IN THE SUPREME COURT OF THE STATE OF CALIFORNIA

REQUEST OF THE STATE BAR OF CALIFORNIA FOR SPECIAL REGULATORY ASSESSMENT

OFFICE OF GENERAL COUNSEL
THE STATE BAR OF CALIFORNIA
VANESSA L. HOLTON, State Bar No. 111613
General Counsel
ROBERT G. RETANA, State Bar No. 148677
Deputy General Counsel
DESTIE L. OVERPECK, State Bar No. 111930
Assistant General Counsel
180 Howard Street
San Francisco, California 94105
Telephone: (415) 538-2356
Facsimile: (415) 538-2321
Email: vanessa.holton@calbar.ca.gov

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IN THE SUPREME COURT OF THE STATE OF CALIFORNIA

REQUEST OF THE STATE BAR OF CALIFORNIA FOR SPECIAL REGULATORY ASSESSMENT

I. INTRODUCTION

After full negotiation involving stakeholders and multiple legislative hearings, the California Legislature adjourned its 2015-2016 Regular Session on August 31, 2016, without having enacted a fee bill authorizing the State Bar of California ("State Bar") to collect from active members the basic annual membership fee of $315 provided under Business and Professions Code[1] section 6041. In the absence of a fee bill and without an order of special regulatory assessment ("Assessment") from this Court, the State Bar will be without the necessary revenue to operate beyond early 2017. In response to this Court's letter to the State Bar of September 8, 2016, the State Bar requests the Court to adopt a rule imposing an Assessment on attorneys actively engaged in the practice of law. Consistent with the September 12, 2016, resolution of its Board of Trustees, the State Bar provides several options from which the Court can select a level of Assessment.

[1] All further section references are to the California Business and Professions Code, unless otherwise specified.

The Court may grant the State Bar's request pursuant to its inherent power to regulate the legal profession and in light of the well-established role of the State Bar as an administrative arm of the California Supreme Court. As more fully set forth herein, an Assessment is required to fund the State Bar's public protection functions, including a fully operational disciplinary system. As described in this Court's decision in *In re Attorney Discipline System* (1998) 19 Cal.4th 582, the absence of State Bar funding presents a substantial risk to the continuity of those functions. The lack of a functioning attorney disciplinary system places the public, the integrity of the legal profession and the interest of the courts all at great risk. The absence of funding also threatens the employment security of the State Bar work force, which is essential to the State Bar's continued performance of its public protection functions.

The State Bar respectfully asks this Court to rule on its request by the end of November 2016 so that it may issue its annual membership fee statements as customary on December 1; and so that it may collect the Assessment on a schedule that continues State Bar operations without harm to the public, the profession or the judiciary.

II. THE STATE BAR OF CALIFORNIA

A. Origin and Purpose of the State Bar of California

In 1927, the California Legislature created the State Bar with the enactment of the State Bar Act. (Stats. 1927, ch. 34, p. 38; *Greene v. Zank* (1984) 158 Cal.App.3d 497, 504.)[2] The State Bar Act describes the role of the State Bar:

> The board may aid in all matters pertaining to the advancement of the science of jurisprudence or to the improvement of the administration of justice, including, but not by way of limitation, all matters that may advance the professional interests of the members of the State Bar and such matters as concern the relations of the bar with the public.

(§ 6031, subd. (a).)

In 1960, the electorate amended the California Constitution to declare the State Bar a constitutional body to which all practicing California attorneys must belong.[3] The State Bar's mandate was most recently articulated in 2012 when the Legislature adopted for the first time a public protection charge:

> Protection of the public shall be the highest priority for the State Bar of California and the

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[2] The current version of the State Bar Act is found in section 6000 et seq. (Added by Stats. 1939, ch. 34, p. 347, § 1.)

[3] Article VI, section 9, of the California Constitution states: "The State Bar of California is a public corporation. Every person admitted and licensed to practice law in this State is and shall be a member of the State Bar except while holding office as a judge of a court of record."

> board of trustees in exercising their licensing, regulatory, and disciplinary functions. Whenever the protection of the public is inconsistent with other interests sought to be promoted, the protection of the public shall be paramount.

(§ 6001.1)

The State Bar is a public corporation created as an administrative arm of the California Supreme Court for the purpose of assisting in matters of admission and discipline of attorneys. (*In re Attorney Discipline System, supra,* 19 Cal.4th 582, 599-600.) The State Bar also assists in many other regulatory functions. The Court possesses the expressly reserved, primary inherent judicial authority to regulate the practice of law, which includes the power to admit and discipline attorneys. (*Id.* at pp. 592, 599-600.) As an integrated or unified bar, the State Bar is authorized to engage in a broad spectrum of activities to promote the improvement of the administration of justice, which encompasses at one end its core functions to assist in regulating the legal profession and at the other end to "advance the professional interests of the members of the State Bar … ." (§ 6031, subd. (a); *Keller v. State Bar of California* (1990) 496 U.S. 1, 5, 15.)

B. Public Protection Functions of the State Bar of California Funded by Mandatory Fees

1. Office of Chief Trial Counsel

The State Bar's Office of Chief Trial Counsel ("OCTC") prosecutes members of the State Bar for violations of the State Bar Act and the

California Rules of Professional Conduct. The intake and enforcement units of OCTC receive and investigate complaints and prosecute members for ethical violations. Cases originate from complaints by members of the public, referrals from judicial officers and matters initiated by the State Bar." (§§ 6049.1; 6068, subd. (o); 6086.7; 6086.8; & 6091.1.)

If sufficient evidence develops to proceed with prosecution, trial counsel file charges in the State Bar Court. In the absence of a negotiated resolution, the case proceeds to trial in the hearing department of the State Bar Court. A trial court decision can be appealed to the review department of the State Bar Court by either OCTC and/or the member. Thereafter, OCTC and/or the member can petition for review in the Supreme Court. Upon the filing of any State Bar Court recommendation for discipline, with the exception of a reproval imposed by the State Bar Court, the decision and record is transmitted to the Supreme Court. Discipline is imposed by Supreme Court final order.

OCTC also receives and investigates complaints and pursues statutorily-prescribed remedies against non-attorneys who engage in the unauthorized practice of law. (§ 6125 et seq.) When appropriate, OCTC refers the matter to a district attorney's office for possible criminal prosecution. (§ 6126, subd. (a).) OCTC may also apply to the appropriate superior court for the court to assume jurisdiction over the practice of non-

attorneys who hold themselves out as authorized to practice law. (§ 6126.3.) OCTC may seek civil penalties and equitable remedies against a non-member who engages in misleading advertising by using words in a foreign language that imply that the person is authorized to practice law such as "notario" or "notario public." (§ 6126.7.)

In 2015, OCTC received 15,796 new complaints against members of the Bar, closed 15,706 cases and filed formal charges in the State Bar Court in 558 cases. The Supreme Court issued final orders that disbarred 174 attorneys and suspended 247 attorneys. Four thousand six hundred and fifty-nine attorney discipline cases were pending in OCTC by the end of 2015. In 2015, there were 581 cases opened, 655 cases resolved, and 463 cases pending at the end of the year against non-attorneys alleged to have engaged in the unauthorized practice of law. The 2015 Annual Discipline Report[4] shows that the backlog of complaints against attorneys pending for more than six months had dropped to its lowest level since 2009. Even though the number of filings in State Bar Court decreased compared to 2014, the number of attorneys suspended or disbarred increased in 2015.

Between January 1 and August 31, 2016, OCTC received approximately 10,211 new complaints against members, closed approximately 9,579 cases and filed formal charges in the State Bar Court

[4] The State Bar of California, *Attorney Discipline Report for the Year Ending December 31, 2015* (April 30, 2016) <http://www.calbar.ca.gov/AboutUs/Reports.aspx> [as of Sept. 26, 2016].

in approximately 330 cases. There were approximately 4,687 attorney discipline cases pending in OCTC at the end of August 2016. At that time, there were 276 cases pending against non-attorneys alleged to have engaged in the unauthorized practice of law.

2. State Bar Court

The State Bar Court is the independent, adjudicative entity acting as an administrative arm of the Supreme Court to hear and decide attorney disciplinary and regulatory proceedings and to make recommendations to the Supreme Court regarding those matters. The State Bar Court consists of a five-judge hearing department and a three-judge review department in Los Angeles and San Francisco. The hearing department is the trial level of the State Bar Court. The review department is the appellate level of the State Bar Court. On September 19, 2016, there were approximately 500 matters pending in the hearing department and 41 matters in the review department.

3. Fee Arbitration

The State Bar must maintain a system of fee arbitration and mediation of disputes between clients and members concerning fees or costs charged by attorneys for professional services. (§ 6200, subd. (a).) The State Bar's fee arbitration program includes a network of local programs sponsored by 41 participating county bar associations. (§ 6200, subd. (d).) Attorney participation is mandatory if requested by clients.

A special committee appointed by the State Bar in 1973 to study the viability of a fee arbitration program reported that disputes over professional fees were at the core of many disciplinary complaints.[5] The special committee specifically found that "[m]any disciplinary complaints could be avoided if an effective fee dispute mechanism existed" and predicted that "many of the unconscionable fee disciplinary complaints may be shifted to requests for arbitration under the system." (*Id.* at pp. 6, 8-9.)

In 2015, the State Bar fee arbitration program received 3,900 calls from clients and attorneys about the program. Over 1,200 arbitrations were handled by local bar associations and the State Bar in 2015. The program is also responsible for assisting clients in enforcing arbitration awards where an attorney refuses to comply with a binding arbitration award to return unearned fees. (§ 6203, subd. (d).)

4. Office of Probation[6]

The Office of Probation monitors disciplined attorneys who are required to comply with probation or reproval conditions pursuant to orders issued by the Supreme Court and/or the State Bar Court.

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[5] The State Bar of California, *Report of Special Committee on Resolution of Attorney Fee Disputes* (April 29, 1976), at p. 6.

[6] The Office of Probation was part of the OCTC in 1998, and was therefore not listed separately in the assessment ordered in *In re Attorney Discipline System, supra,* 19 Cal.4th 582, 621. The Office of Probation ultimately became an independent department in or around 2003.

5. Office of Professional Competence

The State Bar's Office of Professional Competence ("OPC") is responsible for administering programs and activities aimed at enhancing lawyer competence and preventing lawyer misconduct. A primary function of OPC is to administer the State Bar's Ethics Hotline -- a telephone ethics information and research service that heightens awareness and assists thousands of attorneys to conform their practice to ethical standards. By offering members an opportunity to present ethical issues and referring them to relevant authorities and materials, the Ethics Hotline prevents violations of the State Bar Act and the California Rules of Professional Conduct before they occur.

In 2015, the Ethics Hotline received and responded to more than 13,400 calls, which together with return and follow-up calls totaled more than 20,000 calls. Of the 2015 inquiries, 19 percent concerned fees and costs for professional services; 17 percent concerned communications with clients, opposing counsel or parties, witnesses and others; 15 percent concerned relations with clients and conflicts of interest; 12 percent concerned client confidences and secrets; and 11 percent concerned lawyer advertising.

In addition, OPC serves as staff to the Board of Trustees and its committees, special commissions and task forces involved in the development of proposed amendments to the California Rules of

Professional Conduct and other regulatory authorities on legal ethics. OPC staffs: (1) the Standing Committee on Professional Responsibility and Conduct, which is charged with developing the State Bar's advisory legal ethics opinions and ethics alert articles; and (2) the Commission for the Revision of the Rules of Professional Conduct, which is preparing recommendations for comprehensive amendments to the Rules (§ 6076) in accordance with this Court's instructions for project completion by March 31, 2017.

OPC also monitors attorney compliance with statutory restrictions on demand letters sent to a potential defendant in construction-related disability access claims pursuant to section 6106.2 and Civil Code section 55.32, which were enacted by Senate Bill No. 1186. (Sen. Bill No. 1186 (2011-2012 Reg. Sess.) § 5.) OPC's work in this area protects potential defendants from lawyers who might otherwise misuse disability access laws to obtain quick monetary settlements without regard to the actual implementation of repairs of property deficiencies.[7]

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[7] The purpose of Senate Bill 1186 is set forth in an uncodified section of the bill, which states:

> The Legislature finds and declares that a very small number of plaintiffs' attorneys have been abusing the right of petition under Sections 52 and 54.3 of the Civil Code by issuing a demand for money to a California business owner that demands the owner pay a quick settlement of the attorney's alleged claim under those laws or

6. Office of Member Records and Compliance

The Office of Member Records and Compliance ("Member Records") is responsible for billing any costs and penalties that persons licensed to practice law in California must pay. (§ 6143.) These include reimbursements to the Client Security Fund[8] (§ 6140.5) and costs imposed by disciplinary orders of this Court. (§ 6140.7.) In addition, Member Records is responsible for maintaining the roll of attorneys admitted to practice law, including: each member's current physical address, telephone number, and email address; any specialties in which the member is

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> else incur greater liability and legal costs if a lawsuit is filed. These demands for money allege one or more, but frequently multiple, claims for asserted violations of a construction-related accessibility standard and often demand a quick money settlement based on the alleged multiple claims without seeking and obtaining actual repair or correction of the alleged violations on the site. These "pay me now or pay me more" demands are used to scare businesses into paying quick settlements that only financially enrich the attorney and claimant and do not promote accessibility either for the claimant or the disability community as a whole. These practices, often involving a series of demand for money letters sent to numerous businesses, do not promote compliance with the accessibility requirements and erode public support for and confidence in our laws.

