



# The State Bar of California

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## **OPEN SESSION**

### **AGENDA ITEM**

#### **IV.A. SEPTEMBER 2021**

**DATE:** September 10, 2021

**TO:** Members, California Board of Legal Specialization

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

**SUBJECT:** Report on Financial and Operational Key Indicators

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### **SUMMARY**

A report on financial and operational key indicators is attached for consideration during the September 2021 California Board of Legal Specialization (CBLs) meeting.

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### **BACKGROUND**

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

### **DISCUSSION**

#### **YEAR-TO-DATE FINANCIAL REPORT**

The Board of Trustees 2021 Financial Report for the first quarter (Q1) through March 2021 indicates that 2021 actual revenue is in line with projections, and demonstrates a slight increase (6.2 percent) when compared to the budget (Attachment A). Currently, the Legal Specialization expenses stand at 83.5 percent under budget. However, we expect additional expenses to occur throughout the remainder of the year which should bring us closer to budget. Based on budgeted 2021 revenue compared to expenses, there is an expected overall \$437,889 negative change in current net position.

#### **TOTAL NUMBER OF CERTIFIED SPECIALISTS**

As of September 1, 2021, there are 5,005 current certified specialists, a decrease of 30 certified specialists versus the same time last year (Attachment B). Only Family Law saw an increase, with an increase of 15 new specialists. Appellate Law, Franchise & Distribution Law, and Immigration & Nationality Law saw no change, and the remaining six areas all saw decreases, with Workers' Compensation Law having the only double-digit decrease, with a decrease of 18 total specialists in the last year.

#### **TOTAL NUMBER OF RESIGNATIONS BY REASON**

There have been 121 resignations of certificates of specialization through September 1, 2021 versus 136 in totality last year, and 160 in 2019 (Attachment C). Nearly half of the 2021 resignations are due to specialists retiring (56), and staff anticipate this number to increase over time. However, the total number of resignations seems comparable to the previous two years.

#### **LEGAL SPECIALIST CONTINUING LEGAL EDUCATION (LSCLE) COMPLIANCE REPORTING**

2021 Compliance Group 2 reporting opened on December 1, 2020, and there was a total of 1,397 specialists (including dual specialists) who were due to report LSCLE compliance by February 1, 2021 (Attachment D). The MCLE/LSCLE deadline was then extended to June 30, 2021, and staff sent a reminder to pending specialists at that time. As of September 1, 2021, there are 457 specialists (32.7 percent) in Compliance Group 2 still pending LSCLE Compliance reporting.

Staff provides a recommendation of annual revocations for failure to comply with the LSCLE requirement, to be discussed for approval as a part of Open Session Item IV.F.

#### **ATTACHMENT(S) LIST**

- A.** Q1 Financial Statement Report, Investment Report, Client Security Fund Report
- B.** Total Number of Certified Specialists as of September 1, 2021
- C.** Total Number of Resignations by Reason, 2019 and 2020 Annual v 2021 Year to Date
- D.** Total Number of Certified Specialists in Compliance Group 2