

STATE BAR FUNDING NEEDS



The State Bar of California



THE FACTS

THE STATE BAR HAS NOT HAD A FEE INCREASE FOR OVER 20 YEARS.

1998 \$333 2018

OVER THE PAST DECADE THE COST OF LABOR AND CPI HAVE OUTPACED GROWTH IN GENERAL FUND REVENUE



IF THE FEE HAD BEEN PEGGED TO INFLATION, TODAY IT WOULD BE OVER \$500.



THE CONSEQUENCES OF NO FEE INCREASE

THE BAR WILL HAVE **TO CUT**

- › OPERATIONS
- › PROGRAMMING
- › PERSONNEL



THE SOLUTION

A \$100 INCREASE TO LICENSING FEES



ANNUAL CPI ADJUSTMENT & MULTI-YEAR FEE BILL



\$250 ONE-TIME ASSESSMENT FOR INFRASTRUCTURE & TECHNOLOGY



\$80 ONE-TIME TO SUSTAIN THE CLIENT SECURITY FUND



THE PUBLIC PROTECTION IMPACT

- › State Bar is able to fulfill its public protection functions: admissions, licensing, regulation, discipline, increasing the profession's diversity and inclusion, and expanding access to legal services.
- › By investing adequately in technology and infrastructure, the agency is able to increase efficiency and improve services for the public and licensees.
- › Victims of unscrupulous lawyers can continue to receive reimbursement from the Client Security Fund.



Licensing Fee Increase: \$100, ongoing

- \$40 for new positions in the Office of Chief Trial Counsel to address statutory case processing timelines.
- \$17 for fair and equitable retiree health benefits for represented staff.
- \$13 for negotiated cost-of-living increases for represented staff.
- \$30 to address the ongoing funding deficit resulting from a 20-year stagnant licensing fee.



Technology and Infrastructure Assessment: \$250, one-time increase

- \$134 for Five-Year Capital Plan investments, including maintenance of HVAC systems, elevators, a data center, fire and life safety, generators, and building recladding.
- \$82 for technological upgrades, such as a new licensee management system, hardware, enterprise records management, and security and disaster recovery.
- \$34 to establish a two-month reserve in the General Fund pursuant to reserve balance recommendations made by the California State Auditor.



Client Security Fund Assessment: \$80, one-time increase

- The CSF operated with a surplus for its entire history prior to 2009.
- After 30 years of stability and timely reimbursements, the onset of the loan modification crisis brought a flood of applications to the CSF. The State Bar fully reimbursed victims, with disbursements peaking at \$50 million in 2012.
- The CSF currently has an estimated outstanding balance of \$20 million for applications eligible for payment.
- The State Bar has endeavored to identify additional CSF resources, but absent a significant one-time fee increase, these efforts will have a marginal impact on the ability to adequately reimburse victims of attorney misconduct.