



The State Bar *of California*

Admissions Fees & Cost Reduction Models

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Board of Trustees, July 20–21, 2023



Options Previously Presented to Board

- “Break even” approach
 - ✓ Strongly favored by CBE
- Lesser impact on fees affecting students/nonattorneys
 - Resulted in continued operating deficit of \$4.5 mill





Direction from Board of Trustees

- Guided by financial realities
- Break even approach, with minor exceptions



Program	Category	Current Fee	Last Increase	Proposed New Fee	% Increase	For Reference: Prior Option 1	For Reference: Prior Option 2
Registration	Student Registration	\$ 119	2016	\$ 150	26%	\$ 150	\$ 150
	Attorney Registration	\$ 214	2016	\$ 300	40%	\$ 300	\$ 250
Bar Exam	Student Application	\$ 677	2016	\$ 850	36%	\$ 878	\$ 745
	Attorney Application	\$ 983	2016	\$ 1,500	53%	\$ 1,500	\$ 1,200
	Test Center Change	\$ 15		\$ 60	300%	\$ 100	\$ 25
First-Year Law Students' Exam	Application	\$ 624	2016	\$ 850	36%	\$ 1,850	\$ 685
	FYLSX writer/laptop change	\$ 15	2016	\$ 50	233%	\$ 50	\$ 50
Moral Character Determination	Application (student/nonattorney)	\$ 551	2016	\$ 725	32%	\$ 795	\$ 575
	Application (attorney)	\$ 551	2016	\$ 850	54%	\$ 1,000	\$ 675
	Extension (student/nonattorney)	\$ 265	2016	\$ 290	9%	\$ 375	\$ 275
	Extension (attorney)	\$ 265	2016	\$ 400	51%	\$ 500	\$ 375
Practical Training of Law Students	Application	\$ 55	2015	\$ 60	9%	\$ 60	\$ 60
	Request to Change	\$ 25	2015	\$ 30	20%	\$ 30	\$ 30
Law Office Study	Notice of Intent	\$ 158	2016	\$ 880	457%	\$ 880	\$ 880
	Semi-annual reports	\$ 105	2016	\$ 525	400%	\$ 525	\$ 525

Program	Category	Current Fee	Last Increase	Proposed New Fee	% Increase	For Reference: Prior Option 1	For Reference: Prior Option 2
Multijurisdictional Practice	Application for Registered In-House Counsel	\$ 635	2016	\$ 1,075	69%	\$ 1,075	\$ 1,075
	Application for Legal Aid Attorney	\$ 635	2016	\$ 500	-21%	\$ 500	\$ 500
	Application for Military Spouse Attorney	\$ 635	2019	\$ 500	-21%	\$ 500	\$ 500
Out of State Attorney Arbitration Counsel	Application	\$ 50	pre-2014	\$ 500	900%	\$ 500	\$ 500
Pro Hac Vice	Application	\$ 50	pre-2014	\$ 500	900%	\$ 500	\$ 500
Foreign Legal Consultants	Application	\$ 370	pre-2014	\$ 1,000	170%	\$ 1,000	\$ 1,000
	Renewal	\$ 497	pre-2014	\$ 600	21%	\$ 600	\$ 600
	Late Renewal	\$ 100	pre-2014	\$ 150	50%	\$ 150	\$ 150

Program	Category	Current Fee	Last Increase	Proposed New Fee	Average Per Student Impact of Increase*	For Reference: Prior Option 1	For Reference: Prior Option 2
California Accredited Law Schools	CALS Annual Report	\$ 2,170	2018	\$22,900	\$ 224	\$22,900	\$2,800
	CALS Inspection* (1/5 of 5 yr base)	\$ 4,400		\$8,000	\$ 39	\$8,000	\$6,000
Registered Unaccredited Law Schools	Annual A (max 19 students)	\$ 725	2018	\$5,000		\$6,000	\$1,000
	Annual B (max 199 students)	\$ 1,090		\$7,500	\$ 176	\$9,000	\$1,500
	Annual C (> 200 students)	\$ 1,445		\$10,000		\$12,000	\$2,000
	Inspection A (1/5 of 5 yr flat)	\$ 1,385		\$4,500		\$6,000	\$1,600
	Inspection B (1/5 of 5 yr flat)	\$ 1,800		\$6,000	\$ 117	\$7,000	\$2,200
	Inspection C (1/5 of 5 yr flat)	\$ 2,200		\$7,250		\$8,000	\$2,800
	* Professional Services (hourly)	\$ 275		\$350		\$350	\$350
* Based on data report by law schools in the 2022 Annual Report, submitted December 2022							





