



The State Bar of California

OPEN SESSION AGENDA ITEM MAY 2022 FINANCE COMMITTEE III.A

DATE: May 19, 2022

TO: Members, Finance Committee

FROM: Aracely Montoya-Chico, Chief Financial Officer

SUBJECT: Discussion of 2022 Admissions Fee Analysis

EXECUTIVE SUMMARY

Pursuant to a policy adopted in 2017, the State Bar is required to assess the fees it charges for services every five years. A fee assessment is now underway. This item provides the Finance Committee with an update on the fee assessment work as related to fees charged by the Office of Admissions. Admissions fees were prioritized for review in light of the fact that the Admissions budget is facing a structural (versus one-time) deficit of at least \$7 million¹.

The Finance Committee is asked to review the information provided regarding Admissions fees and provide policy guidance to staff; no action is requested at today's meeting.

BACKGROUND

The Office of Admissions is fully supported by fees charged for the services it provides; no portion of attorney licensing fees is used to fund Admissions functions. This appears to be a policy decision by the State Bar, rather than a mandate.

The amount of fees that can be assessed for some Admissions functions, namely the bar exam, are limited by statute. For example, Business and Professions Code section 6063 states: "Applicants for admission to practice shall pay such reasonable fees, fixed by the board, as may

¹ Adopted 2022 budget reflects deficit of \$8.9 million but not all of this is ongoing.

be necessary to defray the expense of administering the provisions of this chapter, relating to admission to practice.” Thus, fees must be reasonable and related to actual costs.

The fee assessment conducted in 2017 did not address all fees charged by the Office of Admissions. Instead, the following programs were included: Foreign Legal Consultants, Multijurisdictional Practice, Pro Hac Vice, Practical Training Law Students, Out-of-State Attorney Arbitration Counsel, Law Corporations, Limited Liability Partners, Law School Regulation, Legal Specialization and Minimum Continuing Legal Education Provider Certification. First-Year Law Students’ Exam and Moral Character fees were not reviewed in 2017 as fees for each of these services had been increased by 5 percent in both 2015 and 2016.

As a result of the 2017 analysis, three programs were recommended for fee adjustments: Law School Regulation, MCLE Provider Certification, and Legal Specialization provider Certification. These fee adjustments were approved by the Board in July and November of 2017, as reflected in Attachments A and B.

The 2022 fee assessment is comprehensive and covers all fees charged by the Office of Admissions.

METHODOLOGY

The fee assessment is based on a methodology that can be summarized as follows:

Projected Revenue – (Employee Cost + Indirect Costs + External Expense) = Need for Fee Adjustment (*if negative*).

- Projected Revenue: Staff averaged the last four years of net processing counts (number of test takers, applicants, etc.) in each fee category to calculate revenue.
- Employee Cost: All Admissions’ employees were allocated by program area (including management and mixed support staff functions). Salary and benefits expenses for these staff were then proportionately allocated to each program/function.
- Indirect Cost: An indirect cost per employee was derived by taking the total interfund allocation assessed to the Admissions budget and dividing by total FTEs in each program.
- External Expenses: Current year budget figures were used as adjusted to account for known anomalies not expected to reoccur annually over the next 5-year period.

Based on this methodology, there are eight Admissions programs that exhibit structural deficits warranting a need for a fee increase; one that is in-balance, but a fee rebalancing is recommended nonetheless, and three programs that do not warrant attention at this time:

- Legal Specialization (projected revenues exceed cost of service)
- Foreign Legal Consultants (projected revenues equal cost of service)
- Provisional Law Licensing (current deficit, but program is sun-setting this year)

Programs identified for potential fee increases are discussed below. Both the fee increase amounts needed to break-even and the initial thinking of Office of Admissions staff regarding potential fee increases, are noted.

Detailed calculations supporting the summary information provided in the body of this memorandum are provided as Attachment C.

DISCUSSION

FEE REVIEW SUMMARIES

General Bar Exam

Fee Increase Needed to Break Even: 43 percent

Fee Increase Initially Considered: 18 percent

Bar exam revenue is estimated at \$12.6 million annually and costs at \$16.2 million; the structural deficit for this program area is \$3.6 million.

The per exam cost of \$1,250 greatly exceeds fees charged: \$677 for nonattorney exam takers and \$983 for attorneys. Because of some question as to the basis for continuing to charge attorney exam takers more than their nonattorney counterparts, staff's analysis assumed an elimination of this distinction. With that assumption in mind, to fully close the gap between revenue and cost would require a fee increase of at least 43 percent, resulting in a \$968 fee for all exam takers.

Admissions staff do not recommend a fee increase of this size. Instead, Admissions staff has initially identified a fee of \$800, an 18 percent increase for nonattorney applicants and a decrease of commensurate size for attorney applicants, assuming the policy decision is made to equalize fees for all exam takers. Increasing the fee to \$800 would result in California moving from 23rd to 12th place in comparison to other states' non-attorney bar exam fees, while dropping from 16th to 25th place for attorneys.

Moral Character Determination

Fee Increase Needed to Break Even: 47 percent

Fee Increase Initially Considered: 32 percent

Moral Character Determination revenue is estimated at \$4.2 million annually and costs at \$6.2 million; the structural deficit for this program area is \$1.9 million.

The per application cost of \$729 exceeds fees charged: \$551 for an initial application and \$265 for an extension application.

Admissions staff has initially identified a smaller fee increase than needed to break-even: \$650 for an initial application and \$350 for an extension application, +18 percent and +32 percent respectively.

First-Year Law Students' Exam

Fee Increase Needed to Break Even: 330 percent

Fee Increase Initially Considered: 20 percent

First-Year Law Students' Exam revenue is estimated at \$.46 million annually and costs at \$2 million; the structural deficit for this program area is \$1.5 million. The per exam taker fee of \$2,578 exceeds fees charged \$624. To fully close the gap, a fee increase of 330 percent would need to be imposed.

Admissions staff has initially identified a smaller fee increase than needed to break-even: \$750, a 20 percent increase.

Law School Regulation

Fee Increase Needed to Break Even: 310 percent

Fee Increase Initially Considered: none identified at this time

The State Bar accredits and registers non-ABA California law schools. California accredited and registered fees, or Law School Regulation revenue, is estimated at \$.29 million annually, against corresponding costs of \$.78 million; the structural deficit for this program area is \$.49 million.²

When this program was reviewed in 2017, staff projected a budget shortfall of \$.27 million, with the Board of Trustees approving a 20 percent increase in annual reporting fees and a 25 percent increase in visitation/inspection fees. These increases were not intended to fully close the gap due to a concern that requiring the program to be fully self-funding could result in fees that would be unmanageable for some of the smaller schools.

Based on the current model and rates, there is a large imbalance between set fees and cost to provide accreditation services. Using a 4-year revenue average, and assuming no changes to inspection processes, a 310 percent increase in law school regulation fees would be required to break even.

Law Office Study

Fee Increase Needed to Break Even: 370 percent

Fee Increase Initially Considered: 42 to 58 percent

Law Office Study revenue is estimated at \$.022 million annually and costs at \$.1 million; the structural deficit for this program area is \$.081 million.

² Annual fees for accredited and unaccredited school inspections range from \$725 to \$2,170. Five-year inspection fees range from \$6,925 to \$22,200.

The blended per application/form submission cost of \$626 for various reporting types exceeds fees charged: \$105 for Semi-Annual Reports and \$158 for Notice-of-Intent. Admissions staff has initially identified a smaller fee increase than needed to break-even: \$150 for Semi-Annual Reports and \$250 for Notice-of-Intent per applicant

Out of State Attorney Arbitration Counsel

Fee Increase Needed to Break Even: 54 percent

Fee Increase Initially Considered: 50 percent

Out of State Attorney Arbitration Counsel revenue is estimated at \$.073 million annually and costs at \$.11 million; the structural deficit for this program area is \$.037 million.

The per application cost of \$76 exceeds fees charged: \$50.

Although fees would need to be set at \$77 per applicant to break even, Admissions staff has initially identified a smaller fee than needed to break even, \$75, reflecting a 50 percent increase.

Pro Hac Vice

Fee Increase Needed to Break Even: 10 percent

Fee Increase Initially Considered: 30 percent

Pro Hac Vice revenue is estimated at \$.17 million annually and costs at \$.19 million; the structural deficit for this program area is \$.014 million.

A fee increase of 30 percent has been initially identified as appropriate; this increase would address not just the current structural deficit but also the projected deficit over the upcoming five-year fee review cycle.

Practical Training Law Students

Fee Increase Needed to Break Even: 5 percent

Fee Increase Initially Considered: none identified at this time.

Practical Training Law Students revenue is estimated at \$.112 million annually and costs at \$.116 million; the structural deficit for this program area is \$.004 million.

A fee increase of 5 percent would be needed for the program to break even; no initial fee increase has yet been identified.

Multijurisdictional Practice Program (MJP)

Fee Increases Needed to Break Even: none

Fee Increase Initially Considered: none identified at this time.

