



# The State Bar of California

---

## **OPEN SESSION**

### **AGENDA ITEM**

**54-142 NOVEMBER 2021**

**FINANCE COMMITTEE III.B**

**DATE:** November 18, 2021

**TO:** Members, Finance Committee  
Members, Board of Trustees

**FROM:** Wallace Tang, Chief Financial Officer

**SUBJECT:** Office of Finance Midyear Budget Variance Report, Projection, and Proposed Budget Amendment

---

## **EXECUTIVE SUMMARY**

This agenda item is presented to the Finance Committee and the Board of Trustees in accordance with the requirements of section 5.2.1 of the Board of Trustees Policy Manual (referred to as the Board Book), which requires midyear forecasting and budget-to-actual variance reports to be presented to the Board. This agenda item includes a midyear analysis of the 2021 budget, including projections for the fiscal year ending December 31, 2021. The reports provide budget-to-actual variances along with projections for each fund. Where there are variances greater than \$100,000, staff has provided detailed explanations.

---

## **BACKGROUND**

The 2021 State Bar budget was approved by the Board of Trustees on January 22, 2021, and submitted to the Legislature in accordance with Business and Professions Code section 6140.1 on February 26, 2021. State Bar-wide revenues were budgeted to be \$208.5 million and budgeted expenses to be \$196.3 million. General Fund revenues were budgeted at \$91.2 million and expenses at \$92.3 million.

## DISCUSSION

The midyear financial variance reports are prepared based on operating results for the six months ended June 30, 2021.

The midyear projection estimates that the State Bar will end 2021 with a deficit of \$2.5 million. The \$14.7 million change from the State Bar-wide budgeted operating surplus of \$12.2 million to a projected \$2.5 million deficit is primarily due to the following factors:

**Homeless Prevention (HP) II Grant (\$19.6 million revenue reduction due to timing of allocation)** – The HP II Grant is a multiyear grant (July 2020 to December 2024). In the originally adopted 2021 budget, the entire \$31 million HP II award was recognized. However, given that this is a multi-year grant, \$19.6 million of the award is being reallocated to future years, so that grant revenue is recognized in the year it is to be spent. The HP II Grant was funded through an amendment to Government Code 12531 authorizing \$31 million to be distributed for grants to legal services organizations to provide eviction defense or other tenant defense assistance in landlord-tenant disputes. The funding is being distributed through the Administration of the National Mortgage Settlement Fund agreement with the Judicial Council.

In addition to the HP II Grant, the State Bar is currently allocating HP I Grant funds. The HP I Grant was funded through a \$20 million revision to the 2019–20 State of California Budget Bill, Assembly Bill 74. Under the revision, the funds were to be distributed by the Judicial Council through the State Bar of California to qualified legal services projects and support centers to provide eviction defense or other tenant defense assistance in landlord-tenant rental disputes. The funding was distributed through the Administration of the Equal Access Fund FY19–20 contract with the Judicial Council, which ran from July 1, 2019 through June 30, 2020.

The State Bar is expecting the HP III Grant in late fourth quarter of 2021 or early 2022. The exact grant amount is not confirmed yet.

- **California Public Employees' Retirement System (CalPERS) (\$5.3 million savings)** – A \$5.3 million CalPERS expense budget error occurred due to the fact that the budgeted amount was based on erroneous actuarial estimates. The midyear budget revision reflects the actual, versus estimated, actuarially required contribution.
- **Legal Services Trust Fund – Interest on Lawyers' Trust Accounts (IOLTA) (\$1.5 million surplus)** – IOLTA revenue is contingent on rates provided by participating financial institutions, the number of lawyers' IOLTA accounts, the average balance on those accounts, and current flat rate environments. Any variability will result in actual receipts being more or less than the budgeted amount.

- **Client Security Fund (CSF) (\$1.2 million savings)** – Payouts are underspent due to more complex cases being reviewed in 2021 resulting in slowed payments and a higher proportion of rejected claims in 2021.

## **2021 MIDYEAR FINANCIAL PROJECTION AS OF JUNE 30 (ATTACHMENT A)**

The 2021 midyear financial projection is summarized at the fund level in Attachment A. The projected reserve levels in each fund are computed by adding the net effect of 2021 revenues and expenses to 2020 year-end reserve balances.

The General Fund reserve-to-expense ratio is projected to be 27.4 percent, which is within the 17 to 30 percent target set by the Reserve Policy. There are several funds that are projected to have reserves above 30 percent, including: Admissions, CSF, Elimination of Bias, Lawyer Assistance Program, Legal Specialization, and Legislative Activities. The Reserve Policy requires a spending plan for most funds that have reserves above 30 percent. As part of the 2022 budget process, staff will develop spending plans for each applicable fund with a year-end reserve fund balance in excess of 30 percent.

Highlights include the following:

**General Fund:** Overall, the General Fund has a projected surplus of \$4.5 million, compared to the adopted budget deficit of \$1.1 million. This projected surplus is primarily attributable to \$5.8 million in projected personnel expense savings, with \$4.8 million due to the CalPERS expense budget error.

Table 1 provides a General Fund summary at the revenue category level and Table 2 provides a summary at the expense category level.

**Table 1. General Fund Revenues\***

<b>Revenue Category</b>	<b>2021 Annual Budget</b>	<b>Annual Projection</b>	<b>Projected Variance</b>
Mandatory licensee fees	\$84,072,300	\$84,083,000	\$10,700
Other fees and revenues	3,018,500	3,033,900	15,400
Investment income	917,100	150,400	(766,700)
Rental income	3,179,400	3,079,600	(99,800)
<b>Total Revenue</b>	<b>\$91,187,300</b>	<b>\$90,346,900</b>	<b>(\$840,400)</b>

\* Excludes transfers

**Table 2. General Fund Expenses\***

<b>Expense Category</b>	<b>2021 Annual Budget</b>	<b>Annual Projection</b>	<b>Projected Variance</b>
Personnel costs	\$82,018,200	\$76,260,500	\$5,757,700
Building operations	7,764,400	7,971,500	(207,200)
Services	7,384,500	7,569,700	(185,200)
Supplies	1,222,700	1,324,000	(101,300)
Equipment	2,993,300	3,101,700	(108,400)
Other expenses	903,400	32,300	871,100
Payouts and reimbursements	(1,200,000)	(1,400,000)	200,000
Indirect costs	(9,501,100)	(9,501,100)	-
Debt-related expenses	665,900	559,100	106,800
<b>Total Expense</b>	<b>\$92,251,300</b>	<b>\$85,917,700</b>	<b>\$6,333,500</b>

\* Excludes transfers

Based on the current projected revenue and expenses and the proposed budget amendment, the general fund could afford \$6.9 million for discretionary spending without the reserve level falling below the required 17 percent.

