

CBLS Budget Projection Table (2021-2031)

		4-Year Spend-Down Plan						Following 6-Year Projections***					
Item	2021 Budget <sup>0</sup>	2021 Projection	2022 Projection*	2023 Projection*	2024 Projection*	2025 Projection*	2026 Projection*	2027 Projection*	2028 Projection*	2029 Projection*	2030 Projection*	2031 Projection*	
Revenues													
Annual Fees	\$ 1,836,000	\$ 1,836,000	\$ 1,863,540	\$ 1,891,493	\$ 1,919,865	\$ 1,948,663	\$ 1,977,893	\$ 2,007,562	\$ 2,037,675	\$ 2,068,240	\$ 2,099,264	\$ 2,130,753	
Initial Certification Fees	\$ 66,178	\$ 66,178	\$ 67,171	\$ 68,178	\$ 69,201	\$ 70,239	\$ 71,293	\$ 72,362	\$ 73,447	\$ 74,549	\$ 75,667	\$ 76,802	
Recertification Fees	\$ 219,530	\$ 219,530	\$ 222,823	\$ 226,165	\$ 229,558	\$ 233,001	\$ 236,496	\$ 240,044	\$ 243,644	\$ 247,299	\$ 251,008	\$ 254,774	
Exam Fees**	\$ 80,503	\$ 80,503	\$ -	\$ 326,843	\$ -	\$ 331,746	\$ -	\$ 336,722	\$ -	\$ 341,773	\$ -	\$ 346,899	
Other Fees	\$ 25,989	\$ 25,989	\$ 26,379	\$ 26,775	\$ 27,176	\$ 27,584	\$ 27,998	\$ 28,417	\$ 28,844	\$ 29,276	\$ 29,716	\$ 30,161	
Investment Income	\$ 35,500	\$ 35,500	\$ 36,033	\$ 36,573	\$ 37,122	\$ 37,678	\$ 38,244	\$ 38,817	\$ 39,399	\$ 39,990	\$ 40,590	\$ 41,199	
Admissions Loan Repayment	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -	
Total Revenue	\$ 2,363,700	\$ 2,363,700	\$ 2,315,945	\$ 2,676,027	\$ 2,382,922	\$ 2,748,911	\$ 2,451,923	\$ 2,823,924	\$ 2,423,010	\$ 2,801,128	\$ 2,496,246	\$ 2,880,588	
Expenses													
Personnel	\$ (860,700)	\$ (860,700)	\$ (903,735)	\$ (948,922)	\$ (996,368)	\$ (1,046,186)	\$ (1,098,496)	\$ (1,153,420)	\$ (1,211,091)	\$ (1,271,646)	\$ (1,335,228)	\$ (1,401,990)	
Exam Development	\$ (1,231,422)	\$ (615,711)	\$ (624,947)	\$ (634,321)	\$ (643,836)	\$ (653,493)	\$ (663,296)	\$ (673,245)	\$ (683,344)	\$ (693,594)	\$ (703,998)	\$ (714,558)	
Exam Related Expenses**	\$ (343,294)	\$ (343,294)	\$ -	\$ (348,443)	\$ -	\$ (353,670)	\$ -	\$ (358,975)	\$ -	\$ (364,360)	\$ -	\$ (369,825)	
Other Expenses	\$ (981,884)	\$ (981,884)	\$ (996,612)	\$ (1,011,561)	\$ (1,026,735)	\$ (1,042,136)	\$ (1,057,768)	\$ (1,073,634)	\$ (1,089,739)	\$ (1,106,085)	\$ (1,122,676)	\$ (1,139,516)	
LSX Item Banking System			\$ (85,000)	\$ (38,000)	\$ (38,000)	\$ (38,000)	\$ (38,000)	\$ (38,000)	\$ (38,000)	\$ (38,000)	\$ (38,000)	\$ (38,000)	
Total Expenses	\$ (3,417,300)	\$ (2,801,589)	\$ (2,610,294)	\$ (2,981,247)	\$ (2,704,938)	\$ (3,133,485)	\$ (2,857,559)	\$ (3,297,275)	\$ (3,022,174)	\$ (3,473,685)	\$ (3,199,902)	\$ (3,663,889)	
Spend-Down Options													
A. Annual Fee Holiday			\$ (1,863,540)	\$ -	\$ -	\$ -	\$ 274,927	\$ 558,102	\$ 566,474	\$ 574,971	\$ 583,595	\$ 592,349	
B. Advertising/Outreach			\$ (30,000)	\$ (30,000)	\$ (30,000)	\$ (30,000)	\$ (30,000)	\$ (30,000)	\$ (30,000)	\$ (30,000)	\$ (30,000)	\$ (30,000)	