(Sen. Bill No. 1186 (2011-2012 Reg. Sess.) § 24.)

[8] The Client Security Fund provides reimbursement to victims of attorney misconduct.

certified; any other jurisdictions in which the member is admitted and dates of such admission; any record of discipline, including terms and conditions of any probation imposed, and, if suspended or disbarred, dates of any reinstatement. (Cal. Rules of Court, rule 9.6; § 6002.1.) Member Records also administers the transfer of members from active to inactive status, whether voluntarily requested by the member (§ 6005), or involuntarily imposed (§§ 6007; 6070, subd. (a); 6143; 6143.5; 6203, subd. (d); Cal. Rules of Court, rule 9.22).

Member Records is also responsible for monitoring attorney compliance with Minimum Continuing Legal Education requirements, and administering the Law Corporation and Limited Liability Partnership, and Special Master Registration programs. Member Records maintains a dedicated call center for attorneys with questions about their ongoing regulatory and licensing requirements.

7. Office of General Counsel

The Office of General Counsel ("OGC") provides legal advice and representation to all State Bar entities, including OCTC, on a variety of issues including those arising from its disciplinary system. OGC reviews and responds to petitions, briefs, and other pleadings filed in the Supreme Court pursuant to California Rules of Court, rule 9.13, seeking review of decisions by the State Bar Court concerning members or prospective members. OGC prepares petitions to the Supreme Court on behalf of

OCTC, seeking review of recommendations and decisions of the State Bar Court pursuant to California Rules of Court, rule 9.14. OGC defends State Bar actions on behalf of OCTC and responds to civil complaints filed in state and federal courts arising from State Bar disciplinary proceedings and admissions decisions. OGC responds to civil and criminal subpoenas and requests to OCTC under the California Public Records Act. (Gov. Code, § 6250 et seq.) OGC responds to bankruptcy petitions seeking to discharge costs or reimbursements ordered in disciplinary proceedings. OGC files judgments in the superior courts to enforce orders assessing disciplinary costs against disciplined attorneys. OGC drafts and negotiates contracts supporting the work of OCTC, including agreements related to expert witness retention, hiring, and information technology to maintain and develop OCTC's electronic case management and data retention systems. OGC also staffs the Commission for the Revision of the Rules of Professional Conduct, which, as mentioned above, is currently evaluating the existing California Rules of Professional Conduct, and will prepare the petitions to this Court for approval of the proposed amended rules.

Starting in 2016, following a recommendation of the California State Auditor to provide more effective oversight of OCTC disciplinary complaint closures, OGC reviews closed complaints at the request of complainants to determine whether to recommend to OCTC that these complaints be reopened for investigation. Also starting in 2016, OGC has

assisted in the administration of a system of outside special deputy trial counsel to handle disciplinary inquiries and complaints against attorneys where the Chief Trial Counsel ("CTC") has a conflict as defined in Rules of Procedure of the State Bar of California, rule 2201.

OGC provides advice and representation to all State Bar entities involved in the State Bar's public protection functions, including the Department of Admissions and its Committee of Bar Examiners.

8. Commission on Judicial Nominees Evaluation

Established pursuant to Government Code section 12011.5, the Commission on Judicial Nominees Evaluation ("JNE") is the State Bar entity that must evaluate all candidates under consideration for a judicial appointment by the Governor. JNE's work promotes a California judiciary of quality and integrity by providing independent, comprehensive, accurate, and fair evaluation of candidates.

9. Center on Access to Justice

The need for affordable legal assistance for low and moderate income Californians far outstrips availability for critical legal issues affecting basic human needs such as shelter, sustenance, safety, health, and family integrity.[9] Thousands of Californians who seek help are turned

[9] ABA Commission on the Future of Legal Services, *Report on the Future of Legal Services in the United States* (2016), at pp. 11-13. <http://www.americanbar.org/content/dam/aba/images/abanews/2016FLSReport_FNL_WEB.pdf> [as of Sept. 26, 2016].

away because legal aid providers do not have sufficient resources to assist all who qualify for their services. Millions more moderate-income Californians are ineligible for free legal aid yet they cannot afford to pay for lawyers.[10] Since 2000, the number of Californians living in poverty has increased by more than 25 percent from 6 million to over than 8 million, and the number of Californians over 65 has increased from 3.5 million to over 4.5 million.

The purpose of the State Bar's Center on Access to Justice ("Center") is to pursue access and ensure fairness for all in California's justice system. The Center does so by identifying and developing resources for legal services organizations; developing education and training programs for pro bono work; coordinating legal aid in the aftermath of disasters; administering California's Lawyer Referral Service certification program and bilingual hotline; and, working on a variety of public policy initiatives to promote access to justice including language access, supporting the representation of unaccompanied minors, and preparing advocates to represent veterans and clients with disabilities.

California, once a leader in civil legal services funding, is now out of step with states across the country. In 2015, at least 20 other states

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[10] The State Bar of California, *Civil Justice Strategies Task Force Report & Recommendations* (2015), at p. 7. <http://board.calbar.ca.gov/docs/AgendaItem/Public/agendaitem1000013042.pdf> [as of Sept. 26, 2016].

provided more funding per eligible person than California. Local legal services organizations therefore rely on the State Bar to provide significant annual funding for their operations and to identify and develop additional resources to support their critical work. Working with the California Commission on Access to Justice and the Legal Aid Association of California, the State Bar recently helped to make millions of dollars of federal funding available for legal aid organizations to support their work with crime victims. The State Bar also played a critical role this year in helping to secure a 50 percent increase in the Equal Access Fund, which funds legal aid providers. The State Bar recently received and is administering over $45 million from the settlement of a lawsuit brought by the United States Department of Justice against two major financial institutions for mortgage fraud. The Legal Services Trust Fund, with the Center, is granting the funds to legal aid organizations for legal work they do related to community redevelopment and foreclosure prevention.

Last year, the State Bar brought together rural legal aid providers with a national rural fundraising expert to discuss best practices and innovative ways of increasing resources in rural communities. The State Bar also worked with legislative staff to identify a funding source for California's Public Interest Attorney Loan Repayment Program.

The Center hosts the Pathways to Justice Conference, the only statewide training event for California's access to justice community. The

Conference is attended by approximately 300 legal services lawyers, pro bono attorneys, court staff and judges, law professors, bar leaders, and other justice partners. In addition to protecting the public by increasing lawyer competency, the Center's trainings and coordination help save scarce resources for legal services programs.

Through the Center's Lawyer Referral Service website and bilingual hotline, the State Bar provides legal referral information to thousands of Californians each year. In 2015, over 45,000 people called the hotline, which directs individuals to certified lawyer referral services, legal aid programs, court-based self-help programs, and other legal resources available in the callers' local communities. The State Bar provides support and staffing for two active volunteer entities, the California Commission on Access to Justice, and the Standing Committee on the Delivery of Legal Services. In conjunction with these groups, the State Bar engages in wide-reaching initiatives that increase access to justice and protect the public.

A lack of adequate legal assistance can result in dire consequences, including a loss of income, housing, or educational opportunities; family instability; damage to physical or mental health; or physical violence or threats of violence.[11] Californians across the state need meaningful and

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[11] Sandefur, *Accessing Justice in the Contemporary USA: Findings from the Community Needs and Services Study (CNSS)* (Aug. 2014) American Bar Foundation <http://www.americanbar.org/content/dam/aba/administrative/delivery_legal_services/ls_del_sandefur_justice_in_the_

timely access to a functioning judicial system in order to resolve disputes and protect their rights. The lack of access to legal assistance may result in self-help criminal conduct, which victimizes other citizens and taxes the resources of law enforcement and the courts. The State Bar's access to justice activities are, thus, a matter of vital public protection.

10. California Commission on Access to Justice

The California Commission on Access to Justice ("Commission") was founded by the State Bar in 1997 as a collaborative effort among all branches of government and community leaders dedicated to finding long-term solutions to the chronic lack of legal assistance available for low-income, vulnerable Californians. The Commission's members are appointed by the California Supreme Court, the State Bar, the Governor's Office and the Legislature, among other entities.

The Commission has been instrumental in establishing the Equal Access Fund and creating or promoting other significant access initiatives, such as court self-help centers, language access in California courts, limited scope representation risk management materials, and modest means incubator projects. Through these activities, the State Bar has been able to assist in the protection of Californians across the state, including some of the state's most vulnerable residents and communities.

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contemporary_usa_final.pdf> [as of Sept. 26, 2016].

Recent highlights from the Center's work with the Commission include: unlocking significant new funding sources for legal aid organizations, reducing economic barriers to access justice; promoting full participation in trial and appellate courts for low and moderate income litigants, and encouraging new lawyers to serve low and moderate income clients.

The collaboration of the Center and the Commission provide a statewide infrastructure for protecting the public through expanded access to the courts and legal services. This is particularly important given the enormity of the justice gap and the size, scale, geographic, and racial, ethnic, and language diversity of the state.

11. California Young Lawyers Association

The California Young Lawyers Association ("CYLA") is the nation's largest association of young lawyers. Membership is mandatory for attorneys under the age of 35 or with fewer than five years in practice. CYLA's goal is to aid in the transition to practice of young attorneys and to support their service to the public. The work of CYLA encompasses legal training and education, improvement of the quality of legal services available to the people of California and pro bono opportunities. CYLA sponsors an annual symposium for its members and all California lawyers to obtain practical skills training and continuing legal education at reduced costs. In 2014, the State Bar Board of Trustees amended CYLA's charge to

include a CYLA member as an approved auditor of Minimum Continuing Legal Education providers on behalf of the State Bar. CYLA provides speakers and topics relevant to young lawyers at both the Solo & Small Firm Summit and the State Bar Annual Meeting. CYLA provides a monthly article for inclusion in the Calbar Journal and created the 10-Minute Mentor Program, which features an online collection of videos from leading lawyers in their area of expertise. Recently, CYLA has partnered with the Lawyer Assistance Program to provide assistance to lawyers who are grappling with stress, anxiety, depression or substance abuse.

12. The Office of Communications

The Office of Communications ("Communications") is responsible for ensuring that the general public and the legal community are informed about the State Bar's public protection role and knows how to access its services and resources. Communications is tasked with conveying critical information to Californians about how to protect themselves from attorney misconduct, including by filing complaints against attorneys with OCTC or seeking compensation for harm through the Client Security Fund. Communications also provides information about how to find a lawyer, including how low-income Californians can access legal services. Communications is at the center of the various areas of the State Bar's work to assist clients in obtaining legal assistance and advice. It is also in the process of updating the State Bar website and digital communications to be

fully accessible to people with disabilities and those with varying degrees of web access. Communications also provides important updates for attorneys licensed in California regarding rules and ethics guiding the profession, as well as ongoing education to improve competence.

C. State Bar Reports and Implementation of Increased Public Protection Functions

Since the appointment of new State Bar leadership in September 2015, the focus of the organization has been on reform – on the State Bar's own initiative and on recommendations from legislatively mandated reports. In addition to regularly required performance and financial audits, on May 15, 2016, the State Bar obtained and submitted to the Legislature four reports in compliance with § 6140.16:[12] a workforce planning report

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[12] Section 6140.16 provides as follows:
(a) To align its staffing with its mission to protect the public as provided in Section 6001.1 and to provide guidance to the State Bar and the Legislature in allocating resources, the State Bar shall develop and implement a workforce plan for its discipline system and conduct a public sector compensation and benefits study. The workforce plan and compensation study shall be used to reassess the numbers and classifications of staff required to conduct the activities of the State Bar's disciplinary activities.
(b) The workforce planning shall include the development and recommendation of an appropriate backlog goal, an assessment of the staffing needed to achieve that goal while ensuring that the discipline process is not compromised, and the creation of policies and procedures sufficient to provide adequate guidance to the staff of each unit within the discipline system.
(c) In addition to the requirements in subdivisions (a) and (b), the State Bar shall conduct a thorough analysis of its priorities and necessary operating costs and develop a spending plan, which includes its fund balances, to determine a reasonable amount for the annual membership fee that reflects its actual or known costs and those to implement its workforce plan.

by the National Center for State Courts analyzing the State Bar's discipline system;[13] a public sector compensation and benefits report;[14] a backlog standard report;[15] and a spending plan that outlines the resources needed to implement workforce planning and backlog standard recommendations.[16] Also, pursuant to § 6001.2, in August 2016, the State Bar issued the Governance in the Public Interest Taskforce Report,[17] after holding a series of public meetings beginning in December 2015. This report also provides recommendations for reform of the State Bar.

(d) The State Bar shall submit a report on its workforce plan and spending plan to the Legislature by May 15, 2016, so that the plans can be reviewed in conjunction with the bill that would authorize the imposition of the State Bar's membership fee. The report shall be submitted in compliance with Section 9795 of the Government Code. The State Bar shall complete and implement its workforce plan by December 31, 2016.