**Admissions Fund:** Overall, the Admissions Fund has a projected deficit of \$1.5 million, compared to a budgeted deficit of \$4.0 million. The 2021 budgeted revenues are \$19.5 million with projections at \$20.4 million, resulting in a favorable variance of \$0.9 million. The 2021 budgeted expenses are \$23.5 million with projections at \$21.9 million, resulting in a favorable variance of \$1.6 million.

Exam fee revenues are projected to be \$0.4 million higher than budget, the net effect of conservative budgeting for attorney applicants and aggressive budgeting for new applicants. Moral character fees are projected to be \$0.5 million higher than budget due to the reduced cut (passing) score, the ability to sit for the exam from any location, and the addition of the Provisional Licensed Lawyers (PLL) program, all of which served to increase the number of moral character applications submitted. The projected expense savings are primarily comprised of \$0.8 million in personnel due to a combination of staff vacancies and a CalPERS expense over estimation, and \$0.6 million in reduced exam expenses relating to exam rooms, proctors, and grading.

**Equal Access Fund (EAF):** 2021 EAF revenue is projected to be on budget, with revenues of \$26.7 million. EAF expenses are projected to be \$6.5 million higher than budget due to the following unbudgeted expenses:

1. \$6.0 million of 2020 expenses that actually incurred in 2021;
2. \$0.6 million of 2020 HP I Grant redistributed in 2021; and
3. an offsetting \$0.1 million savings in personnel and services.

**Grants Fund:** The Grants Fund is comprised of the HP II Program. 2021 budgeted revenues are \$29.7 million with projections at \$10.8 million, resulting in an unfavorable variance of \$18.9 million. The revenue variance due to (i) a \$19.6 million reduction in HP II Grant revenue, reflecting the allocation of phases for the multiyear grant described above; (ii) with an offsetting \$0.7 million for the HP II Administrative Cost Reimbursement from the contract, which is projected, but not captured in the budget. 2021 expenses are projected to be on budget, with expenses of \$10.2 million.

## **2021 BUDGET-TO-ACTUAL VARIANCE REPORT FOR THE SIX MONTHS ENDED JUNE 30 (ATTACHMENT B)**

The Budget-to-Actual Variance Report summarizes significant budget variances, both favorable and unfavorable, by comparing actual operating results for revenues and expenses for the six months ended June 30, 2021, to the year-to-date budget amounts. In accordance with the Board Book, significant budget variances are defined as line-item, budget-to-actual variances within any cost center that are greater than \$100,000. Significant budget variances are detailed in Attachment B.

## **PROPOSED 2021 BUDGET AMENDMENT BY ITEM AND BY FUND (ATTACHMENT C)**

To make effective and efficient use of the State Bar's fiscal resources and advance Board adopted goals and objectives, staff proposes a midyear budget amendment as follows:

Budget adjustments in detail are summarized in Attachments C1 (by item) and C2 (by fund).

1. Budget adjustment to correct technical inaccuracies in the adopted budget:

This adjustment includes a \$5.3 million (State Bar-wide) reduction to the CalPERS employer share account to reflect actual costs. The original amount was based on an actuarial estimate which turned out to be an over-projected amount by the actuary.

Technical adjustments also include an increase of \$0.7 million to the grant administrative cost reimbursement for the HP II Grant. The adjustment will align the budget amount with the contract terms of the grant.

2. Budget amendment to reflect allocation phases for the HP II multiyear grant:

This adjustment includes a reduction of \$19.6 million in grant revenue to the HP II Grant. The adjustment also reflects a reallocation of a portion of the Grant to future years.

3. Budget amendment to capture unanticipated income and expenses:

This adjustment includes \$6.0 million of 2020 Partnership and EAF grant funding that was not received and paid until 2021. In addition, it includes \$0.6 million of 2020 HP I Grants redistributed in 2021.

## **FISCAL/PERSONNEL IMPACT**

Fiscal/Personnel Impact as described herein.

## **AMENDMENTS TO RULES**

None

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

None

## **STRATEGIC PLAN GOALS & OBJECTIVES**

Goal: 3. Improve the fiscal and operational management of the State Bar, emphasizing integrity, transparency, accountability, and excellence.

## **RECOMMENDATIONS**

**Should the Finance Committee concur in the proposed action, passage of the following resolution is recommended:**

**RESOLVED**, that the Finance Committee recommends that the Board of Trustees approves the 2021 Midyear Budget Variance Report, Projection, and Proposed Budget Amendment in the form presented this day before the Board, for the six months ended June 30, 2021, as certified by the chief financial officer and filed with the San Francisco office of the State Bar.

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

**RESOLVED**, that upon recommendation of the Finance Committee, the Board of Trustees approves the 2021 Midyear Budget Variance Report, Projection, and Proposed Budget Amendment in the form presented this day before the Board, for the six months ended June 30, 2021, as certified by the chief financial officer and filed with the San Francisco office of the State Bar.

## **ATTACHMENTS LIST**

- A.** 2021 Midyear Financial Projection Based on Actual Results for the Six Months Ended June 30, 2021
- B.** 2021 Budget-to-Actual Variance Report Based on Actual Results for the Six Months Ended June 30, 2021, Variances Greater than \$100,000
- C.** Proposed 2021 Budget Amendment by Item and by Fund