Revised Revision

Projected expenditures still exceed projected revenue: **\$1,054,172**

- Projected revenue (based on 2022 counts) – \$24,531,426
- Projected expenditures (based on 2023 budget, adjusted to eliminate one-time costs and restore certain one-time cuts) – \$25,585,597



Preliminary Themes From Public Comment



FINAL PUBLIC COMMENT
PERIOD CLOSES JULY 31, 2023



DATA & THEMES ON PUBLIC
COMMENT RECEIVED TO DATE



The State Bar *of California*

Cost Reduction Model Considerations

Bar exam single
largest
expenditure

Ripe for
examination of
more efficient
ways to deliver

Consideration of
impact on
applicants with
testing
accommodations

Results of surveys
and data related
to administration
of remote exams



How is the Bar Exam Administered Today

Fully in-person

10–12 test
locations Feb

14–16 test
locations July

@95% of
applicants test on
computer

Receive hardcopies
of test questions
and scratch paper

Enter answers on
computer (small
percentage
handwrite)



How is the Bar Exam Administered Today

Day 1

Morning Session: 3 60-minute essays

Afternoon Session: 2 60-minute essays; 1 90-minute performance test

Day 2

Morning Session: 100 multiple choice questions (3 hours)

Afternoon Session: 100 multiple choice questions (3 hours)

Schedules vary for those with extended time or extra breaks



Key Opportunities for Changes to Exam Administration Discussed



Consolidate
administration into
fewer sites



Essays and PT
delivered remotely



Use of State Bar offices for
testing accommodations
applicants



Cost Assumptions



Applicant Projections
7,500 General Applicants
3,100 Attorney Applicants



510 TA Applicants



Anticipated Increases to Facility Costs &
Proctors (2.3% increase assumed due to
inflation)



Use of ExamSoft for In-Person or Remote
Exams



Cost Reduction Models

No Change "As Is"

All Components
Administered In-
person

Multiple Test Sites
Across the State

\$5,618,700

Six Sites

All Components
Administered In-
person

Six Test Sites: 3 TA & 3
Standard Sites

Eliminates standard
and/or TA sites in
Oakland, Sacramento
and San Diego

Est annual savings:
\$855,500

Six Sites With One Remote Day

MBE Administered In-
person / Essays & PT
Administered
Remotely

Six Test Sites: 3 TA &
3 Standard Sites

Eliminates standard
and/or TA sites in
Oakland, Sacramento
and San Diego

Est annual savings:
\$1,500,000

Four Sites With 1 Remote Day

MBE Administered In-
person & Essays &
PT Administered Remotely

Four Test
Sites: 3 Standard Sites; 1
Contracted TA Site & 2 TA
sites at SB Offices

Eliminates standard
and/or TA sites in
Oakland, Sacramento and
San Diego

Est annual savings:
\$1,800,000



How Did We Arrive at Locations Selected?



Availability of Venues with
Sufficient Seating Capacity

Ontario v. San Diego

San Francisco v. Sacramento



Cost



Considerations for use of
colleges/law
schools/arenas/National Guard
sites/State buildings



Emerging Questions re: Remote Options



Methods to further increase types of accommodations that can be administered remotely? Lessons to be learned from the disability community? Other jurisdictions?



Impact of spread of exam over multiple weeks?