[13] National Center for State Courts, *State Bar of California Workforce Planning* (May 10, 2016) < http://www.calbar.ca.gov/AboutUs/Reports.aspx> [as of Sept. 26, 2016]. (State Bar Appendix A.)

[14] Engelmann, *Total Compensation Study, The State Bar of California, Office of the Chief Trial Counsel, Phase I* (May 10, 2016) CPS HR Consulting <http://www.calbar.ca.gov/AboutUs/Reports.aspx> [as of Sept. 26, 2016].

[15] The State Bar of California, *State Bar Backlog* (May 13, 2016) <http://www.calbar.ca.gov/AboutUs/Reports.aspx> [as of Sept. 26, 2016]. (State Bar Appendix B.)

[16] The State Bar of California, *Spending Plan* (May 13, 2016) <http://www.calbar.ca.gov/AboutUs/Reports.aspx> [as of Sept. 26, 2016]. (State Bar Appendix C.)

[17] The State Bar of California, *Governance in the Public Interest Task Force Report* (Aug. 2016) <http://www.calbar.ca.gov/AboutUs/Reports.aspx> [as of Sept. 26, 2016].

The State Bar has already begun implementing reforms. For example, in February 2016, the Board of Trustees adopted a proposed $146.1 million 2016 budget reflecting a 6.2 percent reduction from the 2015 budget.[18] It initiated the acquisition of a new case management system for OCTC, the State Bar Court and the Office of Probation. The State Bar has embraced transparency through robust implementation of systems to comply with the California Public Records and Bagley-Keene Open Meeting Acts, including the webcasting of Board of Trustees meetings. The Board of Trustees has adopted, among others, report recommendations to reform the State Bar's spending practices, clarify the State Bar's public protection mission, review the Board's governance structure and implement workforce planning, which involves wholesale restructuring of the State Bar discipline system.

III. STATE BAR SPECIAL REGULATORY ASSESSMENTS

A. 1998 Request for Special Regulatory Assessment

In 1998, the State Bar requested a special assessment from this Court after then Governor Pete Wilson vetoed Senate Bill No. 1145 during the 1997-1998 Regular Session, which would have authorized the State Bar to

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[18] The State Bar of California, *2017 Proposed Final Budget* (Feb. 12, 2016), at p. 1. <http://www.calbar.ca.gov/ AboutUs/Reports.aspx> [as of Sept. 26, 2016]. (State Bar Appendix D.)

collect mandatory basic fees from active members.[19] In its decision in *In re Attorney Discipline System*, the Court established two important principles relevant to the State Bar's current request. First, the power to regulate the practice of law, including the power to admit and to discipline attorneys, is *among* the inherent powers of the Supreme Court. (*In re Attorney Discipline System, supra,* 19 Cal.4th 582, 592; *Obrien v. Jones* (2000) 23 Cal.4th 40, 48.) This Court explained: "The important difference between regulation of the legal profession and regulation of other professions is this: Admission to the bar is a *judicial function,* and members of the bar are *officers of the court,* subject to discipline by the court. Hence, under the constitutional doctrine of separation of powers, the court has inherent and *primary regulatory power.*" (*In re Attorney Discipline System, supra,* 19 Cal.4th 582, 593, quoting 1 Witkin Cal Procedure (4th ed. 1996) Attorneys, § 356, p. 438 [original italics].)

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[19] In *In re Attorney Discipline System, supra*, 19 Cal.4th 586, the State Bar requested and this Court granted only the portion of the basic fees and collateral amounts that supported the disciplinary functions and administration of the admissions functions. The discipline functions for which an assessment was ordered in 1998 were: OCTC, the State Bar Court, Members Records, OPC, Office of Probation, Fee Arbitration and OGC's support of the discipline functions.

In its September 1998 request for a special regulatory assessment, the State Bar sought only 65 percent of the funding that it had requested of the Court in June 1998. The State Bar's understanding is that this partial amount was the calculated need at that time when almost the entire workforce had been laid off and operating costs were lower. At any rate, those conditions do not inform the present request by which the State Bar wishes to avoid layoffs and operate for the full year in 2017.

Second, the inherent authority extends to the power to impose fees to fund an attorney discipline system within the State Bar without violating the separation of powers between the judiciary and the legislature or other constitutional prohibition. This Court stated: (*In re Attorney Discipline System, supra*, 19 Cal.4th 582, 606, quoting *In re Lavine* (1935) 2 Cal.2d 324, 328) "In exercising our disciplinary powers over attorneys, we 'may demand more than the legislature has required' in its regulation of the same area."

B. The Court's Authority to Grant the State Bar's 2017 Request for Special Regulatory Assessment

In its September 8, 2016, letter this Court directs the State Bar to "submit a request to the court for an interim Special Regulatory Assessment to fund the Bar's discipline system until such time as legislation is enacted that provides for its funding." The letter recognizes that not only discipline and admissions are within its inherent authority. "It has long been established that the Supreme Court of California possesses the inherent constitutional power to regulate the practice of law, which *includes* the power to admit and to discipline attorneys." (Emphasis added.) In its letter, the Court refers to a *functioning* discipline system. "The court's principal concern in disciplinary proceedings is protection of the public and preservation of confidence in the legal profession, interests served by

maintaining the highest possible professional standards for attorneys. [Citations.]" (*Baker v. State Bar* (1989) 49 Cal.3d 804, 822.)

After the 1998 assessment, the 2012 legislative enactment that became section 6001.1 introduced for the first time a broader "public protection" charge. (Sen. Com. on Judiciary, Analysis of Sen. Bill No. 163 (2011-2012 Reg. Sess.) as amended Sept. 2, 2011, p. 1.) Public protection must "include three core elements: reactive, proactive, and activities that contribute to the effective functioning of the legal system and the diversity of the profession."[20]

Reactive public protection includes the State Bar's discipline functions. Proactive public protection includes public outreach and programs that provide attorney education, and are also within the Court's inherent authority. (See Cal. Rules of Court, rule 9.31; *Warden v. State Bar* (1999) 21 Cal.4th 628, 653 [dissent opn. Kennard, J.].) Public protection activities that contribute to the effective functioning of the legal system include JNE, by ensuring high quality judicial appointees (see *Hoffman v. State Bar of California* (2003) 113 Cal.App.4th 630, 635), and the Center and Commission, by ensuring the public's access to legal services. (See *Superior Court v. County of Mendocino* (1996) 13 Cal.4th 45). Pro bono work, which is expected of attorneys (§ 6073; *In re Glass* (2014) 58 Cal.4th

[20] The State Bar of California, *Governance in the Public Interest Task Force Report* (Aug. 2016), at p. 17. <http://www.calbar.ca.gov/AboutUs/Reports.aspx> [as of Sept. 26, 2016].

500, 526), is promoted by programs such as CYLA. The public outreach and communications with members of the bar handled by Communications contribute to the effective functioning of the legal system and thus fall within the public protection mission of the State Bar.

C. Options For a Special Regulatory Assessment to Fund the State Bar in 2017

Section 6140 authorizes an annual membership fee for active members of the State Bar at a sum not to exceed $315.[21] In the current absence of a State Bar fee bill, this section is repealed on January 1, 2017. The $315 basic amount has not been increased since 2007. (Assem. Bill 1529 (2005 -2006 Reg. Sess.) § 2.). Independent of a fee bill or judicial order for active member dues, the State Bar may collect only certain other mandatory and voluntary amounts.[22] State Bar Appendix E is a copy of the sample 2016 State Bar fee statement.

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[21] Currently, there are two opt-outs from this amount: $5 for Legislative Activities (§ 6140.05) and $5 for Elimination of Bias/Bar Relations. (*Keller v. State Bar of California, supra,* 496 U.S.1; *Brosterhous v. State Bar* (1995) 12 Cal.4th 315.

[22] These amounts are:

- Annual membership fees for inactive members in an amount not exceeding $75 (§ 6141);
- Client Security Fund mandatory fee of $40 for active members and $10 for inactive members (§ 6140.55; *In re Attorney Discipline System, supra,* 19 Cal.4th 582, 617, 623);
- Lawyer Assistance Program mandatory fee of $10 for active members and $5 for inactive members (§ 6140.9);
- Costs of the disciplinary system mandatory fees in an amount not to exceed $25 for active and inactive members (§ 6140.6; *In re Attorney*

The following table entitled "Assessment Options" sets forth a summary of options for the Court to consider in determining the level of an Assessment for the State Bar's operations in 2017. A brief description of the components of these options is set forth below the table. State Bar Appendix F, attached to the Declaration of State Bar Chief Operating Officer Leah Wilson, provides a detailed review of the State Bar budget as related to the mandatory fee assessment, including revenues and expenses, as well as a full overview of the methodology used to develop the Assessment Option figures.

Discipline System, supra, 19 Cal.4th 582, 623);

- Costs assessed against disciplined members (§ 6140.7);
- Administrative penalties and reasonable costs assessed for failure to comply with a binding mandatory fee arbitration award, judgment or agreement (§ 6203, subd. (d)(3));
- Certified Legal Specialist fees (Cal. Rules of Court, rule 9.35);
- Voluntary recommended donation of $75 to the California Bar Foundation (Board Resolution, September 13, 2014);
- Voluntary contribution of $100 to support nonprofit organizations that provide free legal services to persons of limited means (§ 6033);
- Voluntary fee of $40 for legal services assistance (§ 6140.03);
- Voluntary sections fees (§ 6031.5, subd. (b));
- Voluntary donations on behalf of the Conference of Delegates of California Bar Associations (§ 6031.5, subd. (c)); and
- Voluntary fees on behalf of and for the purpose of funding the California Supreme Court Historical Society (§ 6032).

ASSESSMENT OPTIONS

	Discipline Functions			Public Protection Functions		
Base Cost Per Member			$280			$305
Possible Add-Ons						
Implement Workforce Planning Only			$9			$9
Implement Backlog Reduction *Only*	to 180 days	to 197 days	to 243 days	to 180 days	to 197 days	to 243 days
	$53	$46	$26	$53	$46	$26
Implement Workforce Planning **AND** Backlog Reduction	To 180 Days	to 197 days	to 243 days	to 180 days	to 197 days	to 243 days
	$56	$48	$28	$56	$48	$28
Appointment of Monitor			$2.50			$2.50
Adjustments for Opt-Outs						
Legislative Activities			$5			$5
Elimination of Bias and Bar Relations			$5			$5
CPM Range			**$280-$348.50**			**$305-$373.50**

Base Cost Per Member: Amounts reflect the level of funding needed to support Discipline or Public Protection programs to maintain the status quo. Figures in this row reflect an offset of non-mandatory member fee revenue that can be used to support discipline or public protection functions.

Implement Workforce Planning Only: Statutorily mandated workforce planning was completed in May 2016. (State Bar Appendix A.) Implementing Workforce Planning recommendations for OCTC alone will require an additional $9 per active member. This funding will be used to increase OCTC personnel.

Implement Backlog Reduction Only: A statutorily mandated Backlog Report was completed in May, 2016. (State Bar Appendix B.) That report identifies the number of additional staff needed to achieve various case processing timeline goals including the current statutory target of 180 days, and feasible and enhanced goals of 243 and 197 days respectively. Additional per-member assessments ranging from $26 to $56 are needed to achieve backlog reduction goals; funding will be used to increase OCTC personnel.

Implement Workforce Planning and Backlog Reduction: Economies of scale are realized by addressing both workforce planning and backlog reduction recommendations. Additional funding needed to implement both ranges from $28 to $56 per member.

Appoint Monitor: The State Bar estimates the cost of an individual to monitor and report on the State Bar's progress in reforming its discipline system to be $450,000 annually. This translates to a per-member cost of $2.50.

Adjust for Legislative Activities Opt-Out: Section 6140.05 provides for a $5 deduction from the mandatory fee set forth in § 6140, subd. (a) for Legislative Activities. A $5 increase to the per-member Assessment established by the Court is needed to account for this deduction.

Adjust for Elimination of Bias and Bar Relations Opt-Out: Board of Trustees' action in 2001 established an additional $5 deduction from the mandatory fee set forth in § 6140, subd. (a) to support the State Bar's work to increase diversity in the legal profession and judiciary, and ensure strong connections with local and affinity bar associations. A $5 increase to the per-member Assessment established by the Court is needed to account for this deduction.

IV. PAST IS PROLOGUE: WITHOUT A COURT-ORDERED SPECIAL REGULATORY ASSESSMENT, PUBLIC PROTECTION IS THREATENED

Without a Court-ordered assessment for 2017, the State Bar will not be able to collect mandatory active member dues and the present operations of the State Bar will cease. The conditions and experiences of the State Bar after the 1997 failure of the Legislature to enact a fee bill are instructive. At the beginning of 1998, there were approximately 700 employees of the State Bar. In the first quarter of that year, the State Bar laid off 6.4 percent of its employees and issued 60-day notices to nearly 75 percent of its remaining work force.[23] Sixty employees voluntarily resigned. The projected layoffs became effective on or about June 26, 1998.