Multijurisdiction Programs include Registered Legal Aid Attorneys, Registered In-House Counsel, and Registered Military Spouse Attorneys. MJP revenue is estimated at \$1.2 million annually and costs at \$.14 million. There is no structural deficit currently for this program when assessed in the aggregate, however, Admissions is recommending additional review to determine if fees for particular special admissions categories within the MJP warrant fee adjustment.

FISCAL/PERSONNEL IMPACT

None at this time. Discussion item only.

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.

ATTACHMENTS LIST

- A. Recommendation to Adjust and Align Minimum Continuing Legal Education and Legal Specialization Provider Certification Fees (IIIB: 143 JUL 2017)
- B. Proposed Adjustments to Law School Fees (IIIA: 142 NOV 2017)
- C. Detailed Fee Analysis Summary

AGENDA ITEM P&B ITEM IIIB 143 JULY 2017

DATE: July 13, 2017

TO: Members, Planning & Budget Committee
Members, Board of Trustees

FROM: Andrew Conover, Principal Analyst
Office of Research and Institutional Accountability

SUBJECT: Recommendation to Adjust and Align Minimum Continuing Legal Education (MCLE) and Legal Specialization Provider Certification Fees

EXECUTIVE SUMMARY

Minimum Continuing Legal Education (MCLE) and Legal Specialization Provider Certification Fees have not been adjusted in many years. Adjustment and alignment of both types of fees is recommended at this time. The recommended 20 percent fee increase will eliminate the current structural deficit in these programs; alignment of the fee administration process and moving the renewal deadline will increase efficiency for both the State Bar and providers.

BACKGROUND AND METHODS

As part of ongoing fiscal accountability and management work being done in 2017, staff has reviewed a host of fees for service charged by the State Bar including Foreign Legal Consultants, Multi-Jurisdictional Practice, Pro Hac Vice, Practical Training Law Students, Out-of-State Attorney Arbitration Counsel, Law Corporations, Limited Liability Partners, Law School Regulation, Legal Specialization and Minimum Continuing Legal Education Provider Certification. As a result of that process, three fees are being recommended for modification:

- Law School Regulation
- MCLE Provider Certification
- Legal Specialization Certification

The Law School Regulation fee proposal was submitted to the Committee of Bar Examiners for review at its June 23, 2017 meeting; the proposed new fees are being circulated to impacted law schools for comment, with this item slated to come to the BOT at its September meeting.

This memorandum addresses MCLE Provider and Legal Specialization Certification fees.

The method for evaluating and benchmarking fees across all areas has consisted of two components. First, wherever feasible, State Bar fees were compared to fees in other states that operate similar programs. It should be noted that there are sometimes significant differences between programs in California and those in other states that may make these comparisons problematic. Wherever possible, differences between the fee structure and the responsible state

entity in California and in other states were identified and adjusted to make a comparison possible.

The second component of the evaluation consisted of estimating the operating costs for different State Bar programs and determining if revenue from the programs covered these costs. State Bar fees were evaluated relative to the full costs of administering each program, including personnel and overhead. The baseline question for this part of the evaluation is whether fees are set at a level sufficient to recover costs to the State Bar.

In all but three of the programs reviewed so far this year program revenue appears to cover operating costs. The State Bar's Law School Regulation program and the Minimum Continuing Legal Education (MCLE) and Legal Specialization Provider Certification programs all operate at a deficit. Recommendations for addressing that deficit follow.

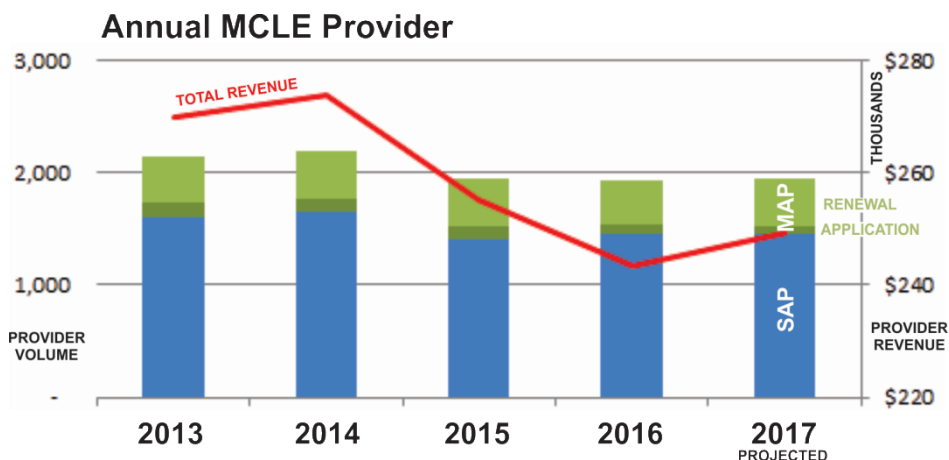
Minimum Continuing Legal Education

With very few exceptions, the State Bar requires active attorneys to complete 25 hours of MCLE every three years (including minimum hours in certain educational categories). Providers of MCLE must be certified by the State Bar to offer courses in California. New providers begin the certification process by applying to offer a single class to attorneys, as a Single Activity Provider (SAP). MCLE providers that successfully offer four approved classes within a three-year period may elect to become certified to offer multiple courses with a single application process, making them a Multiple Activity Provider (MAP).

Fees for MCLE providers differ depending upon whether the provider operates as a SAP or a MAP. Applications for certification to offer a single program (SAP) are currently \$75 and courses may be offered for up to two years if the course material is unchanged.¹ Applications for certification to offer multiple programs (MAP) are \$200 and last for up to two years, depending on the application date. Finally, renewals of MAP certification cost \$300 and last for three years.

State Bar MCLE Provider Certification Revenue and Operating Costs

Revenue received from the MCLE certification process over the last five years averages \$258,415 per year. The table below summarizes the year-to-year fluctuations. Changes in revenue from year to year are driven largely by differences in the provider renewal cycles, however there is a downward trend of new and renewing MAP providers over this five-year period.



¹ Rule or other material changes require recertification.

The current cost to operate this program is \$291,150 per year, reflecting an annual structural deficit of \$41,850. (Detailed cost information is provided as Attachment A.)

The MCLE Provider Certification Program was managed in the Admissions Special Education group until December 31 of last year; its staff and functions have just been transferred to the Member Records and Compliance group. This program is currently managed in the San Francisco office, with two administrative staff and a portion of one supervisor and another senior administrator allotting a portion of their time processing applications and the renewals in addition to other program audit functions.

Comparison of State Bar Fees to Other Jurisdictions

Five jurisdictions (Massachusetts, Michigan, Maryland, South Dakota and the District of Columbia) do not have a Continuing Legal Education requirement. Of the remaining states, 17 reported that providers need not be certified to offer courses and therefore that they do not collect any fees for this purpose. In addition to program fees, some states charge a fee based on usage, either per attendee or per attendee credit hours. For a number of reasons, including difficulty of administration, staff is not recommending charging attendance fees at this time. As a result, those types of structures are not addressed in this memorandum

Of the states that do charge fees, ready comparisons between those structures and California's are complicated by the SAP/MAP distinction. Of the states that do charge something equivalent to a SAP fee, fees assessed range from \$25 to \$150.

Only West Virginia, New Jersey, Illinois, Pennsylvania, Delaware and New Hampshire offer a program similar to our MAP application process, typically referred to as *accredited sponsors*. Four of these jurisdictions charge a flat fee regardless of provider type; Illinois and New Jersey assess fees on a sliding scale, or pre-set fee tiers. For example, Illinois charges \$300 annually to government providers, Lawyers Assistance Program providers and certain non-profits, but up to \$3,000 annually for larger, national and for-profit organizations. New Jersey charges MAP fees based on the number of courses a given provider offers.

SAP certifications represent on average 64 percent of the application volume for Member Records and Compliance staff. Appendix B shows that raising the SAP fee to \$90 will allow the State Bar to recover the costs of processing these applications while ensuring that California's fees remain within the comparable national range.

MAP applications and renewals represent approximately 36 percent of the submission volume staff processes each year. Current MAP fees are set at a level that does not cover the cost of administering the applications process, and they are not in line with other states which charge, at a minimum, an annual fee equivalent to the State Bar's multi-year fee. In addition, most other jurisdictions that assess MAP fees do not have a complicated structure whereby different fees are assessed initially and upon renewal. Staff recommends eliminating this distinction going forward, which will increase the initial application period to a maximum of three years (same as each renewal period)².

² The actual number of months for the initial MAP certification will depend on the date the application is submitted.

