



# The State Bar of California

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## **OPEN SESSION AGENDA ITEM 703 JANUARY 2021**

**DATE:** January 22, 2021

**TO:** Members, Board of Trustees

**FROM:** Amy C. Nuñez, Director, Office of Admissions

**SUBJECT:** Approval of Legal Specialization Examination Fee Reduction

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### **EXECUTIVE SUMMARY**

This agenda item seeks Board of Trustees approval to lower the 2021 Legal Specialist Examination registration fees, applicable to the 2021 Legal Specialist Exam only.

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### **BACKGROUND**

California licensees can receive State Bar legal specialist certification in eleven areas of law. The first step toward certification is to take and pass the Legal Specialist Examination (LSX) for the desired specialty area. The LSX is administered every two years, in October.

The costs to register for the LSX are as follows:

- \$350 base registration fee (for timely registration)
- \$150 laptop fee
- \$250 first late registration fee (added to base fee if registering after timely deadline)
- \$350 final late registration fee (added to base fee if registering after late deadline)
- \$75 late laptop fee (added to laptop fee if switching to laptop when already registered to handwrite)

## DISCUSSION

As a result of the delay in purchasing and launching a new technology initiative to store and select questions for the legal specialization examinations, the reserve in the legal specialization fund exceeds the maximum amount identified by the Board of Trustees in the reserve policy.

**Projected Legal Specialization Reserve Balance**

<b>Projected Reserve Balance 12/31/20</b>	<b>Projected Reserve Balance 12/31/21</b>	<b>Reserve Level (%)</b>
\$5,627,542	\$4,842,852	142.8%

The Office of Admissions, along with the California Board of Legal Specialization (CBLS), has determined that it would be appropriate to reduce LSX fees for the current year in order to spend down the reserve. A similar action was taken by the Board in 2016 related to 2017 LSX fees.

2017 LSX registration fees as approved in order to spend down the reserves were as follows:

- \$100 base registration fee (reduced from \$350)
- \$0 laptop fee
- \$150 first late registration fee (reduced from \$250)
- \$250 final late registration fee (reduced from \$350)

For the specialization exams conducted in 2019, the reduced amounts sunsetted and the normal fees were again assessed.

For 2021, staff and the CBLS recommend the following registration fees:

- \$100 base registration
- waive all laptop fee
- \$150 late registration fee (staff recommends a single late fee, to be in line with the 2019 LSX)

The proposed reduction in the base registration fee and the laptop registration fee is estimated to result in a revenue reduction of 75 percent as compared to 2019, or \$241,510. Additionally, given that the exam is being planned as a remotely-administered exam, the laptop fee waivers could encourage more applicants to register for that method.

Staff will develop a further spend down plan to bring the reserves in line with Board policy.

## **FISCAL/PERSONNEL IMPACT**

The recommended fee reduction would cause exam registration revenue to be reduced by 66.7–80 percent, which would bring the reserves in the legal specialization fund down to \$4,601,342.

## **AMENDMENTS TO RULES OF THE STATE BAR**

None

## **AMENDMENTS TO BOARD OF TRUSTEES POLICY MANUAL**

None

## **STRATEGIC PLAN GOALS & OBJECTIVES**

Goal: None - compliance

## **RECOMMENDATIONS**

**Should the Board of Trustees concur in the proposed action, passage of the following resolution is recommended:**

**RESOLVED**, that the Board of Trustees approve the 2021 Legal Specialist Examination registration fee schedule, as described above, and direct staff to make changes to the Schedule of Fees and Deadlines to implement these changes as set forth in Attachment A.

## **ATTACHMENT(S) LIST**

- A.** Legal Specialization Schedule of Charges and Deadlines (in redline)
- B.** Legal Specialization Schedule of Charges and Deadlines (with changes accepted)

## TITLE 3, DIVISION 2, CHAPTER 2

## LEGAL SPECIALIZATION

*Fees previously adopted by the Board of Trustees or mandated by statute.  
Amended effective January ~~122, 2018~~ 2021.*

Rule	Description	Amount	Deadline
3.110, 3.112, 3.116 (A)	Application Fee:		Upon filing
	1. Examination registration	<del>\$350</del> 100	
	2. Certification application	\$300	
	3. Fee to take exam on applicant's own laptop computer	<del>\$150</del>	
	4. Fee for late registration for examination for applications received after timely filing deadline through first late filing deadline	<del>\$250</del> 150	
	5. <del>Fee for late registration for examination for applications received after first late filing deadline through final filing deadline</del>	<del>\$350</del> 150	
	6. Fee for late registration to take exam on applicant's own laptop computer	<del>\$75</del> 0	
3.119	Fee for Recertification:		Upon filing
	1. Application	\$350	
3.110, 3.119	Annual Fee:		February 1 or 30 days from invoice date for newly certified specialists
	1. Currently certified specialists	\$360	
	2. Initial certification between December 1 and June 30	\$360	
	3. Initial certification between July 1 and November 30	\$200	
	4. Certified specialists engaged in judicial service as described in Rule 3.119	N/A	
3.119	Annual Fee Late Charge	\$75	February 1 or 30 days from invoice date for newly certified specialists
3.114	Approval of Educational Activities:		Upon filing
	1. One individual education activity	\$75	
	2. Multiple activity provider status	\$300	
	3. Renewal of multiple activity provider status	\$300	
N/A	Replacement Certificate of Legal Specialization	\$25	Upon request
3.125	Appeal of Certification denial, suspension, or revocation	\$500	Not applicable

TITLE 3, DIVISION 2, CHAPTER 2LEGAL SPECIALIZATION

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