[23] Many of the employees who were not laid off remained employed because their positions were user-funded. This, for example, included the Office of Admissions, which is funded by applicants to the bar examinations.

The staff of OCTC shrunk from 285 to 20 employees. Work was suspended on 4,459 open investigations. The Bar closed its consumer complaint hotline and, at the Court's request, informed potential complainants to submit written complaints that would be processed when the Bar was again able to do so. By December 1998, total pending complaints exceeded the 1985 backlog that had generated widespread criticism. The State Bar Court laid off 45 of its 52 employees and suspended proceedings in all but a few egregious matters. The State Bar Court judges worked for less than full salary. Because no employees remained, Fee Arbitration stopped enforcing arbitration awards. The Office of Probation was reduced to one employee. The Ethics Hotline shut down. Member Records was reduced from 25 to 8 employees. The State Bar terminated many contracts and leases.

Each day of legislative impasse reduced the ability of the State Bar to recall or rehire employees. Many found other jobs, making permanent the loss of some of the State Bar's highly trained and most experienced staff. Fewer than 25 percent of attorneys paid dues voluntarily. After the funding was finally restored, it took approximately two years before the State Bar was able to function in full. (*In re Attorney Discipline System, supra,* 19 Cal.4th 582, 614.)

Without a Court-ordered assessment of fees for 2017, the past will most certainly be prologue. The State Bar would need to begin issuing layoff notices by January 31, 2016, with an expected significant reduction in staff to occur by April 1. The State Bar would be required to provide significant severance pay and other required benefits to laid-off employees. Without an assessment, the State Bar's bank loans on its real property may default and divert the majority of its reserves to paying off the loans, thereby reducing the funds available for State Bar operations.

V. CONCLUSION

In 1998, consistent with its inherent authority to regulate the legal profession, this Court promulgated a rule that ordered an assessment of California attorneys for the State Bar's discipline system after the Governor vetoed a legislative fee bill. After the Court's ruling, the Legislature in 2012 enacted section 6001.1, which contained for the first time a public protection charge. As such, the State Bar's primary role is to support broader public protection, a definition that includes both reactive and proactive functions as well as contributions to the effective functioning of the legal system. With this role in mind, the State Bar has begun to implement various reforms – some self-initiated and others the product of legislatively mandated study and recommendation - with the funding available to it by statute.

After substantial negotiations by and between both houses of the Legislature, as well as the involvement of various stakeholders, including the active engagement of the Chief Justice of this Court, the 2015-2016 Regular Legislative Session ended without a fee bill that would enable the State Bar to continue its public protection functions throughout 2017. In light of the legislative impasse, the predicted impairment of the State Bar's ability to maintain its public protection functions, and the inevitable harm to the public, judicial intervention is necessary to grant the requested relief at this time. While this Court has traditionally respected the Legislature's role in regulating the admission and discipline of attorneys, it retains its ultimate constitutional power in this area. There is clear legal authority for the Court to grant the State Bar's request for an Assessment to fund fully the State Bar's regulatory functions. The State Bar has analyzed the operational and financial characteristics of its various public protection functions to enable the Court the make an informed choice in considering the State Bar's request for an Assessment of its members.

The State Bar asks this Court to act expeditiously to prevent a recurrence of the conditions that took place in 1998 when, in the absence of a legislatively authorized fee, the State Bar virtually ceased to operate. In explaining its adoption then of a rule imposing an assessment on active members, the Court stated: "Our action today is intended to respond to an unprecedented emergency threatening the protection of the public, the

integrity of the legal profession, and the interests of the courts. In short, the administration of justice is at risk." (*In re Attorney Discipline System, supra,* 19 Cal.4th 582, 625.)

Dated: September 30, 2016

Respectfully submitted,

VANESSA L. HOLTON
ROBERT G. RETANA
DESTIE OVERPECK

By: _____
VANESSA L. HOLTON
General Counsel
The State Bar of California

WORD COUNT CERTIFCATE PURSUANT TO

CALIFORNIA RULE OF COURT 8.520(C)(1)

Pursuant to rule 8.520(c)(1) of the California Rules of Court, I hereby certify that this brief contains 7,903 words. I have relied on the word count of the computer program used to prepare the brief.

Dated: September 30, 2016

VANESSA L. HOLTON

APPENDIX A

STATE BAR OF CALIFORNIA

WORKFORCE PLANNING

Report to the Office of the Executive Director

May 10, 2016

Laura Klaversma, Project Director
Janet Cornell
John Douglas
Greg Langham
Lee Suskin

Daniel J. Hall, Vice President
Court Consulting Services
707 Seventeenth Street, Suite 2900
Denver, Colorado 80202-3429
(303) 293-3063

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National Center for State Courts

This document has been prepared under an agreement between the National Center for State Courts ("NCSC," "National Center," "Center") and the State Bar of California (Bar). The National Center is an independent, nonprofit, private corporation, chartered in 1971, targeting the improvement of courts and justice systems nationwide and around the world. This workforce planning study reviews the operations and procedures of the departments of the Bar responsible for its discipline system with the objective of ensuring that the disciplinary functions of the Bar are managed effectively and efficiently to support the primary purpose of the organization: protection of the public. These functions include the Office of the Chief Trial Counsel, the State Bar Court and other units that have a substantial nexus with some aspect of the discipline system, namely the Office of Probation, Member Records and Compliance, the Client Security Fund and the Lawyer Assistance Program. The NCSC also examined staffing levels and business processes in a number of other areas of the Bar's operations in order to assist the Bar in identifying possible efficiencies that could be realized in these areas in support of a goal of increasing resources for the discipline system. Business process reengineering areas included: High Volume Call Intake, Ethics and Attorney Training, Meeting and Event Support, and Information Technology Support Services. While the recommendations regarding these areas of Bar operations are not included in this report, the information collected will be used by the Bar to inform the implementation phase of workforce planning. The points of view and opinions offered in this report are those of the project consultants as agents of the National Center and do not necessarily represent the official policies or position of the Bar. NCSC grants the Bar a royalty-free, non-exclusive license to produce, reproduce, publish, distribute or otherwise use, and to authorize others to use, all or part of this report for any governmental or public purpose.

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EXECUTIVE SUMMARY

The State Bar of California (Bar) is a judicial branch agency that operates to ensure that the legal profession serves the people of the state in a manner consistent with the highest standards of professional competence, care, and ethical conduct. It also serves as an administrative adjunct to the California Supreme Court (Supreme Court) on all matters pertaining to the admission, discipline and regulation of California's approximately 250,000 active lawyers.

The Legislative Mandate. Business and Professions Code section 6140.16 states:

> (a) To align its staffing with its mission to protect the public as provided in Section 6001.1 and to provide guidance to the State Bar and the Legislature in allocating resources, the State Bar shall develop and implement a workforce plan for its discipline system and conduct a public sector compensation and benefits study. The workforce plan and compensation study shall be used to reassess the numbers and classifications of staff required to conduct the activities of the State Bar's disciplinary activities.
> (b) The workforce planning shall include the development and recommendation of an appropriate backlog goal, an assessment of the staffing needed to achieve that goal while ensuring that the discipline process is not compromised, and the creation of policies and procedures sufficient to provide adequate guidance to the staff of each unit within the discipline system.
> (c) In addition to the requirements in subdivisions (a) and (b), the State Bar shall conduct a thorough analysis of its priorities and necessary operating costs and develop a spending plan, which includes its fund balances, to determine a reasonable amount for the annual membership fee that reflects its actual or known costs and those to implement its workforce plan.
> (d) The State Bar shall submit a report on its workforce plan and spending plan to the Legislature by May 15, 2016, so that the plans can be reviewed in conjunction with the bill that would authorize the imposition of the State Bar's membership fee. The report shall be submitted in compliance with Section 9795 of the Government Code. The State Bar shall complete and implement its workforce plan by December 31, 2016.

Bar Disciplinary Responsibilities. Although the exact scope of the Bar's discipline system is not defined in statute, for purposes of this report[1] the Bar's disciplinary activities include the following:

- Office of the Chief Trial Counsel (OCTC): investigates and prosecutes attorneys for violations of the Rules of Professional Conduct and State Bar Act;
- State Bar Court (SBC): hears cases in attorney discipline matters and recommends discipline to the Supreme Court;
- Office of Probation (OP): monitors disciplined attorneys who have been ordered to comply with probation or reproval conditions pursuant to orders issued by the Supreme Court or SBC;
- Lawyer Assistance Program (LAP): provides substance abuse and mental health support services to members of the bar;
- Client Security Fund (CSF): reimburses victims of attorney theft and dishonesty; and
- Member Records and Compliance (MRC): maintains the official list and status of attorneys who are licensed to practice law in California, and monitors compliance with membership requirements.

Together, these Departments comprise 317 of the Bar's 530 staff, or 60 percent of the Bar's overall workforce.

The NCSC Contract. The Bar contracted with the National Center for State Courts (NCSC) to conduct a workforce planning analysis to include the following elements:

- Documentation of current business processes, workflow, staffing levels and metrics;
- Development of a workforce plan, including recommendations regarding organizational structure and staffing levels that maximize the efficiency and effectiveness of the Bar's discipline system; and
- Examination of whether consolidation of units or functions and/or the reallocation of personnel and resources will improve the efficiency or performance of the discipline system operations of the Bar.

In addition, the Bar's contract with NCSC included several areas for a business process reengineering assessment[2]. That assessment, described briefly in Appendix A, will be completed subsequent to the May 15, 2016, due date for the workforce planning assessment and will inform the implementation of assessment recommendations, slated for December 31, 2016.

[1] A workforce planning analysis provides an organization with an opportunity to review inter-connected aspects of its organization concurrently. The Departments selected for review work closely together to effectuate the Bar's discipline activities.

[2] Business process reengineering (BPR) involves the redesign of business processes to achieve improvements in efficiency and quality. Appendix A includes the scope of work provided by NCSC, as well as findings and recommendations, with regard to BPR.

Methodology of the Study. To conduct this workforce planning study, NCSC consultants took an iterative approach using multiple methods to arrive at its conclusions. A description of the methodology is provided in greater detail in the body of the report, but the main elements of the research included:

- Entry meeting with project sponsors to clarify the scope of work, timeline and task plan;
- Review and evaluation of statutes, rules, data sets, job descriptions, organization charts and other documents that bear on the work of the Bar;
- A survey of the Bar's discipline system employees to capture insights from staff who are most familiar with the work processes and opportunities for improvement;
- Site visits and focused interviews with small groups of Bar staff in Los Angeles and San Francisco;
- Meetings with a steering committee of the Bar to review preliminary recommendations and solicit feedback;
- Delivery of draft recommendations to the Bar for suggestions for further solicitation of feedback; and
- Delivery of the final report.

General Recommendations. The report body focuses on recommendations related to each discipline system department studied. In addition to these recommendations, NCSC has identified global areas for organizational improvement as follows:

1. The Bar should operate as one organization rather than multiple departments, as appropriate, particularly as related to sharing of information relevant to advancing various aspects of the discipline system;
2. The Bar should expand overall communication to, from, and among staff;
3. The Bar should increase overall staff knowledge of all/other Bar areas;
4. The Bar should take advantage of updated information technology to improve its operations; and
5. The Bar should eliminate some of its senior management positions and increase the ratio of middle managers and supervisors to line staff.

Specific Recommendations for the Bar's Discipline Departments. The body of this report provides specific recommendations for each Department studied. Following is a summary of key recommendations for each:

Office of the Chief Trial Counsel

1. Eliminate separate Intake and Enforcement Units;
2. Create intake and enforcement teams with rotational opportunities for staff;
3. Eliminate most complaint-type specific enforcement teams and replace with generic teams;
4. Establish Supervising Attorney positions responsible for team supervision;

5. Empower Supervising Attorneys with decision-making authority; and
6. Establish point-of-action data entry

State Bar Court

1. Provide the Presiding Judge with dedicated administrative support staff, with that staff also responsible for tracking and reporting reinstatement eligibility and final discipline status;
2. Improve reporting on Court performance measures to include analysis of where Court is not meeting articulated standards; and
3. One Court Administrator position should be re-designated as a special projects position.

Lawyer Assistance Program

1. Engage in a strategic planning process for the LAP to determine whether LAP is to be reactive, responsive, and corrective to issues faced, or proactive, by advertising services and sponsoring workshops and orientations about attorneys' stress, addiction, and mental health issues;
2. Assess staffing based on caseload levels;
3. Convert one Case Manager position to Case Manager Supervisor and assess whether or not that position should require a clinical license;
4. Eliminate or repurpose LAP Director position; and
5. Review the use and purpose of the Evaluation Committee, to determine if it is needed as a review entity, or whether it can be eliminated.

Office of Probation

1. Provide monitoring levels based on the seriousness of the case and reduce monitoring requirements based on established pattern of compliance;
2. Discontinue monitoring attorneys who have resigned or who are not subject to discipline;
3. The OP SA position should transition to OCTC and a Supervising Probation Deputy should be created.

LAP and Office of Probation

1. Create Manager over both programs;
2. Develop standardized monitoring protocols;
3. Identify those clinical elements of LAP work that must be done by Case Managers; and
4. Identify ways in which the combined LAP and OP workforce might be leveraged to meet the needs of both programs' clients.