Based on the above analysis, staff recommends adoption of the following new SAP and MAP fees:

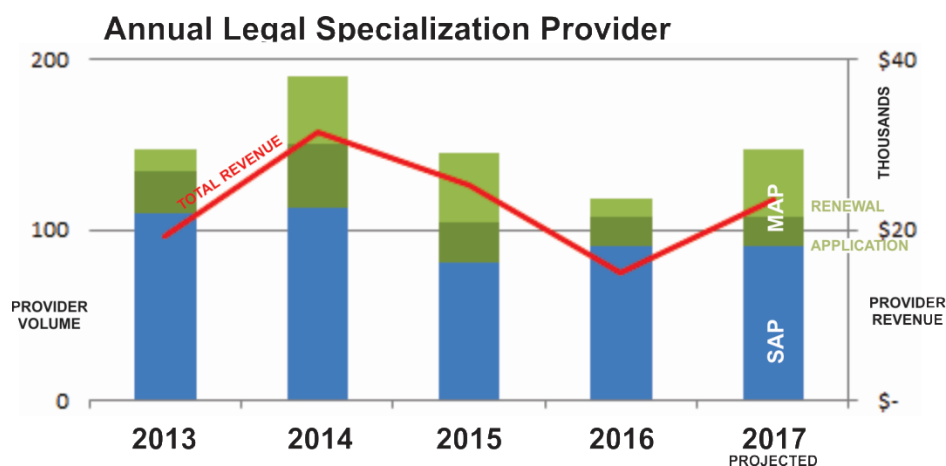
Current MCLE SAP Fee:	\$75
New MCLE SAP Fee:	\$90
Current MCLE MAP Application Fee:	\$200
Current MCLE MAP Renewal Fee:	\$300
New MCLE MAP Fee:	\$360

Legal Specialization

The Legal Specialization (LS) program certifies attorneys as specialists in certain areas of law. Attorneys who want to become certified must complete 45 hours of education in their specialty field during the three years prior to applying for certification; after becoming certificated they must complete 36 hours of specialization-certified MCLE. The Legal Specialization Provider Certification Program approves the providers and the course content that legal specialists use to comply with these requirements. Activities approved for Legal Specialization credit are also approved for regular MCLE credit. Under the current design of the Legal Specialization certification program there are both SAP and MAP providers similar to the MCLE Provider Certifications.

Operating Revenue and Costs

Revenue received from the Legal Specialization Provider Accreditation process over the last five years averages \$22,950 per year. The table below summarizes the year-to-year fluctuations. Changes in revenue from year to year are driven largely by differences in the provider renewal cycles and although much smaller than the MCLE providers, trending downward in number of total providers participating.



The current cost to operate this program is \$30,667 per year, reflecting an annual structural deficit of \$7,042. (Detailed cost information is provided as Attachment A.)

Comparison to Other States

No other states were found to offer a separate Legal Specialization Provider Accreditation process separately from their MCLE programs, providing no specific benchmark. As the provider accreditation processes are very similar, and both are deemed to be under-funded,

staff recommends that these two programs be combined for the provider registration and certification processes. Not only would this allow for some operational efficiency to be realized with application processing and future attendance reporting, but discounts could be offered for those providers who are currently required to apply to both programs separately. Staff recommends that the fees for MCLE Provider Certification and Legal Specialization Certification be aligned and require that all Legal Specialization providers also be certified to offer MCLE to the broader attorney population. To help mitigate the expense to providers who currently are required to apply to both programs independently, a discount of 75% is recommended for the second (dual) certification³ as follows:

Current LS SAP Fee:	\$75 (Legal Spec only)
New MCLE+LS SAP Fee:	\$112 (dual)
Current LS MAP Application Fee:	\$300 (Legal Spec only)
Current LS MAP Renewal Fee:	\$300 (Legal Spec only)
New MCLE+LS MAP Fee:	\$450 (dual)

In addition to aligning fees, staff anticipates merging the certification responsibilities in Member Records and Compliance, with one group of experienced staff handling both.

Modification of Renewal Dates

Staff recommends that these new fees be effective January 1, 2018, but that the anniversary date for renewals of both MCLE and Legal Specialization Providers be moved from December 31 to June 30 each year. Doing so will more effectively stagger existing workload and allow the State Bar to better utilize staff resources, as well as provide an initial additional six months of certification for providers at no additional cost.

The Legal Specialization Provider Accreditation Program is currently managed in the Special Admissions group in the San Francisco office, with one administrative staff, one supervisor and a Director allotting a portion of their time processing applications and the provider renewals.

FISCAL/PERSONNEL IMPACT

Although extending the MAP renewal dates will defer some revenue into 2018, the recommended 20% fee increase for the MCLE and Legal Specialization Providers is projected to generate an additional maximum \$51,137 combined, and will eliminate the existing structural deficit for both programs. It is difficult to gauge how future provider application volumes will be affected by this recommended fee increase for the variety of current providers.

RULE AMENDMENTS

None.

BOARD BOOK IMPACT

None.

³ Discount for Legal Specialization certification would apply only if processed in a single joint application.

BOARD GOALS & OBJECTIVES

2017-2022 Strategic Plan Goals and Objectives:

(2d) Develop and implement new attorney MCLE requirements and evaluate their impact and effectiveness.

(2e) Develop and implement an effective mechanism for ensuring compliance with MCLE requirements.

(2i) Review special admissions rules (Multijurisdictional Practice, Pro Hac Vice, Registered In-House Counsel, Out of State Attorney Arbitration Counsel, Foreign Legal Consultants, and Practical Training of Law Students Program) to determine whether changes are needed, and implement needed changes.

(3d) Reallocate funds to support the discipline system based on expenditure review, revenue enhancement measures, implementation of the Bar's reserve policy, and other reengineering efforts.

RECOMMENDATIONS

Should the Planning and Budget Committee agree with the above recommendation, the following resolution would be appropriate:

RESOLVED, that the Planning and Budget Committee recommends that the Board of Trustees approve raising the MCLE and Legal Specialization Single Activity Providers fee to \$90; and it is

FURTHER RESOLVED, that the Board of Trustees approve raising the MCLE Multiple Activity Provider application fee to \$360 and increase the initial certification period from two years to a maximum of three years; and it is

FURTHER RESOLVED, that the Board of Trustees require that new Legal Specialization Multiple Activity Providers must also certify as MCLE Providers at \$360 and optionally add the additional certification for Legal Specialization for an additional \$90; and it is

FURTHER RESOLVED, that the Board of Trustees approve raising the three-year MCLE Multiple Activity Provider renewal fees to \$360; and it is

FURTHER RESOLVED, that the Board of Trustees approve raising the renewal fee to \$450 for the Providers who are seeking renewal for both MCLE and Legal Specialization programs.

ATTACHMENT(S) LIST

- A. Internal Resources / Cost Summary
- B. MCLE State Comparison

OPEN SESSION AGENDA ITEM

NOV142 – NOVEMBER 2017

DATE: October 27, 2017

TO: Members, Finance and Planning Committee
Members, Board of Trustees

FROM: Andrew Conover, Office of Research & Institutional Accountability

SUBJECT: Proposed Adjustments to Law School Fees

EXECUTIVE SUMMARY

Based on staff research documented in a series of reports to the Committee of Bar Examiners (Committee) this year, staff has estimated a shortfall of \$279,000 between revenues and expenses for the Law School Regulation program. Rather than attempt to close the gap completely – which would result in fees that would be unmanageable for some of the smallest schools – staff recommended raising the inspection fees 20 percent and the annual reporting fees 25 percent for *all* law schools under their jurisdiction. In addition, changes were also recommended to transition to an annual installment schedule for the California Accredited Law Schools (CALS), as opposed to the current process which involves a sizeable fee paid once every five years. After returning from public comment¹ and considering two differing billing models, and the Committee now recommends the fee increases above and continued use of the true-up billing method for the CALS inspections.

BACKGROUND

The State Bar's law school regulation process is comprised of these primary components:

- Processing of applications for the registration of new law schools or the accreditation of unaccredited law schools
- Annual compliance reporting of accredited and unaccredited law schools
- Inspecting schools every five years to confirm the operational compliance of accredited and unaccredited law schools
- Enforcing compliance through issuance of Notices of Noncompliance, subsequent inspections and, if needed, Committee hearing and action
- Reviewing and recommending Committee action regarding requests for variances, waivers of requirements and major changes by accredited and unaccredited law schools
- Drafting recommended changes to Committee's accreditation or registration standards;
- Assisting the Committee in the adoption of all such changes

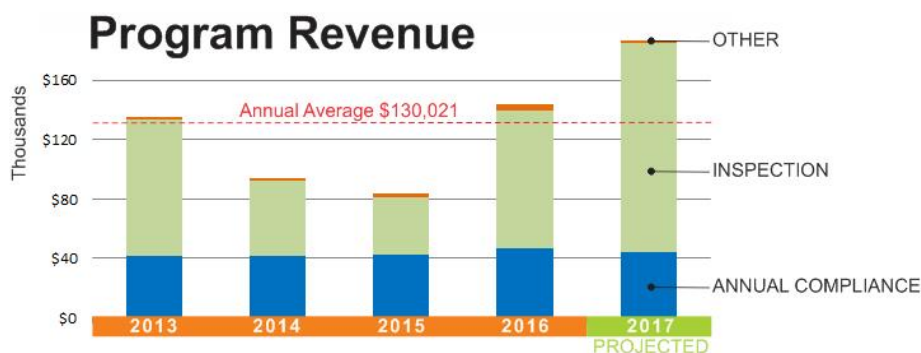
¹ A single anonymous voice mail was received.

