

OPEN SESSION AGENDA ITEM

IV.A. NOVEMBER 2018

DATE: November 30, 2018

TO: Members, California Board of Legal Specialization

FROM: Amy C. Nuñez, Director, Admissions

SUBJECT: FINANCIAL AND OPERATIONAL KEY INDICATORS

SUMMARY

A report on financial and operational key indicators is attached for consideration during the November 2018 California Board of Legal Specialization (CBLs) meeting.

BACKGROUND

The CBLs is provided with key operational indicators at each meeting to assist with program oversight.

DISCUSSION

Year-to-Date Financial Report

The financial operating statement through September 30, 2018 indicates that expenditures are in line with projections (Attachment A).

The revenues through March represent the majority of annual revenues. The professional service drafting expenses have been accruing and they will be paid through November and December. They are expected to be within budget.

Total Number of Certified Specialists

As of November 1, 2018, there are 5,025 current certified specialists, an increase of 95 certified specialists versus last year (Attachment B).

Total Number of Resignations by Reason

There have been 133 resignations of certificates of specialization since January 1, 2018 versus 78 in all of last year, and 123 in 2016 (Attachment C). The increase may be attributed to the reimplementation of the 2018 annual fee, which was waived on a one-time basis in 2017.

Legal Specialist Education Compliance Reporting

There are 1,357 specialists (including dual specialists) in Compliance Group 2 (Attachment D). The reporting period for Compliance Group 2 ended on February 1, 2018, and as of the extended deadline of August 31, 2018, 27 (.02%) of those specialists did not report their legal specialist education compliance. Staff continued to reach out to those specialists, and ultimately 14 had their certificates revoked for non-compliance. Compliance statistics by specialty area are noted on the attachment.

FISCAL/PERSONNEL IMPACT

None

RECOMMENDATION

It is recommended that the California Board of Legal Specialization approve the following resolution:

RESOLVED, that the report regarding financial and operational key indicators is received and filed.

ATTACHMENT(S) LIST

- A.** Operating Statement through September 30, 2018
- B.** Total Number of Certified Specialists as of November 1, 2018
- C.** Total Number of Resignations by Reason, 2016 and 2017 Annual v 2018 Year to Date
- D.** Total Number of Certified Specialists in Compliance Group 2

Operating Statement

For the Nine Months Ending September 30, 2018

Budget Current Month	Actual Current Month	Variance Current Month	Var.- % Current Month	Description	Budget Year-to-Date	Actual Year-to-Date	Variance Year to Date	Var. % Year to Date	Annual Budget
				00024 Legal Specialization Fund					
				24001 Legal Specialization					
			0.00	30000 Operating Revenue				0.00	
			0.00	33000 Legal Specialization Fees				0.00	
			0.00	33010 Specialist Fees		1,200	1,200	100.00%	
91,936	5,251	86,685-	-94.29%	33020 Specialist Annual Fees	1,728,400	1,758,526	30,126	1.74%	1,728,400
18,260	12,400	5,860-	-32.09%	33040 Recertification Fees	167,627	237,767	70,140	41.84%	200,000
110,196	17,651	92,545-	-83.98%	33010 Specialist Fees	1,896,027	1,997,492	101,465	5.35%	1,928,400
			0.00	33200 Application Fees		2,100	2,100	100.00%	
3,600	5,181	1,581	43.92%	33210 Applic. Filing Fees	39,600	86,102	46,502	117.43%	48,000
3,600	5,181	1,581	43.92%	33200 Application Fees	39,600	88,202	48,602	122.73%	48,000
			0.00	33240 Penalties-Specialist Fees				0.00	
			0.00	33240 Penalties-Specialist Fees				0.00	
	26	26	100.00%	33270 CTC Renewal Fees	11,800	10,951	849-	-7.19%	11,800
			0.00	33271 CTC Accreditation Fee		50	50	100.00%	
113,796	22,857	90,939-	-79.91%	33000 Legal Specialization Fees	1,947,427	2,096,695	149,268	7.66%	1,988,200
			0.00	34500 Investment Income				0.00	
2,350	2,118-	4,468-	-190.13%	34510 Investment Income	21,150	243-	21,393-	-101.15%	28,200
2,350	2,118-	4,468-	-190.13%	34500 Investment Income	21,150	243-	21,393-	-101.15%	28,200
			0.00	35500 Continuing Legal Educ/MCLE Fee				0.00	
			0.00	35700 MCLE Application Fees				0.00	
100	540	440	440.00%	35720 MCLE Provider Fees	900	1,080	180	20.00%	1,200
500	243	257-	-51.40%	35730 MCLE Provider Renewal Fees	4,400	6,927	2,527	57.43%	5,900
500	330	170-	-34.00%	35740 MCLE Activity Fees	4,500	2,577	1,923-	-42.73%	6,200
1,100	1,113	13	1.18%	35700 MCLE Application Fees	9,800	10,584	784	8.00%	13,300
1,100	1,113	13	1.18%	35500 Continuing Legal Educ/MCLE Fee	9,800	10,584	784	8.00%	13,300
			0.00	38000 Other/Miscellaneous Revenues				0.00	
			0.00	38100 Admission Miscellaneous				0.00	
			0.00	38100 Admission Miscellaneous				0.00	
			0.00	38000 Other/Miscellaneous Revenues				0.00	
			0.00	39000 Practical Training Fees				0.00	
			0.00	39500 Sales of Pamphlets				0.00	

