



# The State Bar of California

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## **OPEN SESSION**

### **AGENDA ITEM**

#### **IV.A. DECEMBER 2021**

**DATE:** December 17, 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 (Q2) through June 2021 indicates that 2021 actual revenue is in line with projections, and demonstrates a slight increase (9.0 percent) when compared to the budget (Attachment A). Currently, the Legal Specialization expenses stand at 25.6 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 projected 2021 revenue compared to expenses, there is an expected overall \$338,726 negative change in current net position.

## **TOTAL NUMBER OF CERTIFIED SPECIALISTS**

As of December 1, 2021, there are 5,004 current certified specialists, a decrease of 31 certified specialists versus the same time last year (Attachment B). Only Family Law saw an increase, with an increase of 12 new specialists. Estate Planning, Trust & Probate Law, Franchise & Distribution Law, and Immigration & Nationality Law saw no change, and the remaining six areas all saw decreases, with Taxation Law and Workers' Compensation Law having the only double-digit decreases, with a decrease of 24 total specialists between the two areas in the last year.

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

There have been 149 resignations of certificates of specialization through December 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 (66), and staff anticipate this number to increase slightly through the end of the year. However, the total number of resignations seems comparable to the previous two years.

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

### **2021 Group 2 LSCLE Compliance**

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 December 1, 2021, there are 119 specialists (11.7 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.

### **2022 Group 1 LSCLE Compliance**

2022 Compliance Group 1 reporting opened on December 1, 2021, and there was a total of 1,764 specialists (including dual specialists) who are due to report LSCLE compliance by February 1, 2022 (Attachment E). Staff will be sending monthly reminders to all Group 1 specialists who are pending compliance.

## **ATTACHMENT(S) LIST**

- A.** Q2 Financial Statement Report, Investment Report, Client Security Fund Report
- B.** Total Number of Certified Specialists as of December 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

**E. Total Number of Certified Specialists in Compliance Group 1**