The Committee currently regulates 39 schools – 15 that it accredits, referred to as CALS, and 21² that it registers to offer legal education in California³. The current law school regulation fees established by the Committee vary by type (accredited or unaccredited) and student enrollment, but can largely be lumped into two main recurring categories: compliance and inspection. Compliance fees are paid annually in November, whereas the periodic inspection fees are paid every five years, based on the inspection schedule. There is a distinction between the unaccredited schools and the CALS in terms of the payment structure for inspection fees: unaccredited schools are charged a flat rate based on their student enrollment size, while the CALS are billed a fee at an hourly rate based on the total staff resources expended during the inspection and subsequent report drafting. Both the CALS and the unaccredited law schools pay for travel-related and meal expenses incurred during an inspection.

DISCUSSION

Structural Deficit

Revenue received from the law school regulation program over the last five years averages \$130,021 per year. The table below summarizes the year-to-year fluctuations. Changes in revenue from year to year are driven largely by differences in inspection schedules.



The current cost to operate this program is \$409,077⁴ per year, reflecting an annual structural deficit of \$279,056. (Detailed cost information is provided as Attachment A.)

Comparative Accreditation Processes

In addition to analyzing program revenue and costs, staff reviewed the processes and fees assessed by other accrediting bodies, specifically the American Bar Association's (ABA) and the Western Association of Schools and Colleges Senior Colleges and University Commission (WASC). This study focused on the ongoing annual or cyclical fees assessed once the initial school application process has been completed.

² Pinnacles School of Law is closing effective 12/31/17.

³ The American Bar Association has approved 21 other programs that are deemed accredited law schools for California students seeking admission to practice law in California.

⁴ Future operating costs are expected to be affected by changes in staff and application of new information systems.

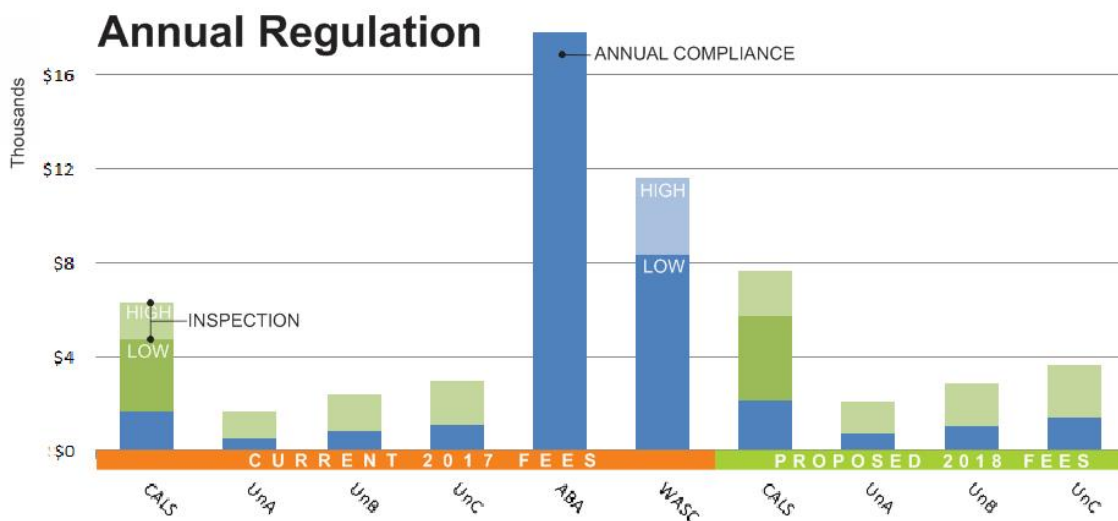
With respect to the ABA, which assesses a flat annual fee to all schools it approves, staff converted the existing fee structure to a comparable annual rate. This fee was then compared to the ABA fees for comparably sized schools.⁵ The results of that analysis reflect the following:

- State Bar Average Annualized Law School Regulation Cost: \$1,735-\$6,319
- ABA Annual Law School Regulation Cost: \$17,818⁶

The WASC Senior Colleges and University Commission typically inspect much larger educational institutions than does the State Bar, such as public and private universities, and have much longer accreditation periods (up to 10 years). CBE's Subcommittee on Educational Standards considered a detailed staff report on WASC accreditation at their recent October meeting. This [report](#) notes that WASC accredits institutions (governance, finances, operational policies, faculty, etc.) and not individual programs. The report concludes that obtaining WASC accreditation is very a lengthy and labor intensive process, and also very expensive given the expenditures required initially by the application process and annually once accreditation is granted:

- State Bar Average Annualized Law School Regulation Cost: \$1,735-\$6,319
- WASC Annual School Regulation Cost: \$8,340-\$11,575

Detailed information reflecting the individual school fees and corresponding estimated ABA and WASC fees by school is provided in Attachment B.



The above analysis demonstrates that State Bar fees are substantially lower than those of other accrediting bodies. Increasing California State Bar Law School Regulations costs from the annualized maximum of \$6,319 to the ABA cost would represent over a 170 percent increase in costs. Even taking the same maximum California State Bar cost and increasing it to the WASC level would represent an 85 percent increase over current fee levels.

To avoid imposing an unmanageable cost on the smallest law schools, staff recommend fee increases of 20 percent (inspection) and 25 percent (annual reporting) designed to help reduce

⁵ Virtually all ABA law schools operate from a single campus, unlike some CALS who operate branch or satellite campuses which require significantly more effort for periodic inspections.

⁶ Amount shown is for the smallest ABA enrollment category.

but not eliminate⁷ the funding shortfall, are recommended at this time. The proposed new fee schedules are provided as Attachment C.

Payment Scheduling

In addition to increasing accreditation fees, staff recommends modifying the inspection fee payment structure such that both the periodic inspection and annual reporting fees are paid on a flat annual installment basis for the CALS. Including a portion of the cost of site visits along with schools' annual reporting fees could be beneficial to both the schools and the State Bar for planning and budgeting purposes. Planning for known set fees would eliminate the peaks and valleys of payments for the schools, as they would be paying a portion of the site inspection fees each year in advance, regardless of which year their next inspection is scheduled.

The proposed CALS inspection fee of \$22,200 was derived from a review of the fees charged over the last five-year CALS inspection cycle (historic CALS average of \$18,500 plus the 20 percent proposed increase). Under the staff recommendation, all fee adjustments would become effective January 1, 2018. The increased Annual Compliance Report fees and 1/5 of the next periodic inspection would be reflected in the November 2018 billing.

Staff presented an option for the Committee to consider adopting a flat-fee fee model for inspections (prorated equally over a 5-year inspection cycle) in addition to the current "true-up" billing method, which they choose to continue using. The amount CALS will pay each year is the same pre-payment of the *set* inspection fee; but the final cost would be determined by the *actual* number of hours expended during the visit and report-writing process (using the new proposed hourly rate of \$275 per hour). The bill would reflect a credit for all annual installment fees that had been paid at the time of invoicing.

Although the flat-fee payment model was deemed the *simplest* to administer for both the schools and the State Bar, there was the concern that the adopted fee may be too low as compared to the investment needed to regulate some CALS, and too high as compared to the investment needed for others. In effect, the smaller schools could end up subsidizing their larger peers. Staff recommends that actual regulation costs should be assessed every five years to determine if any adjustments were needed to align the fees with the actual regulation operating costs.

FISCAL/PERSONNEL IMPACT

Based on both the increased rates recommended and the partial pre-payment of future-years' inspections, a revenue increase of \$92,170 to the Admissions Fund could be realized in FY2018.

RULE AMENDMENTS

Revisions to Appendix A: Schedule of Charges and Deadlines, Title 4, Divisions 1 and 2.

⁷ At current program costs, fee increases averaging 315% for all would be required to completely eliminate this gap.

BOARD BOOK IMPACT

None.

STRATEGIC PLAN GOALS & OBJECTIVES 2017-2022

Goal: 2. Ensure a timely, fair, and appropriately resourced admissions, discipline, and regulatory system for the more than 250,000 lawyers licensed in California.

Objective: Provide adequate resources to regulate California's non-ABA accredited law schools to provide broad access to legal education for California students.

RECOMMENDATION

The Finance and Planning Committee recommends that the Board of Trustees approve the following resolution:

RESOLVED, that the Board of Trustees approve annual compliance reporting fees for all CALS and registered Unaccredited Law Schools be increased 25% from existing amounts; and it is

FURTHER RESOLVED, that site inspection fees for registered Unaccredited Law Schools be increased 20% over the existing tiered rates; and it is

FURTHER RESOLVED, that the hourly rate for CALS site inspections be increased 20% and paid in advance via five equal annual installments of \$4,440; and it is

FURTHER RESOLVED, that the full amount of any installment payments made in advance of the final reports delivered to the Committee be credited against the total amount due for the inspection cycle itself; and it is

FURTHER RESOLVED, that new fees listed above be effective January 1, 2018.