Member Records and Compliance

1. Require approved providers of Continuing Legal Education to electronically certify satisfactory completion of a course or educational program;

2. Implement a policy or, if necessary, promulgate a rule, clarifying that attorneys should be notified of closed complaints and outlining when such complaints may be purged from the OCTC file; and
3. Implement a policy or, if necessary, promulgate a rule regarding who has authority to reinstate an attorney's license.

Client Security Fund

1. Use one vacant CSF FTE or a portion of to support the creation of an administrative support position for the State Bar Court Presiding Judge with the position being responsible for notifying CSF of final discipline; and
2. Improve customer service through standardized proactive communication with applicants regarding case and application status.

NEXT STEPS

The California Legislature and the new leadership at the Bar deserve credit for initiating this evaluation. Bar leaders have demonstrated a clear commitment to working with the judges, management and staff to make the changes needed to enable the Bar to operate efficiently and effectively while supporting the people who work to fulfill the organization's important mission.

Following the delivery of this report to the Legislature, staff at the Bar will begin working to implement the recommendations contained herein. Next steps for implementation of the recommendations include the following:

Implementation of Recommendations

- Review report recommendations with Department Directors, supervisors and line staff;
- Validate assumptions contained in report and recommendations;
- Work with Departments to implement agreed-upon changes; and
- Conduct post-implementation impact analysis and identify and implement any necessary modifications.

Time Study

- Conduct a time study to establish caseload standards for key discipline-system personnel, including OCTC attorneys and investigators, State Bar Court personnel, Probation Deputies and LAP Case Managers

Completion of BPR Assessment

- Identify areas for improved efficiencies;
- Reallocate internal resources to support implementation of discipline system recommendations

INTRODUCTION AND BACKGROUND

The Bar contracted with NCSC to conduct a workforce planning study pursuant to Business and Professions Code section 6140.16. The Bar is a judicial branch agency that operates to ensure that the legal profession serves the people of the state in a manner consistent with the highest standards of professional competence, care, and ethical conduct. It also serves as an administrative adjunct to the Supreme Court on all matters pertaining to the admission, discipline and regulation of California's approximately 250,000 lawyers.

Although the exact scope of the Bar's discipline system is not defined in statute, for purposes of this report the Bar's disciplinary activities include the following:

- Office of the Chief Trial Counsel (OCTC): investigates and prosecutes attorneys for violations of the Rules of Professional Conduct and State Bar Act;
- State Bar Court (SBC): hears discipline matters and recommends discipline to the Supreme Court;
- Office of Probation (OP): monitors disciplined attorneys who have been ordered to comply with probation or reproval conditions pursuant to orders issued by the Supreme Court or SBC;
- Lawyer Assistance Program (LAP): provides substance abuse and mental health support services to members of the bar;
- Client Security Fund (CSF): reimburses victims of attorney theft; and
- Member Records and Compliance (MRC): maintains the official list and status of attorneys who are licensed to practice law in California, and monitors compliance with membership requirements.

Together, these Departments comprise 317 of the Bar's 530 staff, or 60 percent of the Bar's overall workforce.

METHODOLOGY

Organizational analysis necessarily involves an important *qualitative* component because organizations invariably succeed and fail because of factors that often defy easy quantification: organizational culture, leadership, lines of authority and communication, staff development, position descriptions and performance management are all essential to the success of an organization. Comprehensive organizational analysis, however, must integrate qualitative and quantitative data. Thus, wherever possible, this study also draws on *quantitative* indicators of workload, performance and resources.

While the California State Bar is unique – among state attorney discipline systems nationally and also in terms of the size and diversity of functions that it performs – it is also possible to evaluate standards and guidelines for attorney discipline systems (published by the American Bar

Association) and to compare components of the Bar to like organizations (the State Bar Court, for example, may be usefully compared to other courts).

In conducting this study, the NCSC project team utilized an iterative, multi-method approach which is essential for capturing and integrating both qualitative and quantitative data on an organization. The NCSC project team met with stakeholders and management at the Bar to confirm the project scope, reviewed all available documentation on the functions, requirements, rules and statutes that govern the Bar, reviewed internal policies and procedures, developed and administered an on-line workforce staff survey to Bar staff, conducted staff interviews during multiple site visits, developed workflow process maps, and reviewed State Bar data on workload, performance, and resources. Throughout the project, the NCSC was in frequent contact with the project liaison to confirm that the project was on track and being conducted in accordance with the Bar's expectations.

The workforce study involved a review of the functions and processes of Bar Departments and the State Bar Court related to attorney discipline. Bar supervisors, managers, and staff of the OCTC, SBC, LAP, CSF, OP, and MRC assisted NCSC with the review.

INTRODUCTORY MEETINGS

On January 21, 2016, the NCSC project consulting team met by conference call with State Bar leadership to review the overall direction of the workforce planning study.

The NCSC project team made an introductory site visit to San Francisco on February 5. During the visit, the team met with the Workforce Planning Steering Committee; project leader Leah Wilson, the Bar's Chief Operations Officer; the project liaison Justin Ewert, Budget and Performance Analyst; and representatives of the OCTC, SBC, LAP, CSF and MRC. The team also met with the Director of Human Resources and union representatives to discuss how the project would be conducted and to identify reports and background material on the Bar organization that should be reviewed and researched.

The objective of the February site visit was to gain a joint understanding of the purpose of the workforce study in conjunction with the statement of work included in the contract for services between the NCSC and the Bar. Preliminary expectations and project methodology were discussed in addition to the intent of the legislation that supported the need for the study.

THE WORKFORCE PLANNING SURVEY

Drawing on information gathered during the February site visit, NCSC developed a workforce staff survey for distribution to all Bar staff involved in activities related to the attorney discipline process. The survey solicited views on whether staffing levels are appropriate and where

staffing could be improved; whether the employees have sufficient guidance and clarity to perform their tasks and assignments; whether the business processes for their work assignments are clearly documented and stated; whether they understand their performance expectations; whether there is duplication in work assignments within different operational areas; and whether there are tasks that can be reorganized or reengineered.

The survey instrument captured responses on 14 primary topics regarding operational functions, staffing levels, and performance measures. Survey respondents were asked to mark their level of agreement with a series of statements supplemented by open-ended requests for feedback regarding areas in need of improvement. A copy of the survey is provided as Appendix B.

The Bar distributed the survey to 320 employees, managers and supervisors. 265 (83 percent) responded. The NCSC team compiled the responses and used them to identify areas that required follow-up during the upcoming site visit interviews. The responses were evaluated and used to develop follow-up questions for site visits, guide the on-site observation, and generate recommendations for the final report. Areas of concern along with recommendations for improvement are provided in the body of this report.

SITE VISITS

The NCSC project team conducted eight days of site visits in Los Angeles during the weeks of February 22 and 29 and another eight days of site visits in San Francisco during the weeks of March 21 and March 28. During these 18 days, the NCSC project team conducted structured interviews and focus groups with staff, observed Bar operations, and collected additional data and documentation on the Bar. All of this on-site work focused on understanding current workflow, business processes, staffing levels, outcomes and objectives, and the solicitation of ideas as to how the work of attorney discipline could be conducted more efficiently and effectively.

The NCSC team interviewed approximately 170 State Bar employees, managers, supervisors, and officials, and the Chief Judge of the SBC. Team members interviewed persons who work in each of the six operational departments included in the project scope.

In total, the NCSC project team spent approximately 112 hours interviewing managers, supervisors and employees individually and in groups during the 18 days on-site. An additional five hours of post-site visit interviews were conducted for follow-up purposes. A complete schedule of site visits and interviews is provided as Appendix C.

At the beginning of each interview day, the NCSC team met with the project liaison to discuss the interview schedule and any general feedback from Bar staff. At the end of each interview

day, the team met again with the project liaison and the Chief Operations Officer, when available, to discuss, in general, interview observations, staff reactions, and project progress.

In conjunction with site visit interviews, a member of the NCSC team prepared numerous workflow maps charting in detail the processes used by each of the operational departments, including the SBC. Interview and workflow maps were used along with the workforce staff survey to gain additional understanding of current Bar processes as well as define areas of concern which recommendations for improvement could address.

LEGAL AND ORGANIZATIONAL REVIEW

To further assist with understanding the operations of the Bar under review, the NCSC project team researched and reviewed information from various sources. Some of the major sources were:

- California Code provisions and court rules related to practice, professional conduct, and procedures
- The 2015 State Bar of California Overview
- Descriptions of services provided by each of the involved Departments
- Data and performance reports for each department
- The Justice Management Institute's State Bar Court administrative resource allocation study[3]
- Organization charts and current State Bar job descriptions and classification levels
- Existing procedures manuals and workflow charts
- State Bar statistical reports, including the following:
    - OCTC month-end reports;
    - Deputy Trial Counsel weekly statistical reports;
    - Complaint Analyst statistical reports;
    - Paralegal statistical reports;
    - Second Look inventory reports;
    - Reports re Walker petitions filed;
    - Reports re complaint inventory, backlog, forwarding speed and processing stage;
    - Court monthly statistical reports;
    - OP monthly statistical reports; and
    - Telephone system usage reports.
- California State Auditor's Report 2015-30;[4]
- Organizational charts;

[3] "State Bar Court Administrative Staff Resource Allocation Study." Report for the State Bar of California by the Justice Management Institute, February 2014.
[4] California State Auditor. *Report 2015-30, The State Bar of California: It Has Not Consistently Protected the Public Through Its Attorney Discipline Process and Lacks Accountability.* Sacramento: June 2015.

- Attorney discipline summary reports, including the following:
  - State Bar Court Statistical Summary of Case Activity 2010-2014;
  - State Bar Court Review Department Statistics 2010 – March 2016;
  - State Bar Court Performance Measures 2015;
  - State Bar Court 2014 Report Court Performance Standards and Assessments;
  - 2015 Annual Report of the Lawyer Assistance Program of the State Bar of California;
  - 2014 State Bar of California Client Security Fund – 2014 Activities Report;
  - 2015 Preliminary Report for Client Security Fund Activities; and
  - State Bar of California Annual Discipline Reports for 2014 and 2015.
- Bar website information.

Each member of the NCSC project team was responsible for integrating and analyzing the information gathered for one or more Departments or services, and preparing the corresponding section of the report. These individual sections were then compiled and edited to prepare a draft report reviewed by representatives of the Bar's Executive Office. Preliminary findings were developed and presented to representatives of all of the Departments of the discipline system on April 22 in San Francisco, with representatives from Los Angeles participating on a video-conference line. Feedback from that meeting was evaluated and, where appropriate, incorporated into this final report.

The organization of the report follows the discipline process which, not coincidentally, roughly tracks the size of the different departments within the Bar. The report begins with the largest of the Bar departments, OCTC, where complaints of attorney misconduct are first received, evaluated and, where appropriate, prosecuted. The next section looks at SBC, the forum in which OCTC files misconduct cases. The SBC is the second largest component of the attorney discipline system as measured by staffing levels. The report then looks at LAP and OP. The report concludes with a discussion of MRC and CSF.

Each section of the report begins with an overview of the functions and responsibilities of the Department, and a description of the current organization of the workflow; these descriptions are followed by observations culled from the NCSC project team's site visit, the staff survey, or external references to similar organizations. Each section concludes with recommendations for operational improvement.

OFFICE OF THE CHIEF TRIAL COUNSEL

The Board of Trustees of the State Bar has delegated to OCTC exclusive authority to review inquiries and complaints, conduct investigations, and determine whether to file notices of disciplinary charges in the SBC.[5] OCTC is divided into three major units: Intake, Enforcement, and Central Administration. Specific staffing levels for each of these Units is provided immediately below, with a description of the flow of complaints through the process following.

OCTC has over 200 active full-time-equivalent (FTE) staff making it, by far, the largest component of the State Bar Discipline System. OCTC staff make up approximately 40 percent of all Bar employees:

Office of the Chief Trial Counsel Staff

Position	Intake	Enforcement	Central Administration	Total
Administrative Assistant I			2	2
Administrative Assistant II			1	1
Administrative Secretary	1	2	3	6
Assistant Chief Trial Counsel	1	4		5
Attorney	14	18		32
Chief Trial Counsel			1	1
Complaint Analyst I	6			6
Complaint Analyst II	12		1	13
Coordinator of Records			17	17
Court Systems Analyst			2	2
Director of Administration			2	2
Executive Secretary			2	2
General Clerk III			4	4
Investigator I		2		2
Investigator II		36		36
Investigator Supervisor		5		5
Legal Secretary			14	14
Paralegal	5	10		15
Secretary II			12	12
Senior Administrative Assistant			3	3
Senior Administrative Supervisor			2	2
Senior Attorney	2	31		33
Total	**41**	**108**	**66**	**215**

[5] Rules of Procedure of the State Bar of California, Rule 2101

Intake Unit

Functions and Responsibilities

OCTC's Intake Unit is responsible for the initial review of allegations of attorney misconduct and/or unethical behavior. Complaints and inquiries are received from an array of sources. Most complaints begin as telephone inquiries from a member of the public who is generally a past or current client of an attorney or someone who has had questionable interactions with an attorney. Members of the public can contact OCTC through a complaint telephone number staffed by specially trained Complaint Analysts I's. These staff are trained to assist callers in submitting complaints. If the Bar has no jurisdiction, callers may be referred to other resources and provided withcontact information for the agency with jurisdiction. Over 40,000 calls per year are handled by OCTC's call center staff. If a violation of the Rules of Professional Conduct appears to have been committed, Complaint Analyst I's direct the caller to submit a formal complaint, either by sending a complaint form to the caller or by directing the caller to the Bar's website: http://www.calbar.ca.gov.