**STATE BAR OF CALIFORNIA  
2021 MID-YEAR FINANCIAL PROJECTION  
FOR THE SIX MONTHS ENDED JUNE 30, 2021**

ATTACHMENT A

Fund Name	Reserve Balance	Revenue			Expense			2021 Totals		Projected Reserve Balance	Projected Reserve Level (%) **	
		2021 Annual Budget	Annual Projection	Projected Savings	2021 Annual Budget	Annual Projection	Projected Savings	Budget (Rev-Exp) (Surplus/Deficit)	Projection (Rev-Exp) (Surplus/Deficit)	12/31/2021	12/31/2021	
	12/31/2020											
General Fund	19,015,483	91,187,300	90,403,900	(783,400)	92,251,400	85,917,700	6,333,700	(1,064,100)	4,486,200	23,501,683	27.4%	(2)
Admissions Fund	10,903,543	19,494,000	20,362,700	868,700	23,500,600	21,896,300	1,604,300	(4,006,600)	(1,533,600)	9,369,943	42.8%	(6)
Bank Settlement Fund	9,571,539	170,500	40,000	(130,500)	2,485,200	2,462,400	22,800	(2,314,700)	(2,422,400)	7,149,139	290.3%	
Client Security Fund	2,357,743	8,046,200	8,057,900	11,700	8,371,400	7,138,300	1,233,100	(325,200)	919,600	3,277,343	287.9%	
Elimination of Bias Fund	333,774	322,800	320,700	(2,100)	520,900	390,200	130,700	(198,100)	(69,500)	264,274	67.7%	
Equal Access Fund	2,476,593	26,675,900	26,686,100	10,200	24,722,300	31,253,400	(6,531,100)	1,953,600	(4,567,300)	(2,090,707)	-6.7%	(4)
Grants Fund	252,546	29,731,300	10,839,700	(18,891,600)	10,164,900	10,189,900	(25,000)	19,566,400	649,800	902,346	8.9%	(5)
Justice Gap Fund	3,838,361	1,530,600	1,506,200	(24,400)	1,513,700	1,513,700	-	16,900	(7,500)	3,830,861	253.1%	
Lawyer Assistance Fund	1,762,515	2,138,300	2,115,900	(22,400)	2,617,900	2,584,700	33,200	(479,600)	(468,800)	1,293,715	50.1%	
Legal Services Trust Fund	24,587,699	26,096,400	27,586,700	1,490,300	25,805,100	26,369,700	(564,600)	291,300	1,217,000	25,804,699	97.9%	(3)
Legal Specialization Fund	5,647,444	2,363,600	2,396,000	32,400	3,417,200	2,834,600	582,600	(1,053,600)	(438,600)	5,208,844	183.8%	
Legislative Activities Fund	355,355	756,300	731,300	(25,000)	695,500	689,700	5,800	60,800	41,600	396,955	57.6%	
SF Tenant Improvement Fund	1,800,523	6,400	2,000	(4,400)	251,800	305,000	(53,200)	(245,400)	(303,000)	1,497,523	491.0%	
Other Funds:	63,887,635	117,332,300	100,645,200	(16,687,100)	104,066,500	107,627,900	(3,561,400)	13,265,800	(6,982,700)	56,904,935		
Totals	82,903,118	208,519,600	191,049,100	(17,470,500)	196,317,900	193,545,600	2,772,300	12,201,700	(2,496,500)	80,406,618		

Notes:

1. This summary table includes all revenue, including non-operating such transfers out.

**2. General Fund**

Projected revenue shortfall of \$0.8 million stemming from Investment Income (\$0.7 million), and lease revenue (\$0.1 million).  
Projected savings in expenses of \$6.3 million with \$5.8 million of the savings in personnel costs. Of the \$5.8 million personnel savings, \$4.8 million is due to an over estimation of Calpers expenses in the budget, which were based on actuarial estimates.  
A budget amendment will be proposed to correct this variance.

**3. Legal Services Trust Fund**

Projected revenue surplus of \$1.5 million. IOLTA income is projected \$1.0 million above budget. Voluntary donations for all programs, including Provisionally Licensed Lawyers (PLL), are projected \$0.6 million above budget. Investment income is projected \$0.1 million below budget.  
Projected expenses \$0.6 million over budget due to \$650K of unbudgeted grant expenses are projected for the PLL program.

**4. Equal Access Fund**

\$6.0 million of delayed 2020 EAF and Partner grants were not paid until 2021 and were not budgeted.  
\$0.6 million Homeless Prevention I grant funds were returned and then redistributed to other grantees. A budget amendment will be proposed to correct these variances.

**5. Grants Fund**

Projected revenue shortfall of \$18.9 million is due to a \$19.6 reduction in Homeless Prevention II grant revenue, reflecting the reallocation of revenue phases for the multiyear grant.  
The reduction is off set by \$0.7 million for the HP II Administrative Cost Reimbursement from the contract which is projected, but not captured in the budget.

**6. Admissions Fund**

Projected revenue surplus of \$0.9 million. Exam Fees forecast \$400K higher. This is the net effect of conservative budgeting for attorney applicants and aggressive budgeting for new applicants. Other fees forecast \$500K higher driven by Moral Character Determination.  
The reduced cut score (higher pass rate), the ability to sit for the exam from anywhere in the world, and the Provisional Licensed Lawyer (PLL) program incentivized applicants to apply for Moral Character. Investment income forecast to come on \$100K below budget.  
  
Projected savings of \$1.6 million driven primarily by personnel (\$0.8 million) and Exam Expenses (\$0.6 million) due to reduced exam room, proctor, and grading expenses related to the online administration of the exam. \$0.3 million of personnel savings are from vacancies, the other \$0.5 million from the Calpers over estimation.

Notes: \*\* Board Reserve Policy specifies that all grant-related Funds are excluded from the Minimum Target Reserve requirement of 17%.  
The Excluded Minimum Target Reserve Funds include Grant, Legal Service Trust, Equal Access, Justice Gap, and Bank Settlement Funds.

STATE BAR OF CALIFORNIA  
2021 BUDGET-TO-ACTUAL VARIANCE REPORT  
FOR THE SIX MONTHS ENDED JUNE 30, 2021  
REVENUE VARIANCES GREATER THAN \$100,000

ATTACHMENT B

	Fund Name	Revenue Category	Fund	Cost Center	Object Code	Account Description	2021 YTD Actual	2021 YTD Budget	YTD Variance Fav (Unfav)	Variance Explanation
1	Administration & Discipline Fund	Licensing Fees and Donations	110	0001	40110	Mandatory Licensee Fees	\$ 80,632,182	\$ 78,147,700	\$ 2,484,482	The Budget assumed that by June, 96.4% of licensing fees would be paid. As of June 30, 99.5% has been paid in the Admin & Discipline Fund. This timing difference of 3.1% accounts for the variance. There is no significant difference between the number of attorneys assumed in the budget and those that have paid.
2	Administration & Discipline Fund	Law Corporation Registration Fees	110	0001	42120	Late Fee-Law Corp.	255,034	76,590	\$ 178,444	The variance is due to a surge of firms paying delinquent renewal fees for to become reinstated, and paying the late fees as part of that.
3	Administration & Discipline Fund	Affinity Insurance Revenue	110	0001	45820	Passthroughs	(125,000)	-	\$ (125,000)	This was a prior year correction for Affinity and Insurance Distributions to California Lawyers Association and CalBar Affinity. In 2019, there was an underpayment of \$125K under Business and Professions Code 6141.3. This contra revenue activity reflects the correcting payments.
4	Administration & Discipline Fund	Other Revenue	110	0001	45901	All Other Miscellaneous	178,679	49,998	\$ 128,681	This account consists of Administrative Fees for collections for third parties such as CLA, CACHangeLawyers.org, and The Supreme Court Historical Society. The fees are typically \$100K per year. In 2021, there was a \$64K deposit for a miscellaneous check from The State of California Litigation Deposit Fund.
5	Administration & Discipline Fund	Investment Income	110	0001	47110	Investment Income	112,567	261,198	\$ (148,631)	Budgeted investment income did not fully reflect the extent of fallen interest rates. Budget was too high.
6	Administration & Discipline Fund	Investment Income	110	0001	47210	Unrealized Gain/Loss on Invest	(68,511)	45,000	\$ (113,511)	Investment performance.
7	Administration & Discipline Fund	Continuing Legal Education Fees	110	8420	42380	Late Compliance Fees	209,143	99,000	\$ 110,143	The \$209K collected reflects most of the year's receipts for MCLE Late Compliance Fees, with June 30 as the deadline to avoid Administrative Inactive Status. The annual budget is close to this amount, at \$198K. The variance is due to the budget timeline.
8	Legal Education and Development Fund	Affinity Insurance Revenue	118	1120	45802	Life	938,615	125,000	\$ 813,615	Timing differences of receipts vs. budget. Projected receipts are expected to equal the annual budget of \$1,465,000.
9	Legal Education and Development Fund	Affinity Insurance Revenue	118	1120	45820	Passthroughs	(462,521)	(164,000)	\$ (298,521)	Timing differences of payouts vs. budget. Projected payouts between cost centers 1120 and 1130 are projected to match the combined annual budget of \$2.5 million.
10	Legal Education and Development Fund	Affinity Insurance Revenue	118	1130	45820	Passthroughs	(612,521)	(500,000)	\$ (112,521)	Timing differences of payouts vs. budget. Projected payouts between cost centers 1120 and 1130 are projected to match the combined annual budget of \$2.5 million.
11	Building Fund	Rental Income	126	5620	48110	Rental Income	1,263,269	1,427,636	\$ (164,367)	The variance stems from two tenants. Segal prepaid their January rent in December for \$90K. Therefore it wasn't captured in 2021. \$80K is due to lost rent from Knotel due to their bankruptcy.
12	Client Security Fund	Licensing Fees and Donations	227	8710	40110	Mandatory Licensee Fees	8,000,830	7,692,100	\$ 308,730	The Budget assumed that by June, 96.4% of licensing fees would be paid. As of June 30, 100% has been paid in the Client Security Fund. This timing difference of 3.1% accounts for the variance. There is no significant difference between the number of attorneys assumed in the budget and those that have paid.