ATTACHMENT(S) LIST

- A.** Internal Costing Summary
- B.** Law School Fee Comparisons
- C.** Law School Fee Schedule (redline)

ATTACHMENT A

Internal Resources Cost Summary

Law School Regulation

	2013	2014	2015	2016	2017*	5-Yr AVG
Annual Reporting Fees	\$ 42,000	\$ 42,000	\$ 42,855	\$ 46,910	\$ 43,985	\$ 43,550
School Visitation Cal Accredited	\$ 54,265	\$ 3,578	\$ 17,548	\$ 56,000	\$ 114,518	\$ 49,182
School Visitation Unaccredited	\$ 37,169	\$ 47,004	\$ 21,180	\$ 36,750	\$ 32,345	\$ 34,890
Waivers / Major Changes/Other	\$ 1,922	\$ 1,922	\$ 1,922	\$ 4,232	\$ 2,000	\$ 2,400
<i>Total Revenue</i>	\$ 135,355	\$ 94,504	\$ 83,505	\$ 143,892	\$ 192,848	\$ 130,021
External Consultant Expense	\$ 13,619	\$ 22,611	\$ 9,841	\$ 13,150	\$ 30,000	\$ 17,844

FTE 1: <i>name</i>	David Knight	Current Program Operating Expense	
Job Title	Sr. Admin Asst	Program Labor	\$ 247,875
% of time spent on task:	90%	Benefits	\$ 88,194
FTE 2: <i>name (supervisor)</i>	George Leal	Overhead	\$ 53,915
Job Title	Dir Educational Standards	Other	\$ 19,094
% of time spent on task:	100%	Annual Resource Cost	\$ 409,077
FTE 3: <i>name (senior mgt)</i>	Gayle Murphy	As of June 2017	
Job Title	Senior Director Admissions		
% of time spent on task:	15%		
External consultant	\$ 17,844	Future Projections	
Travel expense	\$ 1,250	Annual Revenue	\$ 130,021
Printing, mailing, supply expense	\$ -	Annual Expense	\$ 409,077
Other expense (travel for visitation billed to school)		Total Program NET	\$ (279,056)

*2017 estimated using previous cycle

ATTACHMENT B

Law School Fee Comparisons

Current Rates					Inspections (pre 2017)		Reporting	Comparisons				
#	School Name	Type	Enroll	Fee Cat	Last Inspection	Last Date	Annual Report	Annualized Cost	Annual / student	ABA Annual Equivalent	WASC Annual**	DEAC Annual***
1	Cal Northern School of Law	CALS	37	n/a	\$15,000.00	2012	\$ 1,735.00	\$ 4,735.00	\$ 127.97	\$ 17,818.00	\$ 8,340.00	\$1,000-\$5,000
2	San Francisco/San Diego Law School	CALS	54	n/a	\$18,409.50	2011	\$ 1,735.00	\$ 5,416.90	\$ 100.31	\$ 17,818.00	\$ 8,340.00	\$1,000-\$5,000
3	Southern California Institute of Law	CALS	58	n/a	\$22,924.50	2010	\$ 1,735.00	\$ 6,319.90	\$ 108.96	\$ 17,818.00	\$ 8,340.00	\$1,000-\$5,000
4	Lincoln Law School of San Jose	CALS	66	n/a	\$17,295.00	2013	\$ 1,735.00	\$ 5,194.00	\$ 78.70	\$ 17,818.00	\$ 8,340.00	\$1,000-\$5,000
5	Empire College School of Law	CALS	78	n/a	\$17,206.00	2011	\$ 1,735.00	\$ 5,176.20	\$ 66.36	\$ 17,818.00	\$ 8,340.00	\$1,000-\$5,000
6	Humphreys University Drivon SOL	CALS	79	n/a	\$17,229.61	2013	\$ 1,735.00	\$ 5,180.92	\$ 65.58	\$ 17,818.00	\$ 8,340.00	\$1,000-\$5,000
7	John F. Kennedy University COL	CALS	89	n/a	\$20,584.25	2012	\$ 1,735.00	\$ 5,851.85	\$ 65.75	\$ 17,818.00	\$ 8,340.00	\$1,000-\$5,000
8	Glendale University College of Law	CALS	96	n/a	\$18,100.00	2011	\$ 1,735.00	\$ 5,355.00	\$ 55.78	\$ 17,818.00	\$ 8,340.00	\$1,000-\$5,000
9	Monterey/San Luis Obispo College of Law	CALS	111	n/a	\$17,785.50	2012	\$ 1,735.00	\$ 5,292.10	\$ 47.68	\$ 17,818.00	\$ 11,575.00	\$1,000-\$5,000
10	Pacific Coast University School of Law	CALS	154	n/a	\$19,212.24	2016	\$ 1,735.00	\$ 5,577.45	\$ 36.22	\$ 17,818.00	\$ 11,575.00	\$1,000-\$5,000
11	San Joaquin College of Law	CALS	163	n/a	\$19,395.00	2016	\$ 1,735.00	\$ 5,614.00	\$ 34.44	\$ 17,818.00	\$ 11,575.00	\$1,000-\$5,000
12	Santa Barbara/Ventura Colleges of Law	CALS	178	n/a	\$19,740.00	2013	\$ 1,735.00	\$ 5,683.00	\$ 31.93	\$ 17,818.00	\$ 11,575.00	\$1,000-\$5,000
13	Trinity Law School	CALS	179	n/a	\$16,775.00	2015	\$ 1,735.00	\$ 5,090.00	\$ 28.44	\$ 17,818.00	\$ 11,575.00	\$1,000-\$5,000
14	University of West Los Angeles LAX/SFV	CALS	208	n/a	\$20,521.65	2016	\$ 1,735.00	\$ 5,839.33	\$ 28.07	\$ 17,818.00	\$ 11,575.00	\$1,000-\$5,000
15	Lincoln Law School of Sacramento	CALS	225	n/a	\$17,569.60	2012	\$ 1,735.00	\$ 5,248.92	\$ 23.33	\$ 17,818.00	\$ 11,575.00	\$1,000-\$5,000
1	McMillan Academy of Law	UnAcc	0	A	\$5,775.00	2013	\$ 580.00	\$ 1,735.00	n/a	\$ 17,818.00	\$ 8,340.00	\$1,000-\$5,000
2	Pinnacles School of Law*	UnAcc	6	A	\$5,775.00	2014	\$ 580.00	\$ 1,735.00	\$ 289.17	\$ 17,818.00	\$ 8,340.00	\$1,000-\$5,000
3	Pacific West College of Law	UnAcc	7	A	\$5,775.00	2016	\$ 580.00	\$ 1,735.00	\$ 247.86	\$ 17,818.00	\$ 8,340.00	\$1,000-\$5,000
4	Central California University College of Law	UnAcc	9	A	\$5,775.00	2014	\$ 580.00	\$ 1,735.00	\$ 192.78	\$ 17,818.00	\$ 8,340.00	\$1,000-\$5,000
5	Lady Justice Law School (new)	UnAcc	10	A	\$5,775.00	N/A	\$ 580.00	\$ 1,735.00	\$ 173.50	\$ 17,818.00	\$ 8,340.00	\$1,000-\$5,000
6	American International School of Law	UnAcc	28	B	\$7,510.00	2016	\$ 870.00	\$ 2,372.00	\$ 84.71	\$ 17,818.00	\$ 8,340.00	\$1,000-\$5,000
7	American Heritage School of Law	UnAcc	30	B	\$7,510.00	2013	\$ 870.00	\$ 2,372.00	\$ 79.07	\$ 17,818.00	\$ 8,340.00	\$1,000-\$5,000
8	Western Sierra Law School	UnAcc	35	B	\$7,510.00	2016	\$ 870.00	\$ 2,372.00	\$ 67.77	\$ 17,818.00	\$ 8,340.00	\$1,000-\$5,000
9	Peoples College of Law	UnAcc	36	B	\$7,510.00	2014	\$ 870.00	\$ 2,372.00	\$ 65.89	\$ 17,818.00	\$ 8,340.00	\$1,000-\$5,000
10	California Desert Trial Academy COL	UnAcc	37	B	\$7,510.00	2014	\$ 870.00	\$ 2,372.00	\$ 64.11	\$ 17,818.00	\$ 8,340.00	\$1,000-\$5,000
11	Oak Brook College of Law and Government Policy	UnAcc	37	B	\$7,510.00	2014	\$ 870.00	\$ 2,372.00	\$ 64.11	\$ 17,818.00	\$ 8,340.00	\$1,000-\$5,000
12	St. Francis School of Law	UnAcc	39	B	\$7,510.00	2016	\$ 870.00	\$ 2,372.00	\$ 60.82	\$ 17,818.00	\$ 8,340.00	\$1,000-\$5,000
13	California School of Law	UnAcc	47	B	\$7,510.00	2015	\$ 870.00	\$ 2,372.00	\$ 50.47	\$ 17,818.00	\$ 8,340.00	\$1,000-\$5,000
14	American Institute (new)	UnAcc	49	B	\$7,510.00	N/A	\$ 870.00	\$ 2,372.00	\$ 48.41	\$ 17,818.00	\$ 8,340.00	\$1,000-\$5,000
15	California Southern University School of Law	UnAcc	52	B	\$7,510.00	2015	\$ 870.00	\$ 2,372.00	\$ 45.62	\$ 17,818.00	\$ 8,340.00	\$1,000-\$5,000
16	California Southern Law School	UnAcc	58	B	\$7,510.00	2014	\$ 870.00	\$ 2,372.00	\$ 40.90	\$ 17,818.00	\$ 8,340.00	\$1,000-\$5,000
17	Irvine University College of Law	UnAcc	62	B	\$7,510.00	2011	\$ 870.00	\$ 2,372.00	\$ 38.26	\$ 17,818.00	\$ 8,340.00	\$1,000-\$5,000
18	Abraham Lincoln University School of Law	UnAcc	144	B	\$7,510.00	2015	\$ 870.00	\$ 2,372.00	\$ 16.47	\$ 17,818.00	\$ 11,575.00	\$1,000-\$5,000
19	Taft Law School	UnAcc	273	C	\$9,240.00	2014	\$ 1,155.00	\$ 3,003.00	\$ 11.00	\$ 17,818.00	\$ 11,575.00	\$1,000-\$5,000
20	Concord Law School at Kaplan University	UnAcc	394	C	\$9,240.00	2014	\$ 1,155.00	\$ 3,003.00	\$ 7.62	\$ 17,818.00	\$ 11,575.00	\$1,000-\$5,000
21	Northwestern California University School of Law	UnAcc	480	C	\$9,240.00	2013	\$ 1,155.00	\$ 3,003.00	\$ 6.26	\$ 17,818.00	\$ 11,575.00	\$1,000-\$5,000

