SB Sections		54
88001 Officewide Education	0.1	145
88002 Solo Summit (Even Years)		12
TOTAL	18.1	9,025

* 2017 Budget

Legal Services

	Positions	Expenditures
SUMMARY OF COST CENTER REQUIREMENTS	2017	2017*
10901 Commission on Access to Justic		20
10905 Center on Access to Justice	8.5	1,709
12445 Incubator/Modest Means Project		6
17 Elim. of Bias Assets BU		229
17007 Center for Access & Fairness	1.0	208
17012 Council on Access & Fairness		39
28 LSTF Asset BU		819
28002 LSTF Grants		11,000
28005 LSTF Administration (Consolidated)	10.0	1,313
28006 LSTF Grants - BofA Settlement	1.0	335
28007 LSTF Grants - Citi Settlement		1,721
29 Equal Access -Asset BU		15
29001 Equal Access -Admin		211
29002 Equal Access -Grants		19,014
32 Justice Gap Fund - BU		2,142
37 Bank Settlement Fund		30
37001 Bank Settlement Fund	0.5	5,503
TOTAL	21.0	44,314

* 2017 Budget

Lawyer Assistance Program

	Positions	Expenditures
SUMMARY OF COST CENTER REQUIREMENTS	2017	2017*
21 Lawyer Assist Program-Asset BU		538
21000 Lawyer Assist Program (Consolidated)	7.0	1,152
TOTAL	7.0	1,690

* 2017 Budget

Executive Director

	Positions	Expenditures
SUMMARY OF COST CENTER REQUIREMENTS	2017	2017*
10001 Executive Director	4.6	-2
10003 Board of Trustees		-1
10010 Public Interest Task Force		-2
10012 ORIA	8.5	-1
10013 ORIA-Collections	1.7	343
10101 Judicial Evaluation	3.0	657
16 Leg. Activities -Assets BU		66
16001 Legal Activities Assistance	1.2	162
16002 Leg. Affairs & Activities		168
18 Affinity & Insurance Fund		84
18001 Group Insurance Programs		13
18002 Professional Liab Insurance	1.2	182
18004 Affinity Programs		46
TOTAL	20.2	1,715

* 2017 Budget

	Positions	Expenditures
SUMMARY OF COST CENTER REQUIREMENTS	2017	2017*
23101 Finance	12.0	2,365
23103 Member Billing	3.0	1,386
TOTAL	15.0	3,751

General Counsel

	Positions	Expenditures
SUMMARY OF COST CENTER REQUIREMENTS	2017	2017*
23001 General Counsel	24.8	4,465
TOTAL	24.8	4,465

* 2017 Budget

Human Resources

	Positions	Expenditures
SUMMARY OF COST CENTER REQUIREMENTS	2017	2017*
23206 Human Resources (Consolidated)	11.0	1,764
TOTAL	11.0	1,764

Information Technology

	Positions	Expenditures
SUMMARY OF COST CENTER REQUIREMENTS	2017	2017*
23600 IT (Consolidated)	26.0	6,555
TOTAL	26.0	6,555

Public Communications and Stakeholder Engagement

	Positions	Expenditures
SUMMARY OF COST CENTER REQUIREMENTS	2017	2017*
10801 Communications	4.7	1,150
17001 Voluntary Bar Support	1.5	58
TOTAL	6.2	1,208

* 2017 Budget

General Services

	Positions	Expenditures
SUMMARY OF COST CENTER REQUIREMENTS	2017	2017*
23310 General Services LA	8.0	2,347
23321 Risk Management/Insurance		849
23350 General Services SF	11.0	4,261
23358 SF Print Shop	3.0	192
TOTAL	22.0	7,649

* 2017 Budget

Technology Projects

	Positions	Expenditures
SUMMARY OF COST CENTER REQUIREMENTS	2017	2017*
19 Technology Improvemt- Asset BU		775
19026 SF Video Equipment		150
19028 Case Management System-OCTC	8.0	3,794
19029 Case Management System-SBC	2.0	339
TOTAL	10.0	5,058

* 2017 Budget

SF Tenant Improvement Fund

	Positions	Expenditures
SUMMARY OF COST CENTER REQUIREMENTS	2017	2017*
38 SF Tenant Improvement Fund		1,040
TOTAL		1,040