	Fund Name	Revenue Category	Fund	Cost Center	Object Code	Account Description	2021 YTD Actual	2021 YTD Budget	YTD Variance Fav (Unfav)	Variance Explanation
13	Legal Services Trust Fund	Trust Account Revenue	228	8218	44310	IOLTA Revenue	10,952,280	9,425,606	\$ 1,526,674	IOLTA revenue is contingent on rates provided by participating financial institutions, the number of lawyers' trust accounts, and the average balance on those accounts, and current flat rate environments. Any variability will result in actual receipts being more or less than the budgeted amount.
14	Legal Services Trust Fund	Licensing Fees and Donations	228	8223	41110	Voluntary Fees/Donations	6,125,004	6,400,000	\$ (274,996)	All voluntary Legal Services donations, at \$45 per licensee, were budgeted to this account. \$5 of that fee is designated to Provisionally Licensed Lawyers (PLL), which is tracked in a separate account. The combined collections between both accounts exceeds the Year to Date Budget by \$490K. Overall, donations exceed the annual budget.
15	Legal Services Trust Fund	Licensing Fees and Donations	228	8223	41115	Voluntary Fees/Donations - PLL	765,416	-	\$ 765,416	This is a new account in 2021. All voluntary Legal Services donations, at \$45 per licensee, were budgeted to a separate account. \$5 of that fee is designated to Provisionally Licensed Lawyers (PLL), which is tracked in this account. No income was budgeted to this account, as the account was added after the budget cycle.
16	Equal Access Fund	Grant Revenue	229	8225	44110	Grant Revenue	18,352,800	13,764,600	\$ 4,588,200	Full annual budgeted revenue has been recorded. Variance is timing related and will self correct.
17	Equal Access Fund	EAF AB 145 Filing Fee Revenue	229	8225	44120	AB 145 Filing Fee - EAF	5,180,490	2,466,900	\$ 2,713,590	Full annual budgeted revenue of \$4,933,800 has been recorded. An erroneous entry of \$246,690 was also recorded. Staff will submit an Adjusting Journal Entry to correct the error. The rest of the variance is timing related and will self correct.
18	Equal Access Fund	EAF AB 145 Filing Fee Revenue	229	8225	44140	Ptnr Grant - AB145	575,610	-	\$ 575,610	Full annual budgeted revenue of \$548,200 has been recorded. An erroneous entry of \$27,410 was also recorded. Staff will submit an Adjusting Journal Entry to correct the error. The rest of the variance is timing related and will self correct.
19	Equal Access Fund	Other Revenue	229	8225	44210	Grant Administrative Cost Reimb.	569,467	243,000	\$ 326,467	Full annual budgeted revenue of \$486,000 has been recorded. An erroneous entry of \$83,467 was also recorded. Staff will submit an Adjusting Journal Entry to correct the error. The rest of the variance is timing related and will self correct.
20	Equal Access Fund	Grant Revenue	229	8225	44410	Other Grants	297,876	-	\$ 297,876	Full annual budgeted revenue of \$297,876 has been recorded. The variance is timing related and will self correct.
21	Justice Gap Fund	Licensing Fees and Donations	232	8227	41110	Voluntary Fees/Donations	1,079,947	1,230,000	\$ (150,053)	Year to date, fewer private donor and licensee donations (combined) have been collected than was budgeted through June 30. The program is \$0.4 million short of its annual target. Historically, there have been private donations in the second half of the year in the mid six figure range. The variance will likely self correct by the end of the year.
22	Grants Fund	Grant Revenue	312	8236	44110	Grant Revenue	6,544,444	29,450,000	\$ (22,905,556)	Due to the allocation of phases for the multi-year grant, the annual budget of \$29,450,000 will be amended to \$9,816,667 for the Homeless Prevention II Grant. The purpose of the change is to recognize mulit-year grant revenue consistent with the amount in the grant year. The accrual will entail booking future year grant receipts to unearned revenue, and recording the revenue in the correct year of the multi-year grant. Total receipts for 2021 are projected to align with the amended budget amount. The change reflects the impact of recording revenues when earned rather than when received.