Operating Statement

For the Nine Months Ending September 30, 2018

Budget Current Month	Actual Current Month	Variance Current Month	Var. - % Current Month	Description	Budget Year-to-Date	Actual Year-to-Date	Variance Year to Date	Var. % Year to Date	Annual Budget
225	141	84-	-37.33%	39520 Sales of Pamphlets	2,125	1,101	1,024-	-48.19%	2,800
225	141	84-	-37.33%	39500 Sales of Pamphlets	2,125	1,101	1,024-	-48.19%	2,800
225	141	84-	-37.33%	39000 Practical Training Fees	2,125	1,101	1,024-	-48.19%	2,800
			0.00	39700 Interfund Transaction-Revenue				0.00	
			0.00	39700 Interfund Transaction-Revenue				0.00	
117,471	21,993	95,478-	-81.28%	30000 Operating Revenue	1,980,502	2,108,136	127,634	6.44%	2,032,500
117,471	21,993	95,478-	-81.28%	Total Revenues	1,980,502	2,108,136	127,634	6.44%	2,032,500
			0.00	40000 Operating Expenses				0.00	
			0.00	40100 Employee Expenses				0.00	
48,100-	39,993-	8,107	16.85%	40110 Salaries - Regular	457,400-	404,835-	52,565	11.49%	625,800-
1,250-		1,250	100.00%	40130 Salaries - Overtime	11,250-	3,879-	7,371	65.52%	15,000-
3,700-	2,947-	753	20.35%	40140 Payroll Tax Allocation	35,000-	32,298-	2,702	7.72%	47,900-
13,200-	3,905-	9,295	70.42%	40150 Fringe Allocation	125,300-	109,827-	15,473	12.35%	171,500-
	18,116-	18,116-	-100.00%	40160 Temporary Outside Help		40,487-	40,487-	-100.00%	
	800-	800-	-100.00%	40180 Dues & Membership	1,000-	1,316-	316-	-31.60%	1,000-
1,000-	625-	375	37.50%	40200 Rideshare Program Reimburseme	9,000-	7,496-	1,504	16.71%	12,000-
			0.00	40220 Seminars and Training	1,800-	395-	1,405	78.06%	1,800-
			0.00	40230 Proctors				0.00	
			0.00	40230 Proctors				0.00	
	1,515-	1,515-	-100.00%	40300 OPEB/ARC Expenses		13,636-	13,636-	-100.00%	
67,250-	67,902-	652-	-.97%	40100 Employee Expenses	640,750-	614,170-	26,580	4.15%	875,000-
			0.00	40500 Travel Expense				0.00	
4,000-	86-	3,914	97.85%	40510 Travel - Staff	25,024-	9,856-	15,168	60.61%	35,000-
			0.00	40520 Travel - Exam				0.00	11,000-
1,474-	3,298-	1,824-	-123.74%	40530 Travel - Others AC	35,000-	13,616-	21,384	61.10%	60,000-
3,000-	3,449-	449-	-14.97%	40550 Travel - CBLS	33,512-	13,671-	19,841	59.21%	39,000-
1,300-	596-	704	54.15%	40590 Catering	8,848-	3,481-	5,367	60.66%	11,600-
9,774-	7,429-	2,345	23.99%	40500 Travel Expense	102,384-	40,625-	61,759	60.32%	156,600-
			0.00	41000 Supplies/Postage/Telephone				0.00	
			0.00	41010 Books and Publications				0.00	1,200-
1,500-	481-	1,019	67.93%	41020 Postage	10,000-	6,477-	3,523	35.23%	15,000-
333-	43-	290	87.09%	41030 Stationery and Office Supplie	1,998-	3,830-	1,832-	-91.69%	3,000-
625-	540-	85	13.60%	41050 Telephone	5,625-	4,991-	634	11.27%	7,500-