General Fund-Consolidated

	Positions	Expenditures
SUMMARY OF COST CENTER REQUIREMENTS	2017	2017*
10 General Fund OH Alloc BU		4,719
15 Fixed Assets OH BU		420
15010 Gen. Fund Fixed Assets		397
15019 Tech. Fund Fixed Assets		483
15020 Admissions Fixed Assets		11
15023 Suppor Activities Fixed Assets		146
15026 Building Fund Fixed Assets		170
23 Support & Admin.- Asset BU		-24,185
35 LA Facility Fund		1,970
TOTAL		-15,869

* 2017 Budget

State Bar of California 2017 Proposed Budget
Indirect Cost Allocation (Revised 1/23/17)

<u>Fund</u>	<u>(Adopted)</u> <u>2016 Budget</u>	<u>(Amendment)</u> <u>2016 Budget</u>	<u>Total</u> <u>2016 Amended</u>	<u>(Preliminary 1/9/17)</u> <u>2016 Actual</u>	<u>2017 Budget</u>	<u>2016 vs 2017</u>	<u>2016 Actual</u>
	<u>Indirect Costs</u>	<u>Indirect Costs</u>	<u>Budget Indirect</u>	<u>Indirect Costs</u>	<u>Indirect Costs</u>	<u>Budget Changes</u>	<u>vs 2016 Budget</u>
	(\$2.67M Capital Exp)						
			(A)	(B)	(C)	(C) - (A)	(B) - (A)
Consolidated General Fund	22,538,000	1,667,000	24,205,000	19,661,000	22,296,000	(1,909,000)	(4,544,000)
Admissions	4,690,000	524,000	5,214,000	4,218,000	4,666,000	(548,000)	(996,000)
Annual Meeting	52,000	-	52,000	77,000	-	(52,000)	25,000
Grant	-	-	-	-	-	-	-
Sections	1,459,000	209,000	1,668,000	1,450,000	1,640,000	(28,000)	(218,000)
Legislative Activities	155,000	23,000	178,000	121,000	66,000	(112,000)	(57,000)
EOB/Bar Relations	310,000	46,000	356,000	248,000	100,000	(256,000)	(108,000)
Lawyers Assistance Program	523,000	12,000	535,000	390,000	447,000	(88,000)	(145,000)
Legal Specialization	377,000	90,000	467,000	482,000	756,000	289,000	15,000
Client Security	820,000	-	820,000	579,000	562,000	(258,000)	(241,000)
IT Special Assessment	-	-	-	-	-	-	-
Legal Service Trust Fund	414,000	96,000	510,000	620,000	717,000	207,000	110,000
Equal Access Fund	8,000	-	8,000	5,000	15,000	7,000	(3,000)
Justice GAP	-	-	-	18,000	9,000	9,000	18,000
Bank Settlement Fund	-	-	-	-	30,000	30,000	-
Indirect Cost Pool:	31,346,000	2,667,000	34,013,000	27,869,000	31,304,000	(2,709,000)	(6,144,000)
<u>Indirect Cost Pool:</u>							
General Counsel	4,848,000		4,848,000	3,520,000	4,465,504	(382,496)	(1,328,000)
Finance	2,935,000		2,935,000	1,710,000	2,364,983	(570,017)	(1,225,000)
Member Billing	2,034,000		2,034,000	1,565,000	1,383,723	(650,277)	(469,000)
Procurement	210,000		210,000	212,000	-	(210,000)	2,000
HR	1,533,000		1,533,000	1,442,000	1,764,262	231,262	(91,000)
General Services LA	4,612,000		4,612,000	4,529,000	4,647,856	35,856	(83,000)
General Services SF	5,711,000		5,711,000	4,742,000	5,302,698	(408,302)	(969,000)
Building - Capital improvement		2,667,000	2,667,000	700,000	986,000	(1,681,000)	(1,967,000)
IT	6,454,000		6,454,000	5,923,000	6,556,829	102,829	(531,000)
Executive Direct/BOT/Election, etc	2,565,000		2,565,000	3,292,000	3,280,346	715,346	727,000
Non Departmental	444,000		444,000	234,000	551,596	107,596	(210,000)
	31,346,000	2,667,000	34,013,000	27,869,000	31,303,797	(2,709,203)	(6,144,000)

Notes:

- \$2.7M budget reduction in 2017 are due to decrease in capital expenditures and budget reduction in professional fees.
- Actual indirect cost saving compare to budget is \$6.1M. Cost savings from major expenditure categories including:
 - \$1.5M savings from salary and benefits due to vacant positions
 - \$1.8M savings from professional fees
 - \$2.0M savings from Howard capital improvement due to project delay