	Fund Name	Revenue Category	Fund	Cost Center	Object Code	Account Description	2021 YTD Actual	2021 YTD Budget	YTD Variance Fav (Unfav)	Variance Explanation
23	Grants Fund	Other Revenue	312	8236	44210	Grant Administrative Cost Reimb.	682,000	-	\$ 682,000	\$682,000 of the annual contract for \$1,023,000 has been recorded. Annual budget of \$281,325 will be amended to align with the contract amount.
24	Admissions Fund	Exam App. & Moral Char. Fees	320	8316	42402	Determination	2,716,857	2,200,000	\$ 516,857	Moral Character Fees were \$0.5 million above budget due to the reduced cut (passing) score, the ability to sit for the exam from any location, and the addition of the Provisionally Licensed Lawyers (PLL) program.
25	Admissions Fund	Exam App. & Moral Char. Fees	320	8316	43110	Applic. Fees-New February	1,839,959	3,046,500	\$ (1,206,541)	Budget assumed 4,500 applicants vs. 2,382 actual applicants at a rate of \$677 per applicant. Partial refunds are given depending on when an applicant withdraws. There are approximately 700 Provisionally Licensed Lawyers (PLLs) year to date. This partially explains the variance. Some were admitted as PLL making it unnecessary to take the exam. In addition, the cut score was reduced from 1440 to 1390. The pass rate in October 2020 was 60.7% compared to 50.1% for the July 2019 exam. With the higher pass rate, there were fewer repeat test takers in February.
26	Admissions Fund	Exam App. & Moral Char. Fees	320	8316	43120	Attorney Applic.-New February	1,615,629	491,500	\$ 1,124,129	Budget assumed 500 applicants vs. 1,487 actual applicants at a rate of \$983 per applicant. Conservative estimates due to the pandemic.
27	Admissions Fund	Exam App. & Moral Char. Fees	320	8316	43310	Applic. Fees-New July	4,785,424	5,754,500	\$ (969,076)	Budget assumed 8,500 applicants vs. 6,538 actual applicants at a rate of \$677 per applicant. Partial refunds are given depending on when an applicant withdraws. There are approximately 700 Provisionally Licensed Lawyers (PLLs) year to date. This partially explains the variance. Some were admitted as PLL making it unnecessary to take the exam. In addition, the cut score was reduced from 1440 to 1390. The pass rate in February 2021 was 37.2% compared to 26.8% for the February 2020 exam. With the higher pass rate, there were fewer repeat test takers in July.
28	Admissions Fund	Exam App. & Moral Char. Fees	320	8316	43320	Attorney Applic.-New July	2,019,033	516,075	\$ 1,502,958	Budget assumed 525 applicants vs. 1,774 actual applicants at a rate of \$983 per applicant. Conservative estimates due to the pandemic.

#### REVENUE HIGHLIGHTS

##### Favorable

Mandatory Licensee Fees	\$	2,793,211.59
IOLTA Revenue	\$	1,526,674.03
Other favorable revenues (net)		1,577,025.58
	\$	5,896,911.20

##### Unfavorable

Grant Revenue	\$	(13,721,812.57)
---------------	----	-----------------

##### Net (Un)Favorable Revenues

\$	(7,824,901.37)
----	----------------

STATE BAR OF CALIFORNIA  
2021 BUDGET-TO-ACTUAL VARIANCE REPORT  
FOR THE SIX MONTHS ENDED JUNE 30, 2021  
EXPENSE VARIANCES GREATER THAN \$100,000

ATTACHMENT B

	Fund Name	Expense Category	Fund	Cost Center	Object Code	Account Description	2021 YTD Actual	2021 YTD Budget	YTD Variance Fav/(Unfav)	Variance Explanation
1	Administration & Discipline Fund	Building Operations	110	0001	51910	Insurance	\$ 235,695	\$ -	\$ (235,695)	Workers' Compensation policy was not budgeted as a stand alone item. Staff will incorporate into the 2022 budget.
2	Administration & Discipline Fund	Other Expenses	110	0001	56810	Expense Clearing	(218,200)	-	218,200	Clearing Account for Corporate Credit Card Transactions. Staff are investigating cause of system issue related to the balance.
3	Administration & Discipline Fund	Personnel Expenses	110	6110	50110	Regular Salaries	12,303,563	13,231,848	928,285	279 FTE Budgeted vs. Average FTE of 270 January through June.
4	Administration & Discipline Fund	Personnel Expenses	110	6110	50170	Vacation Accrual Benefits	196,936	-	(196,936)	Vacation Accrual is not a budgeted line item. Any use of paid vacation is captured under this account instead of salaries. However, all salaries, including paid time off, is budgeted in the salary line.
5	Administration & Discipline Fund	Personnel Expenses	110	6110	50180	Sick Accrual Benefits	223,820	-	(223,820)	Sick Accrual is not a budgeted line item. Any use of paid sick leave is captured under this account instead of salaries. However, all salaries, including paid time off, is budgeted in the salary line.
6	Administration & Discipline Fund	Personnel Expenses	110	6110	50250	CalPERS Employer Share	1,326,730	2,686,062	1,359,332	Over budgeted amount due to technical inaccuracy in 2021 budgeting process.
7	Administration & Discipline Fund	Personnel Expenses	110	6110	50330	Health	1,397,662	1,236,372	(161,290)	The negative variance reflects the medical elections of new hires that are more expensive than the employee average.
8	Administration & Discipline Fund	Personnel Expenses	110	6110	50350	Life, LTD, AD&D, EAP	220,285	35,214	(185,071)	Due to system error the calculation of employer-paid Life, LTD, AD&D and EAP is incorrect, although the correct amounts were paid to vendor. Staff are working to correct this calculation error.
9	Administration & Discipline Fund	Personnel Expenses	110	6110	50410	Temporary Outside Help/Contractors	114,538	375,000	260,462	Staffing requisitions picked up in the middle of the year. The full annual budget is expected to be utilized.
10	Administration & Discipline Fund	Payouts and Reimbursements	110	6110	58230	CSF proc. Costs reimb. Collect	(923,949)	(600,000)	323,949	Stronger Discipline Cost Collections from Franchise Tax Board Court Ordered Debt Program, Mortgage Liens, and Voluntary Payments.
11	Administration & Discipline Fund	Personnel Expenses	110	7140	50350	Life, LTD, AD&D, EAP	123,807	3,462	(120,345)	Due to system error the calculation of employer-paid Life, LTD, AD&D and EAP is incorrect, although the correct amounts were paid to vendor. Staff are working to correct this calculation error.
12	Administration & Discipline Fund	Personnel Expenses	110	8410	50110	Regular Salaries	937,361	1,104,876	167,515	29 FTE Budgeted vs. Average FTE of 27 January through June.
13	Administration & Discipline Fund	Personnel Expenses	110	8410	50250	CalPERS Employer Share	104,293	224,310	120,017	Over budgeted amount due to technical inaccuracy in 2021 budgeting process.
14	Administration & Discipline Fund	Personnel Expenses	110	8810	50110	Regular Salaries	570,324	680,772	110,448	13 FTE Budgeted vs. Average FTE of 11 January through June.
15	Administration & Discipline Fund	Professional Services	110	8810	52105	Professional Services	21,982	187,500	165,518	The annual budget of \$375,000 will be underspent by approximately \$250,000. The budget consists of \$75,000 consulting services for Closing The Justice Gap Working Group. This work is on hold for the remainder of the year. The other \$300,000 is for development of e-learning self assessment. Most of this work has been deferred to 2022.
16	Fixed Assets Fund	Depreciation	115	0000	61210	Building Depreciation	640,314	-	(640,314)	Depreciation is a generally accepted accounting practice concept to accurately expense fixed assets over the asset's useful life. It has not been budgeted as it is a non-cash flow item.
17	Fixed Assets Fund	Depreciation	115	0000	61310	Improvements (Building & Leasehold) Depreciation	856,626	-	(856,626)	Depreciation is a generally accepted accounting practice concept to accurately expense fixed assets over the asset's useful life. It has not been budgeted as it is a non-cash flow item.
18	Fixed Assets Fund	Depreciation	115	0000	61510	Furniture & Fixtures Depreciation	191,838	-	(191,838)	Depreciation is a generally accepted accounting practice concept to accurately expense fixed assets over the asset's useful life. It has not been budgeted as it is a non-cash flow item.
19	Fixed Assets Fund	Depreciation	115	0000	61610	Equipment Depreciation	164,538	-	(164,538)	Depreciation is a generally accepted accounting practice concept to accurately expense fixed assets over the asset's useful life. It has not been budgeted as it is a non-cash flow item.
20	Fixed Assets Fund	Depreciation	115	0000	61710	Software Depreciation	694,320	-	(694,320)	Depreciation is a generally accepted accounting practice concept to accurately expense fixed assets over the asset's useful life. It has not been budgeted as it is a non-cash flow item.
21	Support and Administration Fund	Personnel Expenses	123	3110	50110	Regular Salaries	547,922	666,090	118,168	13 FTE Budgeted vs. Average FTE of 11 January through June.
22	Support and Administration Fund	Personnel Expenses	123	3110	50350	Life, LTD, AD&D, EAP	113,990	4,572	(109,418)	Due to system error the calculation of employer-paid Life, LTD, AD&D and EAP is incorrect, although the correct amounts were paid to vendor. Staff are working to correct this calculation error.
23	Support and Administration Fund	Personnel Expenses	123	3110	50410	Temporary Outside Help/Contractors	151,590	25,002	(126,588)	Use of supplemental help to assist with vacancies and workloads. Reflects higher bill rates due to new Calpers requirements to pay temporary staff within the same range as salaried staff.