Operating Statement

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			0.00	41100 Telephone October - FYLSX				0.00	2,200-
625-	540-	85	13.60%	41050 Telephone	5,625-	4,991-	634	11.27%	9,700-
2,458-	1,063-	1,395	56.75%	41000 Supplies/Postage/Telephone	17,623-	15,299-	2,324	13.19%	28,900-
			0.00	41500 Computer/Technology Related Ex				0.00	
			0.00	41510 Computer Software Purchase	255,000-	360-	254,640	99.86%	755,000-
			0.00	41520 Computer Supplies	300-		300	100.00%	300-
			0.00	41530 Equipment - Hardware Purch. C				0.00	30,000-
			0.00	41540 Equipment - Hardware Purchase		426-	426-	-100.00%	400-
			0.00	41500 Computer/Technology Related Ex	255,300-	786-	254,514	99.69%	785,700-
			0.00	42000 Occupancy				0.00	
			0.00	42020 Examination Room Rental(Adm.				0.00	
			0.00	42060 Exam. Room Rental-Oct FYLSX				0.00	75,000-
			0.00	42020 Examination Room Rental(Adm.				0.00	75,000-
			0.00	42080 Janitorial Services				0.00	
			0.00	42080 Janitorial Services				0.00	
			0.00	42190 Repairs and Maintenance- Buil				0.00	
			0.00	42190 Repairs and Maintenance- Buil				0.00	
			0.00	42240 Security Services				0.00	
			0.00	42240 Security Services				0.00	
			0.00	42000 Occupancy				0.00	75,000-
			0.00	42500 Furniture and Equipment				0.00	
			0.00	42510 Copier Related Expenses				0.00	
800-	436-	364	45.50%	42560 In House Copier Usages Alloc	5,600-	7,636-	2,036-	-36.36%	6,800-
			0.00	42600 Printing supplies		253-	253-	-100.00%	
800-	436-	364	45.50%	42510 Copier Related Expenses	5,600-	7,889-	2,289-	-40.88%	6,800-
			0.00	42700 Equipment Purchase				0.00	
			0.00	42720 Equipment Purchase-Non-Capit				0.00	15,000-
			0.00	42700 Equipment Purchase				0.00	15,000-
			0.00	42740 Furniture Purchase				0.00	
			0.00	42740 Furniture Purchase				0.00	
800-	436-	364	45.50%	42500 Furniture and Equipment	5,600-	7,889-	2,289-	-40.88%	21,800-