Wages & Salary Supplement

	Budgeted FTE	Salaries
	2017	2017 Budget
Admissions		
<u>Admissions Administration</u>		
SR DIRECTOR, ADMISSIONS	1.00	208,300
ASSISTANT DIRECTOR, ADMISSIONS	1.00	130,200
ADMIN SPECIALIST II	1.00	77,100
SECTION CHIEF	1.00	96,200
ADMINISTRATIVE ASSISTANT II	2.00	126,600
ADMISSIONS ANALYST III	1.00	72,100
ADMINISTRATIVE ASSISTANT I	2.00	115,500
Admissions Administration Total	9.00	826,000
<u>Examination Development</u>		
DIRECTOR, EXAMINATIONS	1.00	151,300
EXAMINATIONS TECHNICIAN	1.00	95,900
Examination Development Total	2.00	247,200
<u>Admissions Operations and Processing</u>		
DIRECTOR, OPERATIONS & MGMT	1.00	151,300
SECTION CHIEF	4.00	401,300
TECHNOLOGY SVCE ANALYST TECHN	1.00	95,900
SENIOR ADMIN ASSISTANT	1.00	84,800
SR ADMINISTRATIVE ASSISTANT	1.00	83,300
ADMIS ELIGIBILITY ANALYST III	1.00	79,300
ADMIS ELIGIBILITY ANALYST II	2.00	136,700
FISCAL SERVICES SPECIALIST	1.00	65,700
ELIGIBILITY ANALYST II	1.00	59,300
ADMINISTRATIVE ASSISTANT II	2.00	141,800
ADMISSIONS ANALYST III	1.00	72,100
ADMINISTRATIVE ASSISTANT I	3.00	178,200
COORDINATOR OF RECORDS	4.00	246,100
ADMISSIONS ANALYST II	1.00	61,900
GENERAL CLERK III	1.00	50,300
ADMISSIONS ANALYST I	1.00	53,600
Admissions Operations and Processing Total	26.00	1,961,600

NOTE: FTEs shown are as of January 1st.

* Position is funded for less than a year.

	<u>Budgeted FTE</u>	<u>Salaries</u>
	<u>2017</u>	<u>2017 Budget</u>
<u>Examination Grading</u>		
DIRECTOR, ADMISSIONS ADMIN	1.00	130,200
SR ADMINISTRATIVE ASSISTANT	1.00	76,700
ADMINISTRATIVE SECRETARY	1.00	63,100
ADMISSIONS COORDINATOR	1.00	47,900
GENERAL CLERK III	2.00	83,100
ADMISSIONS PROCESSING CLERK II	1.00	48,500
Examination Grading Total	7.00	449,500
<u>Moral Character Determinations</u>		
DIR, MORAL CHAR DETERMINATIONS	1.00	141,400
SECTION CHIEF	2.00	200,500
MORAL CHARACTER ANALYST	9.00	684,900
ADMINISTRATIVE ASSISTANT II	1.00	72,100
Moral Character Determinations Total	13.00	1,098,900
<u>Law School Regulation</u>		
DIRECTOR, EDUCATIONAL STANDARDS	1.00	149,800
SR ADMINISTRATIVE ASSISTANT	1.00	74,200
Law School Regulation Total	2.00	224,000
<u>Special Admissions</u>		
ADMINISTRATIVE ASSISTANT II	1.00	72,100
ADMINISTRATIVE ASSISTANT I	1.00	61,600
Special Admissions Total	2.00	133,700
<u>Specialization</u>		
DIRECTOR, LEGAL SPECIALIZATION	1.00	151,300
SECTION CHIEF, SPECIALIZATION	1.00	83,600
SR ADMINISTRATIVE ASSISTANT	1.00	68,800
ADMINISTRATIVE ASSISTANT II	3.00	177,300
ADMINISTRATIVE ASSISTANT I	2.00	102,500
Specialization Total	8.00	583,500
Admissions Total	69.00	5,524,400

NOTE: FTEs shown are as of January 1st.

* Position is funded for less than a year.