	Fund Name	Expense Category	Fund	Cost Center	Object Code	Account Description	2021 YTD Actual	2021 YTD Budget	YTD Variance Fav/(Unfav)	Variance Explanation
24	Administration & Discipline Fund	Professional Services	123	3110	52105	Professional Services	792,225	325,002	(467,223)	\$500K State Auditor Payment vs. \$350K budget. \$170K in unbudgeted financial consulting services. \$132K in budgeted auditing fees paid in first six months. Budgeted costs were divided evenly across the year.
25	Support and Administration Fund	Personnel Expenses	123	4110	50110	Regular Salaries	1,160,248	1,430,262	270,014	22 FTE Budgeted vs. Average FTE of 16 January through June.
26	Support and Administration Fund	Personnel Expenses	123	4110	50250	CalPERS Employer Share	121,508	290,352	168,844	Over budgeted amount due to technical inaccuracy in 2021 budgeting process.
27	Support and Administration Fund	Personnel Expenses	123	4110	50350	Life, LTD, AD&D, EAP	325,316	11,628	(313,688)	Due to system error the calculation of employer-paid Life, LTD, AD&D and EAP is incorrect, although the correct amounts were paid to vendor. Staff are working to correct this calculation error.
28	Support and Administration Fund	Personnel Expenses	123	5210	50110	Regular Salaries	392,497	512,310	119,813	10 FTE Budgeted vs. Average FTE of 6 January through June.
29	Support and Administration Fund	Personnel Expenses	123	5210	50350	Life, LTD, AD&D, EAP	107,703	4,710	(102,993)	Due to system error the calculation of employer-paid Life, LTD, AD&D and EAP is incorrect, although the correct amounts were paid to vendor. Staff are working to correct this calculation error.
30	Support and Administration Fund	Personnel Expenses	123	5310	50110	Regular Salaries	1,842,481	2,151,924	309,443	41 FTE Budgeted vs. Average FTE of 35 January through June.
31	Support and Administration Fund	Personnel Expenses	123	5310	50250	CalPERS Employer Share	199,160	436,848	237,688	Over budgeted amount due to technical inaccuracy in 2021 budgeting process.
32	Support and Administration Fund	Personnel Expenses	123	5310	50350	Life, LTD, AD&D, EAP	148,515	8,400	(140,115)	Due to system error the calculation of employer-paid Life, LTD, AD&D and EAP is incorrect, although the correct amounts were paid to vendor. Staff are working to correct this calculation error.
33	Support and Administration Fund	Occupancy	123	5310	51330	Repairs and Maintenance - Equi	33,257	279,000	245,743	Budgeted project funds will be spent in the second half of the year.
34	Support and Administration Fund	Computers & Software	123	5310	54220	Subscriptions	226,743	76,650	(150,093)	Variance due to timing of payments, which are front-loaded earlier in the year. Total annual expense will match annual budgeted amount.
35	Support and Administration Fund	Computers & Software	123	5310	55410	Computer Software Purchase	327,853	41,000	(286,853)	Variance due to timing of payments, which are front-loaded earlier in the year. Total annual expense will match annual budgeted amount.
36	Support and Administration Fund	Computers & Software	123	5310	55440	Software Maintenance	977,773	539,779	(437,994)	Variance due to timing of payments, which are front-loaded earlier in the year. Total annual expense will match annual budgeted amount.
37	Support and Administration Fund	Occupancy	123	5510	51210	Electric	120,943	222,498	101,556	Electric savings due to low office occupancy.
38	Support and Administration Fund	Occupancy	123	5510	51310	Repairs	25,989	436,500	410,511	Variance due to timing of projects, which will take place later in the year. Total annual expense will match annual budgeted amount.
39	Support and Administration Fund	Professional Services	123	5510	52105	Professional Services	84,693	196,332	111,639	Variance due to timing of projects, which will take place later in the year. Total annual expense will match annual budgeted amount.
40	Support and Administration Fund	Occupancy	123	5520	51310	Repairs	67,201	167,502	100,301	Variance due to timing of projects, which will take place later in the year. Total annual expense will match annual budgeted amount.
41	Building Fund	Buildings & Equipment	126	5610	55610	Building Improvements	706,250	-	(706,250)	Building Improvement costs will be capitalized at the end of the year. Account balance will settle to zero.
42	Legal Specialization Fund	Professional Services	214	8399	52105	Professional Services	53,513	560,400	506,888	The original budget for Exam Development contained expenses for a full exam cycle. The exam is developed on two-year schedule. Actual expenses will be 50% of the annual budget, or \$600K.
43	Client Security Fund	Payouts and Reimbursements	227	8720	58110	CSF Applications Paid	1,812,815	3,450,000	1,637,185	Payouts are underspent due to 331 rejected or withdrawn claims in the first half of 2021, totaling \$9.5 million, vs. 128 applications with payments issued totaling \$1.4 million. In the first half of 2020, in contrast, 394 claims were paid totaling \$5.1 million. With the enhanced funding in 2020, greater attention was given to processing straight forward claims. Conversely, in 2021, the emphasis was on investigating the more complex claims, which resulted in more denials.
44	Client Security Fund	Payouts and Reimbursements	227	8720	58220	Costs reimb. Collections	(566,906)	(300,000)	266,906	Stronger Client Security Fund Cost Collections from Franchise Tax Board Court Ordered Debt Program, Mortgage Liens, and Voluntary Payments.
45	Legal Services Trust Fund	Legal Services Grants	228	8218	53010	Grants Expenses	17,963,773	11,975,849	(5,987,924)	The IOLTA grant expenses for 2021 is \$23,951,697, a quarterly expense of \$5,987,924. Due to delays in receiving Judicial Council funding, OA&I released an additional quarter of allocation to assist grantees during the waiting period.
46	Legal Services Trust Fund	Legal Services Grants	228	8223	53115	Grant Expenses-PLL	585,500	-	(585,500)	Grant expenses funded from Provisionally Licensed Lawyers (PLL) fees were not budgeted to this new account.