Other forms of complaint initiation include self-reported and other reportable actions, as well as Bar-initiated inquiries. State law requires attorneys to self-report when a number of situations occur, including when three or more malpractice lawsuits have been filed against them within twelve months, when a civil judgment is entered against them in a fraud case, or when felony charges have been filed against them. In addition, state law requires other entities to report certain occurrences, such as overdrafts on attorney trust accounts. The Bar may also initiate its own inquiry based on a media story or another source of information.

The Current Process

Once a formal complaint is received, clerical staff in the Central Administration Unit create a physical case file for the complaint, input data in the Bar's computer system, assign an inquiry number, and prepare the files to be assigned by placing them in the assignment drawer. If the inquiry is submitted in a language other than English, it must be translated before it can be assigned and so is sent to a records coordinator in the Central Administration Unit who assigns it to a translator. The translator completes the translation within ten business days of assignment and returns the file to Intake.

A Senior Trial Counsel (STC) in the Intake Unit assigns the files from the assignment drawer to one of the Deputy Trial Counsel (DTC), who serve as "read" attorneys. Approximately 300 complaints are opened per week. The STC assigns cases in batches through the week in an effort to control the flow of cases and equalize caseloads for read attorneys. The process from inquiry opening to assignment to a read attorney is estimated to take several days.

Read attorneys determine whether to close the inquiry, refer it to the "Worker Team," or refer it to the Enforcement Unit for further investigation. There are many variables in determining how quickly an inquiry review read can be completed. Reviews of inquiries regarding attorneys who have been the subject of previous or ongoing complaints can usually be completed quickly. In contrast, inquiries with convoluted facts or with complaining witnesses who are not responsive to requests for additional necessary information can take significantly longer. These inquiries may require some limited investigation, such as calling a complaining witness to obtain certain documents. This limited investigation work is performed by the read attorney or by Complaint Analyst IIs assigned to the Intake Unit's Worker Team.[6]

Cases involving criminal conviction monitoring, reportable actions from banking or insurance corporations regarding the possible mismanagement of client funds, and unprofessional conduct reported by judges are assigned to a specialized team in the Intake Unit for further review and monitoring purposes.[7] Likewise, a specialized team, comprised of Complaint Analyst II's and Paralegals, under the lead of a Senior Trial Counsel, is assigned cases involving the unauthorized practice of law and cases involving claims associated with Sections 6180 (death, disbarment, suspension) and 6190 (illness, substance abuse) of the California Business and Professions Code.

If a read attorney designates an inquiry as a "closer," the read attorney drafts a detailed closing letter. While templates are used in the opening and closing statements of these letters to ensure certain information is conveyed in every case, the body of the letter is written to address the specific allegations made by the complaining witnesses including a discussion of why the allegations do not constitute disciplinable conduct.[8] The read attorney STC reviews the closing letters drafted by newer read attorneys. If necessary, letters are translated. The goal is for read attorneys to draft and mail closing letters within 40 days of the inquiry being opened. Central Administration clerical staff process and mail the letters.

If a read attorney refers an inquiry to Enforcement, Central Administration clerical staff process the referral and set up an Investigation file for assignment.

In 2015, OCTC received 12,307 complaints from members of the public. After review and preliminary investigation, 10,768 cases were closed with no disciplinary action. In 2015, the

[6] The Worker Team addresses matters that the read attorneys, based on their experience, determine will likely close with a response from the respondent attorney, or which will likely result in non-disciplinary actions, such as the issuance of a warning letter or resource letter. If the Worker Team determines neither of these conditions is met, the matter is forwarded to Enforcement. Note that in late March the Worker Team was transitioned to the Enforcement Unit, and so these procedures have since been changed.

[7] The team handling reportable actions is led by a Senior Trial Counsel and comprised of one DTC and one paralegal. The team handling criminal conviction monitoring is led by the same Senior Trial Counsel and is comprised of paralegals.

[8] Appendix C of the 2015 Attorney Discipline Report published by the Bar on April 29, 2016, contains samples of these letters.

median time from receipt of complaint to closure with no disciplinary action was 52 days, and the average was 15 days.

Looking at other data on staff resources and workload in the Intake Unit, it is possible to come up with more specific workload estimates. Complaint Analyst I's answer the phones. With six staff in this classification and 43,316 calls in calendar year 2015, each Complaint Analyst I handled over 7,000 calls in 2015, on average, a little over 30 calls per day.

Intake Department: Call Center Workload

Calls to State Bar Complaint Hotline (2015)	43,316
Complaint Analyst I (Full Time Equivalent)	6
Calls per Analyst (2015)	7,219
Calls per Analyst per Day (220 business days)	32.82

It is more difficult to develop workload estimates for the remainder of the Intake Unit because of the more complex division of labor for managing written complaints. In part, this complexity arises from the fact that Central Administration staff handle an important part of the clerical duties for these cases. In addition, it is unclear how many of the cases actually require the work of Paralegals and Complaint Analysts II. The contribution of management is also less clear at this phase of the work. While the Assistant Chief Trial Counsel and Senior Attorneys in the Intake Unit are essential, it is unclear how much of their time is spent on direct support of line staff, how much is spent actually processing cases, and how much is spent on Bar administration.

Dividing the total number of cases disposed by the Intake Unit in 2015 by the total FTE (assuming that each member of the unit contributes in some way to the totality of the work) provides one estimate of staff contribution. Dividing the number of cases disposed by the number of attorneys and considering the other members of the team as support for the attorney's work provides another method of determining staff contribution. Both estimates are shown below.

Inquiries Processed in 2015 by Intake Unit

Total Inquiries Processed by Intake Department	15,796
Inquiries Closed	11,846
Inquiries Forwarded to Other Stage	4,098
Intake FTE (without Call Center)	33
Total Processed per FTE	483
Attorney FTE (including Senior but not Assistant Chief)	14
Total Processed per Attorney FTE	1,139

Enforcement Unit

Functions and Responsibilities

The Enforcement Unit of OCTC is organized into multiple, specialized divisions in Los Angeles and San Francisco. When a case is referred for further investigation by the Intake Unit, an Intake Attorney reviews the allegations and assigns the file to one of the specialized enforcement divisions, based on a determination if the allegations relate to issues of misappropriation, fraud, performance, conflicts, or unauthorized practice of law.[9] The number, type and location of the current specialized units are:

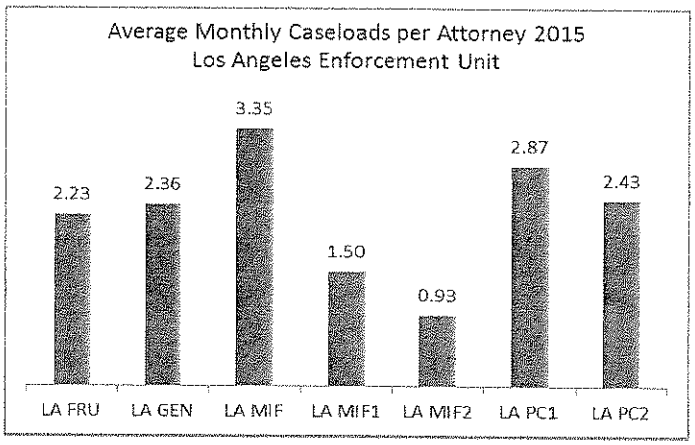
Number, Type and Location of Specialized Units

	Los Angeles	San Francisco
Misappropriation & Fraud	2	0
Performance & Conflicts	3	1
Misappropriation & Funds	0	1
Fraud & Unauthorized Practice	0	1
General Unit	1	1
Training Unit	1	0

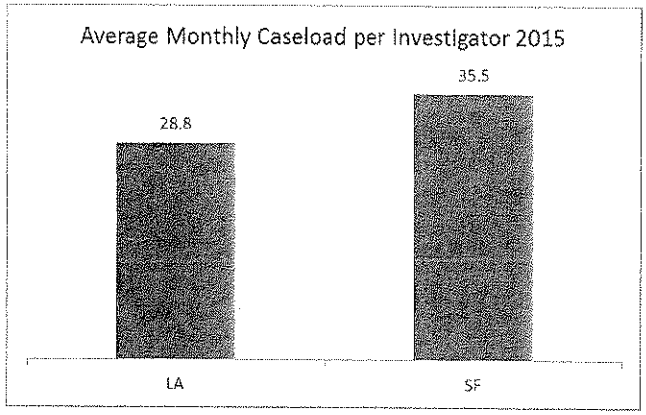
The exact number of cases handled by each attorney and investigator is difficult to assess – cases are reassigned periodically and a single case may have multiple attorneys or investigators working on it over the life of the case. Further, the data is not currently tracked for each stage of the OCTC-continuum (intake, investigation, pre-filing, post-filing). That said, an analysis of rough estimates of the average monthly caseloads of attorneys and investigators are consistent with the perception of an uneven distribution of the workload in OCTC's Enforcement Unit.

During 2015, the Enforcement Unit in Los Angeles was organized by case-type specialization including: Misappropriations & Fraud (MIF), Performance & Conflicts (PC), a General Unit (GEN) and Fraud and Unauthorized Practice of Law (FRU). The average monthly caseload for attorneys in these units (which reflects cases in pre-filing status only), as illustrated in the following charts, varied from a low of less than one case on average in the Misappropriations & Fraud 2 Unit, to 3.35 cases on average in another of the Misappropriations & Fraud Units; this represents a workload variance of over 300 percent.

[9] Where there are multiple units responsible for certain types of allegations, assignments are done a wheel, so team caseloads are kept relatively even.



Investigator caseloads are also reported to be distributed unevenly, though the data on investigators' work is more difficult to pin down. While the Los Angeles Enforcement Unit continues to assign investigators to case-type specific units, San Francisco's Enforcement Unit now pools investigators into a single group and work across units, rather than being assigned to one case type. Still, differences between the caseloads of investigators in Los Angeles and San Francisco are apparent with San Francisco investigators handling caseloads that were approximately 25 percent higher than those of investigators in Los Angeles during 2015.



The Current Process

Within each geographic location and enforcement division, Supervising Senior Trial Counsel (SSTC) assign new enforcement files to a specific STC or DTC. An investigator is assigned by the Investigator Supervisor (IS), at times in consultation with the SSTC.

Once assigned, the investigator prepares an investigation plan that is approved by the IS first, and then reviewed and approved by the assigned trial counsel.

The investigation is conducted almost exclusively by OCTC investigators. When the investigation is complete and all evidence has been received, investigation results are

discussed/reviewed with the trial counsel. Following the review, if staff has concluded that there is sufficient information to charge the case, the investigator drafts a statement of the case that is first approved by the IS and then by trial counsel. Other dispositions at this stage could include closure or the issuance of warning letter.

Once the statement of the case is approved, a formal case file is developed, separate from the investigation file. This stage of the disciplinary process is referred to as "Pre-Filing" and involves the preparation of the case for filing in State Bar Court. Trial Counsel prepares a draft Notice of Disciplinary Charges (NDC) and a charging memorandum, both of which must be approved by an SSTC and, then, an Assistant Chief Trial Counsel (ACTC). Then, the draft NDC is forwarded to the respondent attorney along with a letter advising the attorney that he or she is entitled to request and participate in an Early Neutral Evaluation Conference (ENEC), or early settlement conference.

If the attorney seeks an ENEC, trial counsel and the attorney work to schedule it with the State Bar Court (SBC or Court). Trial counsel generally then provides the respondent with pre-filing discovery. Both parties prepare an ENEC statement and lodge it with the Court, setting forth their respective positions. After the ENEC, if the parties reach a settlement, trial counsel prepares a stipulation resolving the case, which must first be approved by an SSTC. The stipulation then goes to the respondent for signature, after which trial counsel files it in SBC.

If a settlement is not reached, trial counsel proceeds to file the NDC and trial proceedings then begin.

Information regarding case activities and actions is generally given to Central Administration Unit staff for data entry into the AS 400 Case Management System throughout this process. To review the intake complaint process and the investigation processes in detail, see Appendix D.

OBSERVATIONS AND RECOMMENDATIONS

OBSERVATION: ***Initial File Creation Process and Ongoing Data Entry.*** Staff report that setting up a new complaint file can take up to five days. Some of this time is due to duplicative entries in the AS 400 Case Management System (CMS) when creating the file and preparing the complaint face sheet.

Once a file and face sheet are created, Central Administration Case Coordinators place new inquiry files in baskets or drawers awaiting pick-up by an STC for review and assignment to a DTC for read/review functions.

After initial creation, cases often come back to these Case Coordinators for system updating. This process can take several days over the life of a case.