	<u>Budgeted FTE</u>	<u>Salaries</u>
	<u>2017</u>	<u>2017 Budget</u>
Chief Trial Counsel		
<u>Chief Trial Counsel</u>		
CHIEF TRIAL COUNSEL	1.00	197,800
DEPUTY CHIEF TRIAL COUNSEL	1.00	180,300
ASSISTANT CHIEF TRIAL COUNSEL	7.00	1,268,200
DIRECTOR, CENTRAL ADMIN, CTC	1.00	152,700
EXECUTIVE SECRETARY CONF	2.00	162,200
SUPERVISING ATTORNEY	6.00	890,900
SENIOR ATTORNEY - PART TIME	0.50	77,800
SENIOR ATTORNEY	32.80	4,748,900
ATTORNEY	45.80	4,950,200
INVESTIGATOR SUPERVISOR	4.00	410,300
SR ADMINISTRATIVE SUPERVISOR	2.00	186,200
INVESTIGATOR II	38.00	3,413,400
CASE ADMINISTRATOR (JD ASST)	1.00	79,000
COMPLAINT ANALYST II	14.00	1,167,900
SR ADMINISTRATIVE ASSISTANT	3.00	260,600
TRANSLATOR / INTERPRETER	1.00	80,400
INVESTIGATOR I	11.00	809,900
PARALEGAL	17.00	1,375,700
COMPLAINT ANALYST I	1.00	74,900
LEGAL SECRETARY	16.00	1,041,100
ADMINISTRATIVE SECRETARY	7.00	469,800
ADMINISTRATIVE ASSISTANT II	1.00	72,100
SECRETARY II	11.00	690,100
COORDINATOR OF RECORDS	17.00	1,036,500
ADMINISTRATIVE ASSISTANT I	2.00	130,600
GENERAL CLERK III	4.00	186,400
Chief Trial Counsel Total	247.10	24,113,900
<u>Rule 2201 Conflict Cases</u>		
ATTORNEY III CONF	0.25	42,200
Rule 2201 Conflict Cases Total	0.25	42,200
Chief Trial Counsel Total	247.35	24,156,100

NOTE: FTEs shown are as of January 1st.

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	<u>Budgeted FTE</u>	<u>Salaries</u>
	<u>2017</u>	<u>2017 Budget</u>
Probation		
<u>Probation</u>		
PROBATION DEPUTY	6.00	458,200
ADMINISTRATIVE ASSISTANT II	1.00	69,800
Probation Total	7.00	528,000
Probation Total	7.00	528,000
Client Security Fund		
<u>Client Security Fund</u>		
DIRECTOR, CLIENT SECURITY FUND	1.00	172,000
SENIOR ATTORNEY	2.00	322,400
SR ADMINISTRATIVE SUPERVISOR	1.00	105,200
PARALEGAL	2.00	170,000
ADMINISTRATIVE ASSISTANT II	1.00	72,100
ADMINISTRATIVE SECRETARY	1.00	72,100
Client Security Fund Total	8.00	913,800
Client Security Fund Total	8.00	913,800
Mandatory Fee Arbitration		
<u>Mandatory Fee Arbitration</u>		
DIRECTOR, FEE ARBITRATION	0.50	72,500
SR ADMINISTRATIVE ASSISTANT	3.00	236,300
ADMINISTRATIVE ASSISTANT II	1.00	72,100
Mandatory Fee Arbitration Total	4.50	380,900
Mandatory Fee Arbitration Total	4.50	380,900

NOTE: FTEs shown are as of January 1st.

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	<u>Budgeted FTE</u>	<u>Salaries</u>
	<u>2017</u>	<u>2017 Budget</u>
State Bar Court		
<u>Administration</u>		
SENIOR DIR STATE BAR COURT	1.00	202,300
SPECIAL ASSISTANT - SB COURT *	1.00	37,100
ADMIN SPECIALIST III (CONF)	1.00	101,800
SR ADMINISTRATIVE SECRETARY	0.90	52,400
Administration Total	3.90	393,600
<u>Hearing Department & Effectuations Unit</u>		
CHIEF ASSISTANT COURT COUNSEL	1.00	172,000
COURT ADMINISTRATOR	1.00	154,100
SENIOR ATTORNEY	5.00	755,000
HEARING JUDGE	5.00	874,900
CASE ADMINISTRATOR	11.00	1,020,900
LEAD DATA ANALYST	1.00	91,900
PROGRAM/COURT SYS ANLST	2.00	147,200
DEPUTY COURT CLERK IV	2.00	155,900
LEGAL SECRETARY	1.00	72,100
ADMINISTRATIVE ASSISTANT II	1.00	66,100
Hearing Department & Effectuations Unit Total	30.00	3,510,100
<u>Review Department</u>		
CHIEF ASST COURT COUNSEL	1.00	151,500
SENIOR ATTORNEY	3.00	434,900
PRESIDING JUDGE	1.00	191,600
REVIEW JUDGE	2.00	383,200
CASE ADMINISTRATOR	2.00	180,800
Review Department Total	9.00	1,342,000
State Bar Court Total	42.90	5,245,700

NOTE: FTEs shown are as of January 1st.