* closing 12/31/17

** includes one-half of 10-year visit fee ***no visits for program

CALS Average: \$ 5,438.30

Unaccredited Average: \$ 2,310.48

ATTACHMENT C

TITLE 4, DIVISION 2

ACCREDITED LAW SCHOOL FEES

Fees previously adopted by the Board of Trustees or mandated by statute.

Amended effective ~~January~~ **March 11, 2018**.

Rule	Description	Amount	Deadline
4.108(A)	Public Record copying fee, per page	\$5.00 first page; \$1.00 each additional page	Not applicable
4.110(A) & (B)	Fees for services	\$275.30/hour Total cost: Time and Expenses	Not applicable
4.110(C)	Travel Expenses (per State Bar Travel Reimbursement policy)	Actual Cost	Not applicable
4.121(A)	Application for Provisional Accreditation Fee	Deposit: \$750.00 Total cost: Time and Expenses	Not applicable
4.121(D)	Provisional Accreditation Inspection and Report Fee (plus expenses per Rule 4.110(C))	Deposit: \$5,000.00 Total cost: Time and Expenses	Not applicable
4.141(A)	Application for Accreditation fee	Deposit: \$750.00 Total cost: Time and Expenses	Not applicable
4.141(D)	Accreditation Inspection and Report fee (plus expenses per Rule 4.110(C))	Deposit: \$5,000.00 Total cost: Time and Expenses	Not applicable
4.161	Annual Compliance Report Fee and Deadline	\$2,1701,735.00	November 15
4.161	Late Filing of Annual Compliance Report Fee	\$350.00	Not applicable
4.161(A)	Annual Branch Campus Fee	\$1,000.00	November 15
4.161(A)	Annual Satellite Campus Fee	\$800.00	November 15
4.162	Periodic or Other Inspections (plus expenses per Rule 4.110(C))	Total cost: Time and Expenses Annual prepayment : \$4,400	Not applicable
4.163	Self-Study fee	Deposit: \$500.00 Total cost: Time and Expenses	Not applicable
4.164	Application for Major Change fee	Deposit: \$250.00 Total cost: Time and Expenses	Not applicable
4.164	Major Change Inspection and Report fee (plus expenses per Rule 4.110(C))	Deposit: \$2,000.00 Total cost: Time and Expenses	Not applicable
4.170(B)	Response to Notice of Noncompliance fee	Deposit: \$800.00 Total cost: Time and Expenses	Not applicable
4.170(B)(2)	Site Inspection Regarding Notice of Noncompliance fee (plus expenses per Rule 4.110(C))	Deposit: \$2,000.00 Total cost: Time and Expenses	Not applicable

ATTACHMENT C

TITLE 4, DIVISION 3

UNACCREDITED LAW SCHOOL FEES

EFFECTIVE JANUARY 1, 2016

Fees previously adopted by the Board of Trustees or mandated by statute.

Amended effective January 1, 2018.

Approved by the Board of Trustees November 6, 2014

Rule	Description	Amount	Deadline
4.209(B)	Services of Senior Executive or consultant	\$ 27530 .00/hour	Not applicable
4.209(C)	Travel Expenses (per State Bar Travel Reimbursement policy)	Actual cost	Not applicable
4.221(A)	Application for Registration	\$2,310.00	Not applicable
4.221(B)	Inspection for Application for Registration	\$5,775.00	Not applicable
4.241(D)	Deadline for Disclosure Statement Certification and copy of Disclosure Statement	Not applicable	November 15
4.242	Annual Compliance Report	Not applicable	November 15
4.242	Category A law school fee	\$ 725580 .00	Not applicable
4.242	Category B law school fee	\$ 1,090870 .00	Not applicable
4.242	Category C law school fee	\$ 1,445455 .00	Not applicable
4.242	Late Filing of Annual Compliance Report	\$350.00	Not applicable
4.243	Self-Study (if separate from inspection)	\$ 27530 .00/hour	Not applicable
4.244(B)	Inspection Category A law school fee	\$ 6,9255,775 .00	Not applicable
4.244(B)	Inspection Category B law school fee	\$ 9,0007,510 .00	Not applicable
4.244(B)	Inspection Category C law school fee	\$ 11,0009,240 .00	Not applicable
4.245	Request for approval of Major Change	\$ 27530 .00/hour	Not applicable
4.261	Response to Notice of Noncompliance	\$924.00	Not applicable

Program Resource Cost Summary: Admissions

				Processing Counts				Projected					
				2018	2019	2020	2021	2022	Revenue				
Foreign Legal Consultants (FLC)													
Cost Center (expense/revenue): 8321/8316													
Last Review/Next Review Date: 2017/2022													
Cycle: Annual, due 3/1													
FLC Application				42403	\$	370	20	38	35	34	32	\$	11,840
FLC Renewal				42403	\$	497	44	44	54	71	85	\$	41,997
FLC Renewal Late				42403	\$	100	11	2	-	-	-	\$	-
FLC Processing:													
Program Supervisor				0.05									
Program Specialist				0.10									
Program Analyst				0.05									
FTE Total:				0.20									
External Expenses													
50-Temp Outside /Contractor				\$ -									
51-Building Operations Total				\$ 179									
52-Services Total				\$ 36									
54-Supplies Total				\$ 36									
55-Equipment Total				\$ 36									
56-Other Expenses Total				\$ -									
External Expenses Total:				\$ 287									

Out-of-State Attorney Arbitration Counsel (OSAAC)

Cost Center (expense/revenue): 8321/8316

Last Review/Next Review Date: 2017/2022

Cycle: as needed

OSAAC Application Fee

Last + *unknown*

42904 \$ 50

Processing per attorney/case:

Program Supervisor	0.05
Program Assistant III	0.10
Program Specialist	0.30

FTE Total: 0.45

External Expenses

50-Temp Outside /Contractor	\$	-
51-Building Operations Total	\$	179
52-Services Total	\$	36
54-Supplies Total	\$	36
55-Equipment Total	\$	36
56-Other Expenses Total	\$	-

External Expenses Total: \$	287
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Law Office Study (LOS)

Cost Center (expense/revenue): 8316

Last Review/Next Review Date: unknown/2022

Cycle: as needed

Semi-annual Reports

Last + *unkown*

\$ 105

Notice of Intent

LOS Processing:

Program Supervisor	0.05
Program Assistant III	0.05
Program Specialist	0.30

FTE Total: 0.40

External Expenses

50-Temp Outside /Contractor	\$	-
51-Building Operations Total	\$	179
52-Services Total	\$	36
54-Supplies Total	\$	36
55-Equipment Total	\$	36
56-Other Expenses Total	\$	-