OBSERVATION: ***Relationship between the Functions of the Intake and Enforcement Units.*** A recurring response in the workforce staff survey regarding the OCTC Intake Unit centered on combining the functions of Intake with those of the Enforcement Unit. Staff reported cases being delayed in the Intake Unit, little understanding of the work and responsibilities of each Unit, and inefficiencies in the process for handing work off from one Unit to the other.

OBSERVATION: ***Functional Teams and Personnel Management.*** Professional advancement in the Bar, as in many organizations, is often the result of staff displaying excellence in the tasks to which they have been assigned. Unfortunately, excellence in evaluating and prosecuting cases does not always correspond to aptitude for supervising staff and managing operations. Supervisors in OCTC tend to work alongside team members, carrying a caseload themselves, but not always providing the critical functions of guiding and leading staff and building cohesion among team members.

OBSERVATION: ***Enforcement Teams and Investigator Caseloads.*** The use of specialized complaint prosecution units establishes a silo structure within OCTC. While specialized assignments may help develop complaint case review experts, the practice also creates a level of insularity that limits opportunities for professional growth and makes it difficult to equalize workload. Specialized complaint units may also inhibit cross-assignment of staff to address other complaint areas as the workload dictates.

The staff survey and interviews with staff indicated that the caseloads of investigators of the Enforcement Units in the San Francisco and Los Angeles offices are not equal. Reports regarding caseloads of the different, specialized enforcement units confirm this observation. For example, the OCTC Weekly Investigator Summary Report for the week of February 22, 2016, cited the average caseload of San Francisco investigators to be 68 while the average caseload for investigators in the Los Angeles office was 40. While some caseload disparities may be the result of vacant positions, the caseload of the San Francisco investigators is anecdotally reported to be as much as twice that of the Los Angeles investigators on a routine basis.

RECOMMENDATION: ***Eliminate separate Intake and Enforcement Units.*** Create Intake and Enforcement teams to which staff are assigned on a rotational basis and with the expectation that team coverage will reduce the number of hand-offs, reduce the time between case receipt and case assignment, and engender accountability and ownership over the caseload.

RECOMMENDATION: ***Each team should be Supervised by a Supervising Attorney.*** Teams should consist of seven to nine staff comprised of a combination of Attorneys, Investigators,

Paralegals, and at least one clerical support assistant.[10] Adoption of this model will flatten points of supervision, reduce approval times, and foster a culture of collaboration and communication.

RECOMMENDATION: ***Supervising Attorneys should be empowered to exercise significant discretion and decision-making as related to cases and teams.*** Supervising Attorneys should be responsible for general oversight of team functions and individual team member performance related to workload progress. They should have the authority to determine case and trial preparation priorities and how the team addresses those priorities. Approval steps of routine issues related to daily case management including case disposition decisions should go no higher than the Supervising Attorneys, except for highly complex or high-profile cases. Written policies related to team time and production measures should be issued by OCTC Leadership. These policies should include the definition of those limited matters requiring approval beyond the Supervising Attorney. Policy and procedural development should involve representatives from individual teams. Individual teams should also be allowed to make group based decisions related to team assignments and process implementation.

RECOMMENDATION: ***To obtain necessary clerical support staff for the prosecution teams, personnel from Central Administration should be reassigned to support teams.***

RECOMMENDATION: ***Case set-up and some other narrow functions should remain centralized.*** However, changes in the case set-up process should include elimination of reported duplication of information entered in the initial file creation and face sheet preparation process. In addition, a limited number of other functions should remain centralized, including records management and the subpoena process.

RECOMMENDATION: ***Central data staff should assign cases to intake teams on a rotational basis.*** The practice of supervisors and staff returning files to baskets for pick-up should be eliminated and files should be delivered directly to intake teams by central data staff.

RECOMMENDATION: ***Intake teams should identify those cases that will be forwarded for investigation and should make initial complex determinations. Cases should then be assigned to enforcement teams on a rotational basis.*** Equality of assignment of complex cases will assist in "sharing the load" of protracted cases requiring substantial staff time.

RECOMMENDATION: ***Specialized grouping of complaint types should be replaced with a general enforcement team model accepting complaint case assignments of all types.***

[1010] For purposes of cost modeling, the teams should consist of 2-3 Attorneys, 3 investigators, 1 paralegal, and 1-2 clerical staff.

This will address concerns regarding unequal distribution of work; support the more efficient use of staffing resources; foster staff development and broadened skill sets; reduce process hand-off delays; and accommodate the filing of various allegations within one case.

RECOMMENDATION: ***Some case types should continue to be handled by specialized team(s).*** Some case types are referred to a group of paralegals or a specialized inter-disciplinary team in the Intake Unit, including complaints related to conviction of an attorney for a criminal offense, cessation of effective practice of law in accord with California Business and Professional Code, Section 6180 (death, disbarment, suspension) or Section 6190 (illness, substance abuse), the practice of law by non-attorneys, and reportable actions from financial institutions involving misappropriation or mismanagement of client associated funds.

These case types generally share common features of requiring extensive monitoring and being long-lived. They should continue to be handled by a dedicated team(s). In addition, the process for monitoring criminal complaints against attorneys should be re-assessed, ensuring that staff is taking advantage of news services and computer readable files that allow for a more comprehensive, on-going search for criminal cases involving attorneys.

RECOMMENDATION: ***Establish point-of-action data entry wherever feasible.*** Point-of-action data entry eliminates unnecessary and inefficient hand-offs of tasks by requiring those who take an action (e.g. assignment, approval, correspondence, or contact update) to log the action into the AS400 CMS and directly transfer the file to the next assigned action participant with verbal or written comments, as needed. Training should be provided on point-of-action entry to all staff.

OBSERVATION: ***Call Center.*** The Call Center is staffed by six Complaint Analysts I's each receiving from 30 to 40 complaint-related telephone calls per day. Calls may last from 3 to 30 minutes. The work of these staff is described as a "customer service gatekeeper" receiving and providing vital information regarding the attorney discipline process. The Call Center operates from 9:00 a.m. to 4:00 p.m. From 4:00 to 5:00 p.m. Complaint Analyst I's work on complaint files that can be quickly closed. Those calling for complaint information after 4:00 p.m. receive a recorded message and may leave a message with a request for a return call or a complaint form.

RECOMMENDATION: ***To improve access the Call Center should handle calls until 5:00 p.m.***

OBSERVATION: ***Use of Contract Investigators.*** The need for additional investigators was a central theme of the workforce survey and staff interviews. The continued use of contract investigators was discouraged because contract investigators often leave State Bar employment without completing initiated investigations.

RECOMMENDATION: ***The use of contract investigators should be discontinued. Current contract investigator positions should be converted to standard FTE positions.***

OBSERVATION: ***Spanish Translations.*** Complaint forms and documentation submitted in Spanish are often forwarded to OCTC Spanish-speaking staff for translation. These translations are in addition to the Spanish-speaking staff's normal duties. As a result, the complaint review process can be delayed for as many as ten days depending on the volume of documents in need of translation,

RECOMMENDATION: ***The Bar should employ one or more certified Spanish translators.***

OCTC staff as well as staff of the SBC indicate that having certified Spanish translators available would enhance the attorney discipline process and assist in reducing case outcome delays.

OBSERVATION: ***Though the Bar is working to establish a complex designation, additional levels of case differentiation are needed.*** To effectively utilize attorney and investigator personnel, the American Bar Association's Model Rules for Lawyer Disciplinary Enforcement recommend the adoption of a case classification schedule based on seriousness of the complaint and/or complaint complexity.[11] The State Bar is developing the definition of a complex case that will assist in workload assignments and efficient use of personnel. Defining other complaint categories that could be uniformly addressed early-on through reproval or administrative resolution could help free up resources and time needed to investigate and prosecute more serious allegations.

OTHER MISCELLANEOUS RECOMMENDATIONS

RECOMMENDATION: ***A single file number should be utilized on all complaint case actions to minimize confusion and simplify file references.***

RECOMMENDATION: ***A secure complaint electronic portal should be developed to enable complaints and supporting documents to be filed electronically and to provide secure e-communications between OCTC staff and involved complaint case participants.***

RECOMMENDATION: ***The use of approved electronic signatures should be authorized within the secure case file information exchange portal.***

RECOMMENDATION: ***The new team structure should be introduced first in the San Francisco Enforcement Unit.*** The San Francisco Enforcement Unit is already operating without specialized prosecution divisions, due to workload volume and investigator vacancies. Taking the San Francisco experience a step further and implementing the generic enforcement team model with direct Supervising Attorney supervision on a pilot basis would provide an opportunity to test the new structure, identify any challenges that arise, and develop strategies and procedures for overcoming them.

[11] ABA Model Rules for Lawyer Disciplinary Enforcement, as amended August 12, 2002.

STATE BAR COURT

Functions and Responsibilities

The State Bar Court (SBC) is responsible for hearing all matters related to attorney discipline and regulatory matters and has the authority to impose public and private reprovals upon California attorneys. The SBC may recommend the suspension or disbarment of attorneys found to have committed acts of professional misconduct or convicted of serious crimes.

The SBC operates under the auspices of the California State Supreme Court which reviews all SBC decisions. The SBC operationally has two distinct departments; the Hearing Department, which serves as the trial level of the SBC, and the Review Department, the appellate level of the SBC.

The SBC has 35 FTE and comprises 6.2 percent of the Bar's overall workforce:

State Bar Court Staff

Position	No. of Positions
Administrative Assistant II	1
Administrative Specialist III	1
Case Administrator	12
Chief Assistant Court Counsel	2
Court Administrator	2
Court Systems Analyst	2
Court Technical Analyst	1
Deputy Court Clerk IV	2
Lead Data Analyst	1
Legal Secretary	1
Senior Administrative Secretary*	1
Senior Attorney	8
Senior Director - SBC	1
TOTAL	35

*Currently occupied by person working part-time.

The SBC operates in accordance with Rules of Procedure adopted by the Bar's Board of Trustees. An executive committee appointed by the SBC's Presiding Judge may adopt rules of practice and forms for conducting proceedings within the SBC's jurisdiction. The Presiding Judge provides overall supervision of calendar management and the assignment of judges and is responsible for taking measures to assure the prompt disposition of matters filed in the SBC.[12] The Presiding Judge appoints the Supervising Judge of the Hearing Department, who is

[12] Rules of Procedure of the State Bar Court, Rule 1013.

responsible for supervising calendar management and for consulting with the Presiding Judge to assure efficient functioning of the SBC.[13]

The Current Process

The SBC has processes tailored for several different types of cases. For purposes of this report, the three key processes are those for hearing contested disciplinary matters, reviewing decisions rendered in such matters, and "effectuating" orders (i.e., submitting recommendations for Supreme Court review and processing orders when the SBC recommendation has been affirmed).

Case administrators (CA) in the Hearing Department receive cases for filing either at the window or in mail drops. The CA reviews all documents for completeness and scans all initiating documents. The CA determines the timeline required to process each case, based upon the SBC's established *Timeline Standards by Case Type,* and sends a Notice of Assignment to the appropriate parties, informing them of scheduled court events. A Hearing Department judge is automatically assigned to the case based on a "wheel" that is maintained by the CAs. The CA produces and sends all notices prior to each court event and prepares appropriate orders after each event.

If a trial is held and a violation is found, a senior attorney in the Hearing Department assists the assigned judge by researching the issues presented by the case, and may assist in preparing a draft decision. The judge hearing the case reviews, edits, and forwards the decision to the CA, who then finalizes it and serves the decision on the parties. If reconsideration is not requested, the matter is forwarded to the Effectuations Unit to close the case and send it to the Supreme Court for review.

When a case is received by the Effectuations Unit, a staff member reviews the file for completeness and creates a Supreme Court transmittal tickler, prepares a checklist and a proposed order for case closure. The case is then forwarded to the Supreme Court for review. When a signed case closure order is received from the Supreme Court, in effect affirming the Hearing Department decision, the case is closed.

If reconsideration or review of a hearing judge's decision is filed with the Court, the hearing CA prepares the case and sends it to a Review Department CA with an accompanying transmittal letter. If any question arises as to the viability of the request, a senior attorney reviews the file and determines if the matter is acceptable for filing. The CA in the Review Department then ensures that transcripts, and the court schedule are forwarded to the appealing party. Senior attorneys may assist the judges in reviewing the hearing transcripts and preparing a draft opinion

[13] Ibid, Rule 1014.

for circulation among the other judges in advance of the oral argument. Following oral argument and an opinion by the judges, the opinion is edited as necessary then issued. A party has 15 days to request reconsideration. Once closed, the matter goes to the Effectuation Unit and the Supreme Court for closure as described above.

The Review Department also reviews matters when attorneys violate the California Rules of Professional Conduct regarding felony convictions and moral turpitude. In addition, it reviews resignation requests filed by attorneys with and without charges pending against the attorney.