* Position is funded for less than a year.

	<u>Budgeted FTE</u>	<u>Salaries</u>
	2017	2017 Budget
Member Records & Compliance		
<u>Member Service Center</u>		
MGING DIR MEMB REC & COMP	1.00	123,000
SR ADMINISTRATIVE SPECIALIST	1.00	110,100
SR ADMINISTRATIVE SUPERVISOR	3.00	302,800
SR ADMINISTRATIVE ASSISTANT	1.00	80,000
MEMBER SERVICES REPRESENTATIVE	3.00	206,700
COMPLAINT ANALYST I	2.00	93,700
ADMINISTRATIVE ASSISTANT II	2.00	140,800
MEMBER SERVICES ASSOCIATE	7.00	491,500
ADMINISTRATIVE ASSISTANT I	5.00	296,300
RECEPTIONIST/RESERVATION COORD	1.00	48,500
Member Service Center Total	26.00	1,893,400
Member Records & Compliance Total	26.00	1,893,400
Professional Competence		
<u>Outreach & Education</u>		
DIRECTOR, PROFESSNL COMPETNCE	1.00	172,000
SR ADMINISTRATIVE SPECIALIST	1.00	111,200
ATTORNEY	1.00	109,300
LEAD DATA ANALYST	1.00	89,300
PARALEGAL	6.00	464,300
SR ADMINISTRATIVE ASSISTANT	1.00	87,300
ADMINISTRATIVE SECRETARY	1.00	72,100
DATA ANALYST II	1.00	58,900
Outreach & Education Total	13.00	1,164,400
Professional Competence Total	13.00	1,164,400

NOTE: FTEs shown are as of January 1st.

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	<u>Budgeted FTE</u>	<u>Salaries</u>
	2017	2017 Budget
Education		
<u>Sections</u>		
DIR, SECTION EDUC & MTG SVCS	1.00	131,600
SECTION COORDINATOR	6.00	597,400
MEETING & EVENT ADMINISTRATOR	2.00	201,200
WEB ADMINISTRATOR	1.00	77,000
SR ADMINISTRATIVE ASSISTANT	1.00	78,100
ADMINISTRATIVE ASSISTANT II	6.00	387,300
ADMIN ASSISTANT I	1.00	51,700
Sections Total	18.00	1,524,300
Education Total	18.00	1,524,300

NOTE: FTEs shown are as of January 1st.

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	<u>Budgeted FTE</u>	<u>Salaries</u>
	<u>2017</u>	<u>2017 Budget</u>
Legal Services		
<u>Program Development</u>		
SR DIRECTOR ADMIN OF JUSTICE	1.00	187,900
PROGRAM DEVELOPER	2.50	263,100
SR ADMINISTRATIVE ASSISTANT	1.00	75,600
PROGRAM COORDINATOR	1.00	63,400
ADMIN ASSISTANT II	1.00	60,800
ADMINISTRATIVE ASSISTANT II	2.00	144,200
Program Development Total	8.50	795,000
<u>Legal Services Funding</u>		
MANGNG DIR, LGL SVCS TRUST FND	1.00	140,200
SENIOR ACCOUNTANT/AUDITOR	2.00	205,800
PROGRAM DEVELOPER	0.50	52,600
SENIOR GRANTS ADMINISTRATOR	1.00	88,800
SR ADMINISTRATIVE ASSISTANT	2.00	157,400
SENIOR ADMIN ASSISTANT	1.00	70,000
SR. ADMINISTRATIVE ASSISTANT	1.00	76,700
PROGRAM COORDINATOR	1.00	61,700
COMPLIANCE AUDITOR I	2.00	143,900
Legal Services Funding Total	11.50	997,100
<u>Elimination of Bias</u>		
MANAGING DIR DIVERSITY OUTREAC	1.00	140,200
Elimination of Bias Total	1.00	140,200
Legal Services Total	21.00	1,932,300
Lawyer Assistance Program		
<u>Lawyer Assistance Program</u>		
DIRECTOR, FEE ARBITRATION	0.50	72,500
MANAGING DIRECTOR BAR RELATION *	0.50	22,600
CASE MANAGER	4.00	383,400
PROGRAM COURT SYS ANLST	1.00	82,300
ADMINISTRATIVE ASSISTANT II	1.00	68,100
Lawyer Assistance Program Total	7.00	628,900
Lawyer Assistance Program Total	7.00	628,900

NOTE: FTEs shown are as of January 1st.