External Expenses Total:	\$ 287
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2018	2019	2020	2021	2022	Revenue
925	1,067	1,211	1,333	1,466	\$ 73,300
			Program Labor	\$ 36,030	
			Labor Benefits	\$ 12,819	
			Management/Support not Assigned (left)	\$ 6,385	
			Indirect Costs (Overhead for .45 FTE)	\$ 55,477	
			Other External Expenses	\$ 287	
			Projected Program Cost	\$ 110,998	
			Program NET: (projected revenue less expenses)		\$ (37,698)
			Estimated blended cost/processing	\$ 76	
Increase Scenario A				+	~ 10%
\$ 55	OSAAC Application:	\$ 5		1,466	\$ 7,330
				Total Increase	\$ 7,330
				Prog NET A:	\$ (30,368)
Increase Scenario B				+	~ 20%
\$ 60	OSAAC Application:	\$ 10		1,466	\$ 14,660
				Total Increase	\$ 14,660
				Prog NET B	\$ (23,038)
Increase Scenario C				+	~ 54%
\$ 77	OSAAC Application:	\$ 27		1,466	\$ 39,582
				Total Increase	\$ 39,582
				Prog NET C:	\$ 1,884
2018	2019	2020	2021	2022	Revenue
146	79	82	76	75	\$ 7,823
67	96	174	27	91	\$ 14,378
				166	\$ 22,201
			Program Labor	\$ 35,880	
			Labor Benefits	\$ 12,766	
			Management/Support not Assigned (left)	\$ 5,676	
			Indirect Costs (Overhead for .40 FTE)	\$ 49,313	
			Other External Expenses	\$ 287	
			Projected Program Cost	\$ 103,635	
			Program NET: (projected revenue less expenses)		\$ (81,434)
			Estimated blended cost/processing	\$ 626	
Increase Scenario A				+	~ 10%
\$ 116	Semi-annual Reports:	\$ 11		75	\$ 782
\$ 174	Notice of Intent:	\$ 16		91	\$ 1,438
				Total Increase	\$ 2,220
				Prog NET A:	\$ (79,214)
Increase Scenario B				+	~ 20%
\$ 126	Semi-annual Reports:	\$ 21		75	\$ 1,565
\$ 190	Notice of Intent:	\$ 32		91	\$ 2,876
				Total Increase	\$ 4,440
				Prog NET B	\$ (76,994)
Increase Scenario C				+	~ 370%
\$ 494	Semi-annual Reports:	\$ 389		75	\$ 28,943
\$ 743	Notice of Intent:	\$ 585		91	\$ 53,199
				Total Increase	\$ 82,142
				Prog NET C	\$ 708

[illegible]

Law School Regulation (LSR)

Cost Center (expense/revenue): 8315/8316

Last Review/Next Review Date: 2017/2022

Cycle: Annual + every 5th year

Last + 2018

42401 Annual Report Fees

42421 School Visitation

Due to the difference in time, school size & fees, history shown as annual \$

	Fee Category	Fee
California Accredited	Public Record copy fee \$5 1st + \$1 ea	
	Fee for Services \$230/hr	
	Annual Compliance Report \$ 2,170	16
	Late Filing (above) \$ 350	
	Inspection (\$22,200 @ 5yr +) \$ 4,400	16
Unaccredited	Public Record copy fee \$5 1st + \$1 ea	
	Sr Dir/Consultant Services \$275/hr	
	Application for Reg Inspection \$ 5,775	1
	Category A annual fee \$ 725	
	Category B annual fee \$ 1,090	12
	Category c annual fee \$ 1,445	5
	Annual Compliance Report late \$ 350	
	Self-Study (if separate) \$230/hr	
	Category A inspection \$ 6,925	1
	Category B inspection \$ 9,000	12
	Category C inspection \$ 11,000	5
	Request major change \$230/hr	
	Noncompliance Response \$ 924	

LSR Processing:

Program Analyst	1.00
Principal Program Analyst	1.00

FTE Total: 2.00**External Expenses**

50-Temp Outside /Contractor	\$ 12,454
51-Building Operations Total	\$ 2,445
52-Services Total	\$ 135,500
54-Supplies Total	\$ 2,553
55-Equipment Total	\$ 200
56-Other Expenses Total	\$ 10,000

External Expenses Total: \$ 163,152**Current**

2018	2019	2020	2021	4 YR Average	2022 Baseline
\$112,373	\$173,848	\$126,441	\$131,815	\$ 136,119	\$ 54,660
\$107,728	\$166,390	\$196,005	\$174,514	\$ 161,159	\$ 86,325
				\$ 297,279	\$ 140,985
			Program Labor	\$ 257,156	
			Labor Benefits	\$ 91,496	
			Management/Support not Assigned (left)	\$ 28,378	
			Indirect Costs (Overhead for 2.0 FTE)	\$ 246,563	
			Other External Expenses	\$ 163,152	
			Projected Program Cost	\$ 786,745	
			<i>No T&M billings included in projections below</i>		
			Program NET (averaged):		\$ (489,466)
			Program NET (baseline):		\$ (645,760)
			<i>FY 2022 Budget for Inspections</i>	\$ 141,500	
			<i>Average annual revenue for inspections</i>	\$ 161,159	
			Increase Scenario A	+	~ 10%
\$ 2,387	CALS Annual Report	\$ 217		16	\$ 3,472
\$ 4,840	CALS Inspection*	\$ 440		16	\$ 7,040
\$ 798	UnAcc Annual A	\$ 73		1	\$ 73
\$ 1,199	UnAcc Annual B	\$ 109		12	\$ 1,308
\$ 1,590	UnAcc Annual C	\$ 145		5	\$ 723
\$ 7,618	UnAcc Inspection A*	\$ 139		1	\$ 139
\$ 9,900	UnAcc Inspection B*	\$ 180		12	\$ 2,160
\$ 12,100	UnAcc Inspection C*	\$ 220		5	\$ 1,100
	<i>divided by 5 to annualize inspection fees*</i>				
	<i>annualized*</i>				
			Total Increase	\$ 16,014	
			Prog NET A:	\$ (473,453)	
			Increase Scenario B	+	~ 20%
\$ 2,604	CALS Annual Report	\$ 434		16	\$ 6,944
\$ 5,280	CALS Inspection*	\$ 880		16	\$ 14,080
\$ 870	UnAcc Annual A	\$ 145		1	\$ 145
\$ 1,308	UnAcc Annual B	\$ 218		12	\$ 2,616
\$ 1,734	UnAcc Annual C	\$ 289		5	\$ 1,445
\$ 8,310	UnAcc Inspection A*	\$ 277		1	\$ 277
\$ 10,800	UnAcc Inspection B*	\$ 360		12	\$ 4,320
\$ 13,200	UnAcc Inspection C*	\$ 440		5	\$ 2,200
			Total Increase	\$ 32,027	
			Prog NET B:	\$ (457,439)	
			Increase Scenario C	+	~ 310%
\$ 8,897	CALS Annual Report	\$ 6,727		16	\$ 107,632
\$ 18,040	CALS Inspection*	\$ 13,640		16	\$ 218,240
\$ 2,973	UnAcc Annual A	\$ 2,248		1	\$ 2,248
\$ 4,469	UnAcc Annual B	\$ 3,379		12	\$ 40,548
\$ 5,925	UnAcc Annual C	\$ 4,480		5	\$ 22,398
\$ 28,393	UnAcc Inspection A*	\$ 4,294		1	\$ 4,294
\$ 36,900	UnAcc Inspection B*	\$ 5,580		12	\$ 66,960
\$ 45,100	UnAcc Inspection C*	\$ 6,820		5	\$ 34,100
			Total Increase	\$ 496,419	
			Prog NET C:	\$ 6,952	