Ability to get sufficient assurances within tight timeline of smooth administration and sufficient technical



Staff Initial Preliminary Recommendation

For February 2024

In-person

6 sites

- 4 contracted
- 2 State Bar offices



Bar Exam Locations

	February 2023 Exam Locations	Proposed February 2024 Exam Locations
Standard Exam Locations	San Francisco Bay Area (Oakland)	San Francisco Bay Area (Daly City)
	Sacramento	N/A
	Los Angeles (Pasadena)	Los Angeles (Pasadena)
	Ontario	Ontario
	San Diego	N/A
Testing Accommodation Exam Locations	San Francisco Bay Area (Burlingame)	San Francisco Bay Area (Daly City)
	Sacramento	N/A
	Los Angeles (LAX)	Los Angeles (Downtown)
	Orange	Orange
	N/A	Ontario
	San Diego	N/A





Considerations for Use of State Bar Offices

Suitability of staff offices and cubicles for high stakes testing

Visitor capacity restrictions under new ownership

Status of renovations to SB floors, entrance area on exam dates unknown



Staff Revised Recommendation

For February 2024

In-person

6 sites

- 5 contracted
- State Bar office in Los Angeles



Cost Savings

	Feb 2024 Estimate: Current Model	Feb 2024 Estimate: 4 Contracted Sites & 2 SB Offices	Feb 2024 Estimate: 5 Contracted Sites and 1 SB Office
Proctor Costs	\$816,000	\$816,000	\$816,000
Staff Travel	\$51,000	\$51,000	\$51,000
Exam Soft License	\$179,000	\$179,000	\$179,000
Facilities	\$693,000	\$348,000	\$445,500
Other Expenses	\$495,000	\$400,000	\$400,000
Total Cost	\$2,234,000	\$1,794,000	\$1,891,500
Savings	N/A	\$440,000	\$342,500



Option to Absorb Continuing Deficit

- Fee increases less revised recommended model → continuing \$700,000 deficit
 - GF loan
 - Use of building sale proceeds (SB 40 – flexibility to expend sale proceeds on exam administration)
- Will allow additional time to identify longer term solution





Other State Bar Challenges

Loss of space if we cannot enter into contracts in short order

Ensuring smooth delivery of exam with up to 2600 applicants in a single location

- Creating a new staffing model
- Sourcing enough proctors

Coordinating the deliverables and dependencies for the February exam on a tight timeline



Recap of Different In-Person Models

No Change "As Is"	Six Contracted Sites
All Components Administered In-person	All Components Administered In-person
<p>10 Test Sites: 5 TA & 5 Standard Sites (2023 sites)</p> <ul style="list-style-type: none">Standard Sites: Oakland, Ontario, Pasadena, Sacramento, San DiegoTA Sites: Los Angeles (LAX), Orange, Burlingame, Sacramento, San Diego (Mission Valley)	<p>Six Test Sites: 3 TA & 3 Standard Sites</p> <ul style="list-style-type: none">Standard Sites: Daly City, Pasadena, Ontario (plus seats for TA)No Standard site in Oakland, Sacramento, or San DiegoTA Sites in Los Angeles (LAX), Orange, and either Sacramento or SF (Burlingame)No TA Site in San Diego
Cost for Feb. 2024: \$2,233,000	Cost Savings: \$206,000

Recap of Different In-Person Models

4 Contracted Sites Plus 2 SB Offices	5 Contracted Sites Plus 1 SB Office
All Components Administered In-person	All Components Administered In-person
<p>Six Test Sites: 3 TA & 3 Standard Sites</p> <ul style="list-style-type: none">• Standard Sites: Daly City, Pasadena, Ontario (plus seats for TA)• No Standard Site in Oakland, Sacramento, or San Diego• TA Sites in Los Angeles (downtown), Orange, SF (downtown)• No TA Site in Sacramento or San Diego	<p>Six Test Sites: 3 TA & 3 Standard Sites</p> <ul style="list-style-type: none">• Standard Sites: Daly City, Pasadena, Ontario (plus seats for TA)• No Standard Site in Oakland, Sacramento, or San Diego• TA Sites in Los Angeles (downtown), Orange, either SF (Burlingame) or Sacto• No TA Site in Sacramento (poss.) or San Diego
Cost Savings: \$440,000	Cost Savings: \$342,500

Examples of Applicant Challenges

Increased distance
to bar exam sites

Expense of hotel
accommodations if
test location far
from home

As identified
through public
comment



Preliminary Themes From Public Comment



FINAL PUBLIC COMMENT
PERIOD CLOSES JULY 31, 2023



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