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	<u>Budgeted FTE</u>	<u>Salaries</u>
	<u>2017</u>	<u>2017 Budget</u>
Executive Director		
<u>Management, Oversight and Planning</u>		
EXEC DIR/CHIEF EXEC OFFICER	1.00	267,500
CHIEF OPERATING OFFICER	1.00	239,500
DIRECTOR (ORIA)	1.00	177,000
DIRECTOR (EXEC OFC PROGRAMS)	1.00	162,000
PRINCIPAL ANALYST (ORIA)	3.00	448,100
BUDGET & PERFORMANCE ANALYST	1.00	100,000
SR. ADMINISTRATIVE SPECIALIST	1.00	111,000
ADMINISTRATIVE SPECIALIST I	0.80	63,000
LEAD DATA ANALYST	1.00	79,000
PROGRAM/COURT SYS ANLST	2.00	168,000
SR ADMINISTRATIVE ASSISTANT	1.00	80,100
ADMINISTRATIVE ASSISTANT II	1.00	72,100
Management, Oversight and Planning Total	14.80	1,967,300
<u>Board Support - Secretariat</u>		
ADMINISTRATIVE ASSISTANT II	1.00	72,100
Board Support - Secretariat Total	1.00	72,100
<u>Judicial Evaluations</u>		
EXECUTIVE SECRETARY	1.00	84,200
ADMINISTRATIVE ASSISTANT II	2.00	136,900
Judicial Evaluations Total	3.00	221,100
<u>Governmental Affairs</u>		
DIRECTOR (SCSE)	0.15	26,600
SR ADMINISTRATIVE ASSISTANT	1.00	87,300
Governmental Affairs Total	1.15	113,900
<u>Affinity & Insurance</u>		
ADMINISTRATIVE SPECIALIST I	0.20	15,700
SR ADMINISTRATIVE ASSISTANT	1.00	87,300
Affinity & Insurance Total	1.20	103,000
Executive Director Total	21.15	2,477,400

NOTE: FTEs shown are as of January 1st.

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	<u>Budgeted FTE</u>	<u>Salaries</u>
	<u>2017</u>	<u>2017 Budget</u>
Finance		
<u>Finance</u>		
CHIEF FINANCIAL OFFICER	1.00	177,000
FINANCE MANAGER	2.00	250,000
SENIOR FINANCIAL ANALYST	4.00	400,800
FISCAL SVCS SPECIALIST (CONF)	1.00	56,600
AUDITOR/ACCOUNTANT	1.00	69,300
FISCAL SERVICES SPECIALIST	3.00	186,800
Finance Total	12.00	1,140,500
<u>Member Billing</u>		
FISCAL SERVICES SPECIALIST	3.00	207,000
Member Billing Total	3.00	207,000
Finance Total	15.00	1,347,500
General Counsel		
<u>General Counsel</u>		
CHIEF LEGAL OFFICER	1.00	227,700
DEPUTY GENERAL COUNSEL	1.00	194,300
ATTORNEY III CONF	8.75	1,382,700
ATTORNEY II CONF	2.00	247,800
ATTORNEY I CONF	3.00	278,400
ADMIN SPECIALIST III CONF	1.00	90,000
LEGAL ASSISTANT CONF	1.00	69,600
ADMIN SPECIALIST II CONF	1.00	92,600
PROGRAM/COURT SYS ANLST CONF	1.00	91,600
ADMIN ASSISTANT II CONF	1.00	59,400
LEGAL SECRETARY CONF	3.00	202,300
COORDINATOR OF RECORDS	1.00	59,300
General Counsel Total	24.75	2,995,700
General Counsel Total	24.75	2,995,700