				Processing Counts				Projected	
				2018	2019	2020	2021	2022	Revenue
Bar Exam (BX)									
Cost Center (expense/revenue): 8311, 8312, 8313, 8317, 8318									
Last Review/Next Review Date: 2014/2022									
Cycle: Annual, multiple									
	Attorney applicant fee	43120	\$ 983	2,148	3,711	4,976	3,776	3,809	\$ 3,743,756
	General applicant fee	43110	\$ 677	8,012	11,732	13,693	10,011	9,151	\$ 6,194,889
	Laptop fee	43140	\$ 153	9,837	14,170	16,737	13,875	13,728	\$ 2,100,308
	Late fee A	43150	\$ 50	1,485	2,274	3,233	2,094	2,004	\$ 100,200
	Late fee B	43150	\$ 250	1,335	1,605	1,783	1,683	1,722	\$ 430,500
	Test Center Change Fee	43150	\$ 15	53	57	275	3	-	\$ -
								30,413	\$ 12,569,652
BX Processing:									
Employee Name	Title > Time spent on program:	%							
	Program Manager II	0.60						Program Labor	\$ 2,058,316
	Program Assistant II	0.50						Labor Benefits	\$ 732,349
	Program Specialist	0.20						Management/Support not Assigned (left)	\$ 318,257
	Program Supervisor	0.25						Indirect Costs (Overhead for 22.43 FTE)	\$ 2,765,204
	Program Coordinator	0.10						Other External Expenses	\$ 10,324,795
	Program Specialist	0.35						Projected Program Cost	\$ 16,198,920
	Administrative Assistant II	0.60						Program NET:	\$ (3,629,269)
	Senior Program Analyst	0.60						(projected revenue less expenses)	
	Program Assistant II	0.40							
	Program Assistant III	0.50							
	Program Specialist	0.65						<i>Estimated blended cost/exam only</i>	\$ 1,250
	Office Assistant II	0.65							
	Program Analyst	0.60							
	Program Supervisor	0.65							
	Administrative Assistant I	0.60							
	Program Specialist	0.30							
	Program Specialist	0.60							
	Fiscal Services Specialist-NE	0.50							
	Program Analyst	0.10							
	Program Analyst	0.50							
	Program Specialist	0.05							
	Program Specialist	0.50							
	Program Supervisor	0.90							
	Program Specialist	0.90							
	Program Assistant III	0.90							
	Program Specialist	0.90							
	Program Director I	0.50							
	Senior Admin Assistant	0.55							
	Program Director III	0.40							
	Administrative Supervisor	0.35							
	Principal Program Analyst	0.70							
	Program Specialist	0.70							
	Office Assistant II	0.75							
	Office Assistant II	0.75							
	Program Manager II	0.70							
	Senior Program Analyst	0.80							
	Office Assistant II	0.45							
	Administrative Assistant I	0.85							
	Program Specialist	0.10							
	Program Specialist	0.10							
	Program Analyst	0.10							
	Program Supervisor	0.10							
	Program Specialist	0.10							
	Program Coordinator-NE	0.04							
	Program Supervisor	0.04							
	Program Manager II	0.04							
	Program Assistant II	0.04							
	Program Assistant II	0.04							
	Investigator II	0.04							
	Investigator II	0.04							
	Investigator II	0.04							
	Administrative Supervisor	0.04							
	Program Assistant II	0.04							
	Investigator I	0.04							
	Senior Attorney	0.04							
	Senior Admin Assistant	0.04							
	Program Supervisor	0.04							
								Total Increase	\$ 538,109
								Program NET A:	\$ (3,091,160)

			Processing Counts				Projected	
			2018	2019	2020	2021	2022	Revenue
First Year Law Student Exam (FYLSX)								
Cost Center (expense/revenue): 8311, 8320	Last +	2016						
Last Review/Next Review Date: 2014/2022								
Cycle: Annual, multiple	Applicant fee	43210 \$ 624	722	726	763	754	550 \$	343,200
	Laptop fee	43220 \$ 153	592	607	721	753	525 \$	80,325
	Late fee A	43150 \$ 250	224	254	204	219	150 \$	37,500
	Late fee B	43150 \$ 50	61	95	72	116	100 \$	5,000
	Change writer to laptop fee	43240 \$ 15	2	2	26	0	- \$	-
							1,325 \$	466,025
FYLSX Processing:								
Employee Name	Title > Time spent on program:	%						
	Program Assistant II	0.25	Program Labor				\$ 525,230	
	Program Specialist	0.05	Labor Benefits				\$ 186,877	
	Program Assistant II	0.10	Management/Support not Assigned (left)				\$ 84,424	
	Program Assistant III	0.25	Indirect Costs (Overhead for 5.95 FTE)				\$ 733,525	
	Administrative Assistant I	0.20	Other External Expenses				\$ 450,300	
	Office Assistant II	0.10	Projected Program Cost				\$ 1,980,356	
	Program Coordinator-NE	0.03						
	Program Supervisor	0.01	Program NET:					\$ (1,514,331)
	Program Manager II	0.03	(projected revenue less expenses)					
	Program Assistant II	0.01						
	Program Assistant II	0.01						
	Investigator II	0.01	Estimated blended cost/processing (per applicant)				\$ 3,600.65	
	Investigator II	0.01						
	Investigator II	0.01						
	Administrative Supervisor	0.01	Increase Scenario A					~ 10%
	Program Assistant II	0.01	\$ 686	Applicant fee	\$ 62		550 \$	34,320
	Investigator I	0.01	\$ 168	Laptop fee	\$ 15		525 \$	8,033
	Senior Attorney	0.03	\$ 275	Late fee A	\$ 25		150 \$	3,750
	Senior Admin Assistant	0.01	\$ 55	Late fee B	\$ 5		100 \$	500
	Program Supervisor	0.01	\$ 17	Writer to laptop fee	\$ 2		0 \$	-
	Program Supervisor	0.01					Total Increase	\$ 46,603
	Program Assistant II	0.01					Prog NET A:	\$ (1,467,728)
	Investigator I	0.01	Increase Scenario B					~ 20%
	Investigator I	0.01	\$ 749	Applicant fee	\$ 125		550 \$	68,640
	Investigator II	0.01	\$ 184	Laptop fee	\$ 31		525 \$	16,065
	Investigator I	0.01	\$ 300	Late fee A	\$ 50		150 \$	7,500
	Investigator II	0.01	\$ 60	Late fee B	\$ 10		100 \$	1,000
	Program Specialist	0.01	\$ 18	Writer to laptop fee	\$ 3		0 \$	-
	Program Manager II	0.15					Total Increase	\$ 93,205
	Program Supervisor	0.10					Prog NET B:	\$ (1,421,126)
	Program Specialist	0.15	Increase Scenario C					~ 330%
	Administrative Assistant II	0.30	\$ 2,683	Applicant fee	\$ 2,059		550 \$	1,132,560
	Senior Program Analyst	0.30	\$ 658	Laptop fee	\$ 505		525 \$	265,073
	Program Specialist	0.25	\$ 1,075	Late fee A	\$ 825		150 \$	123,750
	Office Assistant II	0.25	\$ 215	Late fee B	\$ 165		100 \$	16,500
	Program Analyst	0.35	\$ 65	Writer to laptop fee	\$ 50		0 \$	-
	Program Supervisor	0.25					Total Increase	\$ 1,537,883
	Program Specialist	0.10					Prog NET C:	\$ 23,552
	Program Specialist	0.30						
	Program Analyst	0.05						
	Program Specialist	0.05						
	Program Supervisor	0.09						
	Program Specialist	0.08						
	Program Assistant III	0.10						
	Program Specialist	0.10						
	Program Director I	0.10						
	Principal Program Analyst	0.20						
	Program Specialist	0.30						
	Office Assistant II	0.15						
	Office Assistant II	0.15						
	Program Manager II	0.15						
	Senior Program Analyst	0.15						
	Administrative Assistant I	0.15						
	Program Specialist	0.05						
	Program Specialist	0.05						
	Program Analyst	0.05						
	Program Supervisor	0.05						
	Program Specialist	0.05						

	Program Assistant III	0.05
	Program Specialist	0.10

FTE Total: 5.95

External Expenses

50-Temp Outside Help/Contractors	\$	-
51-Building Operations Total	\$	3,000
52-Services Total	\$	169,100
54-Supplies Total	\$	9,200
55-Equipment Total	\$	28,000
56-Other Expenses Total	\$	15,000
57-Exam Related Expenses Total	\$	226,000
69-Transfers Out Total	\$	-

External Expenses Total: \$ 450,300

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				Processing Counts				Projected	
				2018	2019	2020	2021	2022	Revenue
Moral Character Determination (MCD)									
Cost Center (expense/revenue): 8319									
Last Review/Next Review Date: <i>unknown /2022</i>				Last +				2016	
Cycle: Annual, multiple									
Applicant fee		42402	\$ 551	6,805	6,584	7,124	7,625	7500	\$ 4,132,500
Extension fee		42404	\$ 265	501	471	519	398	325	\$ 86,125
								7,825	\$ 4,218,625
MCD Processing:									
Employee Name				Title > Time spent on program:				%	
				Program Assistant II				0.05	
				Program Specialist				0.13	
				Program Coordinator				0.45	
				Program Assistant II				0.50	
				Program Assistant III				0.05	
				Administrative Assistant I				0.10	
				Fiscal Services Specialist-NE				0.30	
				Senior Admin Assistant				0.05	
				Program Director III				0.10	
				Administrative Supervisor				0.05	
				Office Assistant II				0.05	
				Program Coordinator-NE				0.90	
				Program Supervisor				0.95	
				Program Manager II				0.90	
				Program Assistant II				0.95	
				Program Assistant II				0.95	
				Investigator II				0.95	
				Investigator II				0.95	
				Investigator II				0.95	
				Administrative Supervisor				0.95	
				Program Assistant II				0.95	
				Investigator I				0.95	
				Senior Attorney				0.90	
				Senior Admin Assistant				0.95	
				Program Supervisor				0.95	
				Program Supervisor				0.95	
				Program Assistant II				0.95	
				Investigator I				0.95	
				Investigator I				0.95	
				Investigator II				0.95	
				Investigator I				0.95	
				Investigator II				0.95	
				Program Specialist				0.95	
				FTE Total:				22.58	
External Expenses									
50-Temp Outside Help/Contractors Total		\$	100,000						
51-Building Operations Total		\$	22,000						
52-Services Total		\$	41,210						
54-Supplies Total		\$	7,410						
55-Equipment Total		\$	5,750						
56-Other Expenses Total		\$	6,105						
External Expenses Total:		\$	182,475						