C. Initial Certification Fee Holiday			\$ (67,171)	\$ (68,178)	\$ (69,201)	\$ (70,239)							
D. Applicant Portal Storage			\$ (21,252)	\$ (24,461)	\$ (28,689)	\$ (33,021)	\$ (38,007)	\$ (43,746)	\$ (50,352)	\$ (57,955)	\$ (66,706)	\$ (76,779)	
E. Implementation of Enhanced Work Plan Initiatives			\$ (99,060)	\$ (104,013)	\$ (109,214)	\$ (114,674)	\$ (120,408)	\$ (126,428)	\$ (132,750)	\$ (139,387)	\$ (146,357)	\$ (153,675)	
Total Change of Spend-Down			\$ (2,081,023)	\$ (226,652)	\$ (237,104)	\$ (247,934)	\$ 86,512	\$ 357,927	\$ 353,372	\$ 347,628	\$ 340,532	\$ 331,896	
Net Balance													
Total Revenue (including spend-down)	\$ 2,363,700	\$ 2,363,700	\$ 2,315,945	\$ 2,676,027	\$ 2,382,922	\$ 2,748,911	\$ 2,726,850	\$ 3,382,026	\$ 2,989,484	\$ 3,376,099	\$ 3,079,841	\$ 3,472,938	
Total Expenses (including spend-down)	\$ (3,417,300)	\$ (2,801,589)	\$ (4,691,317)	\$ (3,207,900)	\$ (2,942,042)	\$ (3,381,420)	\$ (3,045,974)	\$ (3,497,450)	\$ (3,235,276)	\$ (3,701,027)	\$ (3,442,965)	\$ (3,924,343)	
Change in Net Position	\$ (1,053,600)	\$ (437,889)	\$ (2,375,372)	\$ (531,873)	\$ (559,120)	\$ (632,508)	\$ (319,124)	\$ (115,424)	\$ (245,792)	\$ (324,928)	\$ (363,124)	\$ (451,405)	
Minimum Reserve Target Balance (17%)	\$ 580,941	\$ 476,270	\$ 797,524	\$ 545,343	\$ 500,147	\$ 574,841	\$ 517,816	\$ 594,566	\$ 549,997	\$ 629,175	\$ 585,304	\$ 667,138	
Maximum Reserve Target Balance (30%)	\$ 1,025,190	\$ 840,477	\$ 1,407,395	\$ 962,370	\$ 882,613	\$ 1,014,426	\$ 913,792	\$ 1,049,235	\$ 970,583	\$ 1,110,308	\$ 1,032,890	\$ 1,177,303	
Total Net Balance	\$ 4,372,842	\$ 4,988,556	\$ 2,613,184	\$ 2,081,312	\$ 1,522,192	\$ 889,683	\$ 570,559	\$ 455,136	\$ 209,344	\$ (115,585)	\$ (478,709)	\$ (930,114)	
% of allowable Reserves	128.0%	178.1%	55.7%	64.9%	51.7%	26.3%	18.7%	13.0%	6.5%	-3.1%	-13.9%	-23.7%	

Ø2021 Budget values taken from the 2021 Adopted State Bar Budget dated 2/26/2021 (<http://www.calbar.ca.gov/Portals/0/documents/reports/2021-State-Bar-Budget.pdf>, page 107)

\*With the exception of costs pertaining to personnel, annual revenue/expense projections are increased at a rate of 1.5% each year (personnel costs are projected to increase at a rate of 5%).

\*\*The Legal Specialist Examination is administered every other year, so exam fees and related expenses are only being projected on exam years.

\*\*\*In the following six years after the proposed spend down plan: (1) the Admissions loan repayment is finished in 2027, (2) staff projected a recommended phased increase to the Annual Fee, (3) the return other legal specialization fees to current/normal levels, and (4) to continue the Advertising/Outreach, Applicant Portal Storage, and Implementation of Enhanced Work Plan Initiatives allotments.