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	<u>Budgeted FTE</u>	<u>Salaries</u>
	<u>2017</u>	<u>2017 Budget</u>
Human Resources		
<u>Human Resources</u>		
DIRECTOR HR & LABOR RELATIONS	1.00	177,000
SR HUMAN RESOURCES SPECIALIST	3.00	307,900
HUMAN RESOURCES SPECIALIST	3.00	232,200
HUMAN RESOURCES ADMINISTRATOR	1.00	77,100
HUMAN RESOURCES COORDINATOR	3.00	194,700
Human Resources Total	11.00	988,900
Human Resources Total	11.00	988,900
Information Technology		
<u>IT Admin and Operations</u>		
SR DIRECTOR INFO TECHNOLOGY	1.00	195,400
DIRECTOR OF APPLICATIONS	1.00	154,100
DIRECTOR, TECHNOLOGY SYSTEMS	1.00	149,800
APPLICATION DEVELOPMENT MGR	1.00	118,400
INFORMATION TECHNOLOGY MANAGER	1.00	136,500
PROGRAM/COURT SYS ANALYST	1.00	84,600
SR INFO TECHNOLOGY ANALYST	1.00	126,800
WEBMASTER	1.00	115,900
COMPUTER ANALYST/PROGRAMMER	7.00	776,700
INFO TECHNOLOGY ANALYST II	3.00	345,000
TECHNICAL SUPPORT ADMINISTRATR	2.00	205,500
INFO TECHNOLOGY ANALYST I	3.00	300,400
TECHNOLOGY SVCE ANALYST TECHN	3.00	285,700
IT Admin and Operations Total	26.00	2,994,800
Information Technology Total	26.00	2,994,800

NOTE: FTEs shown are as of January 1st.

* Position is funded for less than a year.

	<u>Budgeted FTE</u>	<u>Salaries</u>
	<u>2017</u>	<u>2017 Budget</u>
Strategic Communications and Stakeholder Engagement		
<u>Communications</u>		
DIRECTOR (SCSE)	0.85	150,500
MANAGING DIR COMM & INFO SVCS	1.00	140,200
WEB EDITOR	1.00	97,900
PUBLIC INFORMATION OFFICER	0.80	69,500
WEB ADMINISTRATOR	1.00	83,200
Communications Total	4.65	541,300
<u>Bar Relations</u>		
MANAGING DIRECTOR BAR RELATION *	0.50	22,600
PROGRAM/COURT SYS ANLST *	1.00	20,100
Bar Relations Total	1.50	42,700
Strategic Communications and Stakeholder Engagement Total	6.15	584,000
General Services		
<u>General Services</u>		
DIRECTOR, GENERAL SERVICES	1.00	187,700
DEPUTY DIR, GENERAL SERVICES	1.00	111,900
ADMIN SPECIALIST III (CONF)	3.00	269,200
SUPERVISOR, OFF. & RECEP. SVCS	2.00	191,800
PURCHASING ASSISTANT	1.00	79,300
ADMINISTRATIVE ASSISTANT II	1.00	72,100
PRINTING TECHNICIAN II	2.00	144,200
TRAVEL & INFO SVCS COORDINATOR	1.00	62,200
SR OFFICE SERVICES COORDINATOR	1.00	58,900
MAINTENANCE TECHNICIAN	1.00	58,900
PRINTING TECHNICIAN I	2.00	115,100
SR OFFICE SERVICES CLERK	5.00	249,700
RECEPTIONIST/RESERVATION COORD	1.00	39,700
General Services Total	22.00	1,640,700
General Services Total	22.00	1,640,700

NOTE: FTEs shown are as of January 1st.

* Position is funded for less than a year.

	<u>Budgeted FTE</u>	<u>Salaries</u>
	<u>2017</u>	<u>2017 Budget</u>
Technology Projects		
<u>Technology Projects</u>		
COURT ADMINISTRATOR	1.00	154,100
PRINCIPAL ANALYST (ORIA)	1.00	150,000
SENIOR ATTORNEY	2.00	317,200
ATTORNEY	1.00	135,000
SR BUSINESS SYSTEMS ANALYST	1.00	109,600
INVESTIGATOR SUPERVISOR	1.00	105,200
CASE ADMINISTRATOR	1.00	95,900
LEGAL SECRETARY	1.00	72,100
COORDINATOR OF RECORDS	1.00	65,300
Technology Projects Total	10.00	1,204,400
Technology Projects Total	10.00	1,204,400
Grand Total	599.80	58,125,600

NOTE: FTEs shown are as of January 1st.

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