	Fund Name	Expense Category	Fund	Cost Center	Object Code	Account Description	2021 YTD Actual	2021 YTD Budget	YTD Variance Fav/(Unfav)	Variance Explanation
47	Equal Access Fund	Legal Services Grants	229	8225	53010	Grants Expenses	34,826,156	7,714,384	(27,111,772)	The \$27.1 million variance has multiple causes: 1. \$9.9 million for Homeless Prevention II (Grants Fund) expenses were recorded to Equal Access Fund. Staff will submit an adjusting journal entry. 2. Multiple quarters of 2021 grants were disbursed due to the delays in the Judicial Council contract and receipt of funds (\$10.6 million.) 3. Grant expenses for the fourth quarter of 2020 were disbursed (\$5.8 million) due to delayed funding from Judicial Council. 4. Grant expenses of \$0.6 million were disbursed due to Homeless Prevention I redistribution. 5. Grant expenses \$0.1 million from 2020 Partnership Grant. Staff will submit a budget amendment for items 3-5.
48	Admissions Fund	Personnel Expenses	320	8312	50110	Regular Salaries	551,604	764,124	212,520	20 FTE Budgeted vs. Average FTE of 16 January through June.
49	Admissions Fund	Exam Room Rental	320	8312	57110	Exam. Room Rental-Feb. GBX	506,549	647,199	140,650	3,392 of 3,869 applicants took the exam online. Of the 134 who took the exam in person, 110 required testing accommodations. In addition, there were 5,000 budgeted new and attorney applicants vs. 3,869 actual applicants. The variance is partially explained by the following: There are approximately 700 Provisionally Licensed Lawyers (PLLs) year to date. Some were admitted as PLL making it unnecessary to take the exam. In addition, the cut score was reduced from 1440 to 1390. The pass rate in October 2020 was 60.7% compared to 50.1% for the July 2019 exam. With the higher pass rate, there were fewer repeat test takers in February 2021. All of these factors contributed to a reduced need for exam room space.
50	Admissions Fund	Exam & Software Licensing	320	8312	57160	Multi-State Bar Exam.	215,329	-	(215,329)	Multi-State Bar Exam Grading should have been recorded in Cost Center 8318, Exam Grading. Staff will submit an adjusting journal entry.
51	Admissions Fund	Exam & Software Licensing	320	8318	57160	Multi-State Bar Exam.		425,000	425,000	There are \$215K in recorded expenses, per the comment in Item #50. These reflect Multi State Bar Exam Grading for the February 2021 Exam. The reason expenses are below budget by \$210K is there were 5,000 budgeted new and attorney applicants vs. 3,869 actual applicants for the February exam. The variance is partially explained by the following: There are approximately 700 Provisionally Licensed Lawyers (PLLs) year to date. Some were admitted as PLL making it unnecessary to take the exam. In addition, the cut score was reduced from 1440 to 1390. The pass rate in October 2020 was 60.7% compared to 50.1% for the July 2019 exam. With the higher pass rate, there were fewer repeat test takers in February 2021.
52	Admissions Fund	Exam Proctors	320	8312	57610	Proctors-February GBX	154,993	290,690	135,697	With a large majority of applications taking the exam online, there was a reduced need for in person proctors
53	Grants Fund	Legal Services Grants	312	8236	53010	Grants Expenses		9,865,671	9,865,671	Annual budgeted grant expenses have been spent. However, they were recorded to the Equal Access Fund as a placeholder. Staff will submit an Adjusting Journal Entry, which will eliminate this variance.
54	Admissions Fund	Exam Room Rental	320	8312	57130	Exam. Room Rental-July GBX		100,000	100,000	July Exam Room Rental Expenses will be recorded in months following the exam.
55	Admissions Fund	Exam Graders	320	8318	57540	Graders-February GBX		115,000	115,000	\$80K in expenses were recorded under the wrong account. Staff will submit an adjusting journal entry .

#### EXPENSE HIGHLIGHTS

##### Favorable

Other favorable expenses (net) 2,659,954

##### Unfavorable

Grant Expenses (23,819,525)

**Net (Un)Favorable Expenses (21,159,571)**

THE STATE BAR OF CALIFORNIA  
PROPOSED 2021 BUDGET AMENDMENT - BY ITEM

ATTACHMENT C1

Item	Fund	Cost Center	Object Code	Account Description	2021 Adopted Budget	Proposed Adjustment	2021 Amended Budget	Explanation
<b>1) Budget Amendment to Correct Technical Inaccuracies:</b>								
<b>1</b>	312	8236	44210	Grant Administrative Cost Reimbursement	(281,325)	(741,675)	(1,023,000)	Adjustment to align budget with grant contract terms for Homeless Prevention II grant.
<b>2</b>	110	1110	50250	CalPERS Employer Share	51,200	(20,900)	30,300	To reduce Calpers amount from 20.3% to 12.0% based on actual spending.
	110	1210	50250	CalPERS Employer Share	69,600	(28,400)	41,200	
	110	2110	50250	CalPERS Employer Share	108,300	(44,300)	64,000	
	110	2310	50250	CalPERS Employer Share	173,800	(71,100)	102,700	
	110	2410	50250	CalPERS Employer Share	30,600	(12,500)	18,100	
	110	6110	50250	CalPERS Employer Share	5,819,800	(2,379,500)	3,440,300	
	110	7110	50250	CalPERS Employer Share	72,500	(29,600)	42,900	
	110	7120	50250	CalPERS Employer Share	153,700	(62,800)	90,900	
	110	7130	50250	CalPERS Employer Share	222,200	(90,800)	131,400	
	110	7140	50250	CalPERS Employer Share	188,700	(77,200)	111,500	
	110	7150	50250	CalPERS Employer Share	180,900	(73,900)	107,000	
	110	7160	50250	CalPERS Employer Share	124,000	(50,700)	73,300	
	110	7170	50250	CalPERS Employer Share	163,300	(66,800)	96,500	
	110	8211	50250	CalPERS Employer Share	94,900	(38,800)	56,100	
	110	8410	50250	CalPERS Employer Share	486,000	(198,700)	287,300	
	110	8430	50250	CalPERS Employer Share	10,200	(4,200)	6,000	
	110	8510	50250	CalPERS Employer Share	169,900	(69,500)	100,400	
	110	8810	50250	CalPERS Employer Share	299,400	(122,400)	177,000	
	123	3110	50250	CalPERS Employer Share	293,000	(119,800)	173,200	
	123	3120	50250	CalPERS Employer Share	71,700	(29,300)	42,400	
	123	4110	50250	CalPERS Employer Share	629,100	(257,200)	371,900	
	123	5210	50250	CalPERS Employer Share	225,300	(92,100)	133,200	
	123	5250	50250	CalPERS Employer Share	105,900	(43,300)	62,600	
	123	5310	50250	CalPERS Employer Share	946,500	(387,000)	559,500	
	123	5510	50250	CalPERS Employer Share	201,200	(82,300)	118,900	
	123	5520	50250	CalPERS Employer Share	141,400	(57,800)	83,600	
	214	8399	50250	CalPERS Employer Share	114,200	(46,700)	67,500	
	216	2220	50250	CalPERS Employer Share	51,100	(20,900)	30,200	
	217	8233	50250	CalPERS Employer Share	28,700	(11,700)	17,000	
	221	8611	50250	CalPERS Employer Share	132,600	(54,200)	78,400	