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Budget Current Month	Actual Current Month	Variance Current Month	Var.-% Current Month	Description	Budget Year-to-Date	Actual Year-to-Date	Variance Year to Date	Var. % Year to Date	Annual Budget
			0.00	43500 Professional Services				0.00	
139,425-		139,425	100.00%	43510 Professional Services	975,975-	11,300-	964,675	98.84%	1,394,300-
			0.00	43690 Other Admissions Prof. Servic				0.00	
			0.00	43740 Laptop License				0.00	37,100-
			0.00	43750 Laptop Fee-Onsite Support				0.00	600-
			0.00	43690 Other Admissions Prof. Servic				0.00	37,700-
			0.00	43830 Graders				0.00	
25,000-		25,000	100.00%	43970 Graders	25,000-		25,000	100.00%	175,500-
25,000-		25,000	100.00%	43830 Graders	25,000-		25,000	100.00%	175,500-
			0.00	44000 Photo/Awards/Certificates				0.00	
20,000-		20,000	100.00%	44040 Publicity	80,000-	485-	79,515	99.39%	118,500-
20,000-		20,000	100.00%	44000 Photo/Awards/Certificates	80,000-	485-	79,515	99.39%	118,500-
184,425-		184,425	100.00%	43500 Professional Services	1,080,975-	11,785-	1,069,190	98.91%	1,726,000-
			0.00	44110 Printing Services-Outside				0.00	
			0.00	44120 Outside Printing	100-	1,364-	1,264-	-1264.00%	100-
			0.00	44110 Printing Services-Outside	100-	1,364-	1,264-	-1264.00%	100-
			0.00	44550 Other Outside Services				0.00	
			0.00	44560 Outside services-others				0.00	100-
			0.00	44580 Delivery Services		194-	194-	-100.00%	5,600-
			0.00	44580 Delivery Services		194-	194-	-100.00%	5,600-
			0.00	44610 File Retention/Document Destr				0.00	
			0.00	44620 Document Destruction	500-		500	100.00%	500-
			0.00	44610 File Retention/Document Destr	500-		500	100.00%	500-
469-	494-	25-	-5.33%	45070 Bank Processing Fees	4,199-	4,302-	103-	-2.45%	5,600-
469-	494-	25-	-5.33%	44550 Other Outside Services	4,699-	4,496-	203	4.32%	11,800-
			0.00	46510 Miscellaneous Expenses				0.00	
			0.00	46510 Miscellaneous Expenses				0.00	
			0.00	47200 Interfund Allocation				0.00	
70,553-	70,556-	3-	0.	47210 Interfund Allocation - SF	634,978-	635,003-	25-	0.	847,146-
500-		500	100.00%	47250 In House Printing Service	3,600-		3,600	100.00%	4,400-
71,053-	70,556-	497	.70%	47200 Interfund Allocation	638,578-	635,003-	3,575	.56%	851,546-

Operating Statement

For the Nine Months Ending September 30, 2018

Budget Current Month	Actual Current Month	Variance Current Month	Var.- % Current Month	Description	Budget Year-to-Date	Actual Year-to-Date	Variance Year to Date	Var. % Year to Date	Annual Budget
			0.00	48000 Intrafund Allocation				0.00	
			0.00	48010 G&A/Sub-program intrafund all				0.00	
			0.00	48010 G&A/Sub-program intrafund all				0.00	
			0.00	48000 Intrafund Allocation				0.00	
			0.00	49600 Transfer Out To Other Funds				0.00	
			0.00	49600 Transfer Out To Other Funds				0.00	
			0.00	49700 Interfund Transaction-Expenses				0.00	
			0.00	49710 Interfund Transaction-Expense		383-	383-	-100.00%	
			0.00	49700 Interfund Transaction-Expenses		383-	383-	-100.00%	
336,229-	147,880-	188,349	56.02%	40000 Operating Expenses	2,746,009-	1,331,800-	1,414,209	51.50%	4,532,446-
218,758-	125,888-	92,870	42.45%	24001 Legal Specialization	765,507-	776,336	1,541,843	201.41%	2,499,946-
218,758-	125,888-	92,870	42.45%	00024 Legal Specialization Fund	765,507-	776,336	1,541,843	201.41%	2,499,946-
218,758-	125,887-	92,871	-42.45%	Excess/(def.) of rev.over exp.	765,507-	776,337	1,541,844	-201.41%	2,499,946-