Item	Fund	Cost Center	Object Code	Account Description	2021 Adopted Budget	Proposed Adjustment	2021 Amended Budget	Explanation
	221	8612	50250	CalPERS Employer Share	61,000	(24,900)	36,100	
	227	8720	50250	CalPERS Employer Share	216,700	(88,600)	128,100	
	228	8219	50250	CalPERS Employer Share	133,900	(54,800)	79,100	
	229	8224	50250	CalPERS Employer Share	94,300	(38,500)	55,800	
	237	8228	50250	CalPERS Employer Share	20,300	(8,300)	12,000	
	320	8311	50250	CalPERS Employer Share	101,700	(41,600)	60,100	
	320	8312	50250	CalPERS Employer Share	336,100	(137,400)	198,700	
	320	8313	50250	CalPERS Employer Share	117,300	(47,900)	69,400	
	320	8315	50250	CalPERS Employer Share	46,600	(19,100)	27,500	
	320	8317	50250	CalPERS Employer Share	46,900	(19,200)	27,700	
	320	8318	50250	CalPERS Employer Share	78,500	(32,100)	46,400	
	320	8319	50250	CalPERS Employer Share	374,500	(153,100)	221,400	
	320	8321	50250	CalPERS Employer Share	29,600	(12,100)	17,500	
<b>2) Budget Amendment to Reflect Allocation of Phases for the Multiyear Grant:</b>								
<b>3</b>	312	8236	44110	Grant Revenue	(29,450,000)	19,633,333	(9,816,667)	Adjustment to reflect the allocation of phases for the multiyear Homeless Prevention II grant.
<b>3) Budget Amendment to Capture Unanticipated Incomes and Expenses:</b>								
<b>4</b>	229	8225	53010	Grants Expenses	23,587,294	6,612,584	30,199,878	Adjustment to grant expense to capture 2020 payments due to delayed and redistributed funding in the Equal Access Fund.

**PROPOSED 2021 BUDGET AMENDMENT - BY FUND**

**ATTACHMENT C2**

		2021 Adopted Budget				
	Reserve Balance 12/31/20	Revenue	Expense	Indirect Cost	Fund Transfers	Projected Reserve Bal 12/31/21
General Fund	\$ 19,015,483	\$ 91,187,300	\$ (101,752,500)	\$ 9,501,100	\$ -	\$ 17,951,383
Restricted Funds						
Admissions Fund (320)	10,903,543	19,494,000	(17,270,600)	(6,130,000)	(100,000)	6,896,943
Bank Settlement Fund (237)	9,571,539	170,500	(2,419,300)	(65,900)	-	7,256,839
Client Security Fund (227)	2,357,743	8,046,200	(7,648,100)	(723,300)	-	2,032,543
Elimination of Bias Fund (217)	333,774	322,800	(405,800)	(115,100)	-	135,674
Equal Access Fund (229)	2,476,593	26,675,900	(24,451,100)	(271,200)	-	4,430,193
Grants Fund (312)	252,546	29,731,300	(10,147,000)	(17,900)	-	19,818,946
Justice Gap Fund (232)	3,838,361	1,530,600	-	(13,700)	(1,500,000)	3,855,261
Lawyer Assistance Program Fund (221)	1,762,515	2,138,300	(2,010,600)	(607,300)	-	1,282,915
Legal Services Trust Fund (228)	24,587,699	24,596,400	(25,101,300)	(703,800)	1,500,000	24,878,999
Legal Specialization Fund (224)	5,647,444	2,263,700	(2,727,400)	(689,900)	100,000	4,593,844
Legislative Activities Fund (216)	355,355	756,300	(532,600)	(162,900)	-	416,155
Tenant Improvement Fund (338)	1,800,523	6,400	(251,800)		-	1,555,123
Restricted Funds Total	63,887,635	115,732,400	(92,965,600)	(9,501,000)	-	77,153,435
Grand Total	\$ 82,903,118	\$ 206,919,700	\$ (194,718,100)	\$ 100	\$ -	\$ 95,104,818

2021 Budget Amendment			
Increase/ (Decrease) in Revenue	(Increase)/ Decrease in Expenses	Estimated (Increase) / Decrease in Indirect Cost	12/31/2021 Reserve Balance After Amendment
	<b>\$ 4,510,900</b>	<b>\$ (606,500)</b>	<b>\$ 21,855,783</b>
	462,500	825,100	8,184,543
	8,300	(94,600)	7,170,539
	88,600	(28,300)	2,092,843
	11,700	(4,100)	143,274
	(6,574,100)	(16,500)	(2,160,407)
(18,891,700)		400	927,646
		400	3,855,661
	79,100	(34,700)	1,327,315
	54,800	(18,700)	24,915,099
	46,700	(16,800)	4,623,744
	20,900	(5,700)	431,355
			1,555,123
<b>(18,891,700)</b>	<b>(5,801,500)</b>	<b>606,500</b>	<b>53,066,735</b>
<b>\$ (18,891,700)</b>	<b>\$ (1,290,600)</b>	<b>\$ -</b>	<b>\$ 74,922,518</b>

\* Board Reserve Policy specifies that all grant-related Funds are excluded from the Minimum Target Reserve requirement of 17%.  
The excluded funds are the Grant, Legal Service Trust, Equal Access, Justice Gap, and Bank Settlement Funds.