Total Number of Certified Specialists

Current through November 1, 2018 compared to one year ago

Specialty Area	Certified Specialists in November 2017	Change since November 2017	Current Certified Specialists
Admiralty	38	-2	36
Appellate	305	8	313
Bankruptcy	165	5	170
Criminal	349	-7	342
Estate Planning	1018	38	1056
Family	1345	39	1384
Franchise	53	-2	51
Immigration	211	13	224
Legal Malpractice	96	13	109
Taxation	321	-7	314
Workers' Compensation	1029	-3	1026
Total	4930	95	5025

Resignation Reasons Cited by Certified Specialists 2016 and 2017 Annual v. 2018 Year to Date

2016 (January 1, 2016 - December 31, 2016)

2017 (January 1, 2017 - December 31, 2017)

2018 (January 1, 2018 - November 1, 2018)

	PRACTICE CHANGE			RETIRED			CAN'T MEET EXPERIENCE			FEE COMPLAINT			MULTIPLE REASONS			OTHER		
	2016	2017	2018	2016	2017	2018	2016	2017	2018	2016	2017	2018	2016	2017	2018	2016	2017	2018
Admiralty	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	1
Appellate	2	0	0	1	2	4	2	0	2	1	0	0	3	0	0	1	0	3
Bankruptcy	1	1	0	0	0	1	0	0	0	0	0	0	0	0	0	1	0	0
Criminal	1	2	4	2	1	6	1	1	1	0	0	1	2	0	0	4	0	4
Estate	6	1	1	13	10	15	1	0	0	0	0	0	2	2	0	5	1	9
Family	3	5	9	19	16	23	5	1	3	0	0	0	5	3	3	3	4	3
Franchise	1	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Immigration	0	0	0	1	4	0	0	0	0	0	0	0	0	0	0	3	0	1
Legal Malpractice	1	0	0	1	1	0	0	0	0	0	0	0	1	0	0	1	0	0
Taxation	3	1	3	2	5	4	1	0	0	0	0	0	2	0	0	1	0	2
Workers' Compensation	4	4	9	6	5	8	1	3	4	0	0	0	1	1	1	7	4	6
Total	22	14	27	46	44	61	11	5	11	1	0	1	16	6	4	27	9	29

TOTALS

123	78	133
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*JUDICIAL TOLLING

	2016	2017	2018
Admiralty	0	0	0
Appellate	1	1	0
Bankruptcy	0	0	0
Criminal	2	1	2
Estate	0	1	0
Family	4	3	2
Franchise	0	0	0
Immigration	0	1	0
Legal Malpractice	0	0	0
Taxation	0	0	0
Workers' Comp.	3	0	3
Total	10	7	7

Total Number of Certified Specialists in MCLE Compliance Group 2

Specialty Area	Total # of Specialists	Reported Legal Specialist Education Compliance	Resigned	Revoked for Non-Compliance
Admiralty	14	12	2	0
Appellate	83	79	4	0
Bankruptcy	39	38	1	0
Criminal	90	81	6	3
Estate Planning	276	269	6	1
Family	368	351	15	2
Franchise	16	14	1	1
Immigration	70	68	1	1
Legal Malpractice	26	26	0	0
Taxation	74	73	1	0
Workers' Compensation	276	262	9	5
*Dual Specialists	25	22	2	1
Total	1357	1295	48	14