Organization, Workload, and Resources

As reflected in the table at the beginning of this section, the current staffing level of the SBC is reported at 33 FTE positions including the Chief Administrative Officer. One full time budgeted position is occupied by a Senior Administrative Secretary who is currently working on an approved part-time basis. Although not considered staff, the Hearing Department consists of five Judges, two appointed by the Supreme Court and one each by the Governor, Speaker of the Assembly, and the Senate Committee on Rules. Each judge is assigned two CAs who rotate in and out of the courtroom to allow for the production of notices, motions, and other documents. The CA in the courtroom performs the functions of courtroom clerk, bailiff and court reporter. As stated above, although not considered staff, the Presiding Judge and two review judges decide appeals of Hearing Department decisions and perform other work.

In 2014 the SBC disposed of a total of 746 cases. The SBC has used the Court Performance Standards[14] to evaluate its overall performance since 2004, largely paralleling *CourTools,*[15] and has established a detailed set of timelines setting the number of elapsed days from filing by which each step of the hearing, reconsideration, and review processes must be completed. The goal is to comprehensively measure the SBC's performance on an ongoing basis at a modest cost in time and money.

OBSERVATIONS AND RECOMMENDATIONS

OBSERVATION: ***Court Backlog.*** The SBC has used a Court Performance Standards Assessment to evaluate its overall performance since 2004. The standards provide industry accepted metrics with which to measure the SBC's performance. The SBC provides an annual Assessment Report outlining its overall performance based on the performance measures. The document describes each performance area, provides the operational definition of each metric, the methodology, and the standard in which the SBC measures its performance.

[14] State Bar of California, 2014 Court Performance Standards and Assessment.
[15] http://www.courtools.org/Trial-Court-Performance-Measures.aspx.

The NCSC team reviewed the assessment reports for 2013 and 2014. These reports are made available online and provide valuable information about the performance of the SBC.[16] The reports demonstrate a commitment to transparency and to monitoring the work of the SBC that is laudable. It should be noted, though, that many of the measures, while useful as diagnostic tools, are rarely dispositive. These types of measures are generally helpful for alerting managers to areas that may require their attention or resources.

For example, Measure 2 (Caseload Clearance) specifies a 100 percent clearance rate – that is, the number of cases closed each quarter should equal the number of cases filed. Although neither the Hearing Department nor the Review Department is meeting that goal, it should be noted that the number of cases closed will only consistently equal the number of cases filed if caseload remains constant over a sustained period of time. Thus, while the data in the 2013 and 2014 reports indicates the SBC complied with this standard only during the first quarter of each year, in previous years the SBC was closing substantially more cases than were filed. Failing to meet the 100 percent clearance rate target is only a concern if the SBC runs a consistent deficit on this measure.

On a different indicator of SBC performance, Measure 3 (On-Time Case Processing), the Hearing Department did not meet its standards for completing cases within the established timeline for almost all of 2013 and 2014. The Review Department, during the reporting period, was able to close all cases within 150 percent of the specified time but was not able to meet the standard of completing 90 percent of its cases within 100 percent of the time specified in the timeline during the last two quarters of 2014. The Effectuations Unit failed to meet its goal for the timely processing of cases during the entire reporting period. With regard to the measure requiring that 100 percent of case files meet established criteria for accuracy and completeness, the SBC again did not meet expectations in either 2013 or 2014.

RECOMMENDATION: ***In order to improve the timeliness of case disposition, the SBC should establish a committee comprised of stakeholders, including OCTC attorneys, defense attorneys, and other appropriate persons, to monitor and improve SBC performance.***

OBSERVATION: ***Use of Measures.*** Although the metrics and relevant standards included in the annual reports are a valuable means by which to gauge the performance of the SBC, they are not being fully used as tools to help identify problem areas and improve the SBC's performance. The report requires additional analysis to provide a fuller assessment of the SBC's performance as well as documenting the strategies being used to bring the performance into line with the prescribed standards. Accordingly, it is recommended that:

[16] See State Bar Court of California, 2014 Report, Court Performance Standards and Assessment, http://www.statebarcourt.ca.gov/Portals/2/documents/CPS2014Final.pdf

RECOMMENDATION: ***The SBC's performance data should be used to identify areas of non-compliance, prioritize the identified areas, and prepare appropriate strategies and plans to bring non-compliant elements into compliance.***

RECOMMENDATION: ***The annual report on Court Performance Standards and Assessment should include, in addition to the data currently reported, the following data:***

- The percentage of disciplinary cases in the past year that went to trial within 125 days and the percentage of cases closed in the Hearing Department within 265 days, to provide a more in depth perspective of how far out cases are scheduled and their likelihood to proceed on the scheduled date and date of closure.
- The percentage of original disciplinary cases that went to oral argument within 245 days and the percentage closed within 355 days.
- The number of pending cases that exceed 200 percent of the goal and 300 percent of the goal.
- The name and number of cases waiting decision that exceed the goal for timeliness.

OBSERVATION: ***Case Tracking.*** Case administrators receive filings, initiate cases, provide all courtroom support and produce all relevant motions and orders. In order to maintain the pace of litigation in the Review Department, CAs use four different tracking methods that are not part of the case management system to run weekly reports.

RECOMMENDATION: ***Manual ticklers and tickers used outside of the case management system should be identified and then automated within the existing operating system.***

OBSERVATION: ***Opinion Drafting in the Review Department.*** The current process for drafting Review Department decisions involves nine steps, including a review of the draft opinion by the supervisor and other senior attorneys after the draft has already been reviewed and edited by the panel judges. Each step takes up staff time and extends the period needed to issue the opinion and bring the case to conclusion. Following is the current process for drafting opinions:

- Counsel prepares a memo of the facts of the case
- Judge/counsel prepares a draft opinion
- The authoring judge reviews the draft opinion and submits edits
- Panel judges review the draft opinion and submit edits
- A pre-oral conference is held with all judges
- Judges confer and submit any additional edits

RECOMMENDATION: ***The Review Department judges and supervisor should review the drafting process to determine whether each step is needed to ensure the accuracy, clarity, and quality of each opinion.***

OBSERVATION: ***Administrative Support for the Presiding Judge.*** Administrative support for the Presiding Judge is assigned or spread among both administrative and managerial staff. Although the tasks are necessary and further the mission of the SBC, these additional assignments diminish the ability of these staff persons to perform tasks and assignments related to their duties to process cases filed in the SBC.

RECOMMENDATION: ***The Presiding judge should have dedicated administrative support staff, reallocated from within the SBC or Bar.*** The job title and responsibilities should be determined using the latest job and classification study results.

OBSERVATION. ***Entry of Information Regarding Status Changes.*** Current procedures specify that only the SBC can enter end dates in matters of discipline. Member Records and Compliance (MRC) can enter end dates only in matters that are administrative in nature. When an attorney requests reinstatement from the MRC after suspension by the SBC, an entry must be made into the AS400 by SBC staff that sets an end date to the sanctions. The AS 400 entry provides the go-ahead for the MRC to initiate the status change. Currently one individual in the Effectuations unit is responsible for entering this information. This process does not always occur in a timely manner, because it relies upon this individual's availability. In addition, there is not one clear point of responsibility in the Bar for tracking an attorney's eligibility for reinstatement.

RECOMMENDATION: ***The Presiding Judge's new administrative staff should be given responsibility for monitoring suspended attorneys' eligibility for reinstatement and notifying MRC of eligibility when it occurs, as well as notifying CSF of final discipline orders received from the Supreme Court.***

OBSERVATION: ***Access to Files.*** In order for Review Department attorneys to access an SBC case file, they are required to contact a CA in Los Angeles to pull the file in order to verify or validate court documents.

RECOMMENDATION: ***The new case management system should provide all appropriate users access.*** Until the new system is implemented, scanned court files should be made available to staff in both court locations.

OBSERVATION: ***Court Administrator Function.*** One Court Administrator supervises the day-to-day activities in the Hearing Department in Los Angeles and a second Court Administrator supervises the day-to-day activities in the Hearing Department in San Francisco. The supervisory span of control is 1:7 for the Administrator located in San Francisco and 1:10 for the Administrator assigned to the Los Angeles office. Additionally, it is evident that the bench relies heavily on the individuals in these positions to oversee special projects that are not of sufficient duration to require hiring permanent staff but do require significant SBC knowledge and

expertise. The time dedicated to these special projects diminishes the Administrators' ability to oversee the daily functions of the SBC.

Although there is no set rule for the number of staff a supervisor should supervise, in determining the appropriate span of supervisor control, a balance must be sought among the organization's ability to be flexible, the need to maintain effective communication with subordinates, and the cost. In this instance, two Court Administrators reflects excessive high-level management staffing for a staff size of 17. However, elimination of one of the positions would result in a span of control too large for one Court Administrator alone.

OBSERVATION: ***Staffing Levels.*** When the State Bar was re-established after its 1998 shutdown, the Bar altered its staffing make-up and position descriptions. Positions were created at the highest level of potential responsibility with the thought that staff could work "below" position descriptions and not work "out of class." This allowed flexibility for management and the ability to staff at a lower overall FTE level. A staffing study conducted by The Justice Management Institute (JMI) in February 2014 reviewed the resource allocation of administrative staff in the SBC; that study was presented to NCSC project staff for review. Administrative staff have reported that no substantive change has occurred since the JMI report was concluded. The SBC has many tenured senior court clerk administrative staff who work autonomously with minimal supervision. Although this provides the SBC institutional depth of knowledge, the possibility of losing this depth of knowledge with retirements or long-term illness puts the organization at risk. Succession planning in the SBC has been lacking.

The *Delphi* staffing analysis provided by JMI is the most relevant information currently available regarding the need for staff in the SBC. The purpose of the study was to document the roles and responsibilities of the SBC's administrative and technical staff and to develop an objective, quantifiable measure of the level of effort required to perform the work.[17] There are, however, some limitations to the report that should be addressed. To begin, the report does not capture the resource needs of the SBC as a whole; rather it captures only the workload of *administrative* staff. In addition, the report would benefit from a time-study or other more rigorous methodological approach to estimating staff need.

RECOMMENDATION: ***The JMI Delphi-based case-weight metric using current filings should be used to indicate the level of administrative staffing needed in the SBC.*** If this Delphi-based metric is not considered valid, then a full weighted caseload study should be undertaken.

RECOMMENDATION: ***One person should be designated as the Court Administrator.***

[17] REPORT for the State Bar of California, State Bar Court Administrative Staff Resource Allocation Study February 2014, pg II.

RECOMMENDATION: ***One Court Administrator position should be re-designated as a special projects position.***

RECOMMENDATION: ***Assuming that application of the JMI analysis identifies that fewer administrative staff are needed in the SBC,[18] one or more of these positions should be re-designated as a subordinate supervisor reporting to the Court Administrator, reducing the number of direct reports for the Court Administrator.***

OBSERVATION: Publication Responsibilities. The Court Systems Analyst position's primary responsibility is the publishing of the State Bar Court Reporter, Rules of Procedure, and Rules of Practice. This responsibility does not appear to require a full-time equivalent, or an analyst-level, position.

RECOMMENDATION: ***The responsibility for publishing the State Bar Court Reporter, Rules of Procedure, and Rules of Practice should be transferred to General Services.***

RECOMMENDATION: ***The duties of the Court Systems Analyst position should be changed to providing administrative support for the unit.***

[18] Because of the significant drop in OCTC filings in SBC in 2015, it is assumed that application of the JMI analysis will indicate that fewer administrative staff are needed.

LAWYER ASSISTANCE PROGRAM

Functions and Responsibilities

The Lawyer Assistance Program (LAP), a statutory program, was established under section 6230 of the Business and Professions Code, and is authorized by Rule 3.240 of the Rules of the State Bar of California.[19] LAP became operational in March 2002; its mission is, "To support recovering attorneys in their rehabilitation and competent practice of law; enhance public protection; and, maintain the integrity of the legal profession."

LAP provides confidential help to Bar members, former members, and applicants with issues affecting their personal or professional life. The LAP provides consultation, counseling, referrals for treatment, and recovery support and monitoring groups addressing stress, anxiety, depression, and substance abuse. LAP program operations are funded by the imposition of a $10 fee to each Bar member.

The 2015-2016 LAP goals include the following:[20]

- Ensure that funding dedicated for the LAP is effectively deployed in support of the mission of the program;
- Continuously evaluate the effectiveness and cost-effectiveness of LAP services;
- Develop and promote currently relevant MCLE courses and material for members, bar associations, and law firms;
- Develop multiple forms of effective program promotional material targeting members of and candidates for the Bar; and
- Develop and maintain a robust and effective online and social media presence.

According to the 2011 State Auditor findings,[21] the LAP evidenced:

- Poor monitoring procedures and failure to appropriately record and report program participant noncompliance;
- Disparate treatment of noncompliance by program participants; and
- Program outcomes and effectiveness measured solely by percentages of program completion.

The Current Process

The LAP phases consist of an intake process, an interview and evaluation of needs, referral to immediate services and assignment to a group meeting that occurs for multiple weeks, review by an evaluation committee, referral to formal, structured program services, and establishment of ongoing monitoring.

[19] http://rules.calbar.ca.gov/Portals/10/documents/Rules_Title3_Div2-Ch5-LAP.pdf
[20] Source: State Bar Committee Matrix, dated January 29, 2016, provided by the Bar's Chief Operating Officer.
[21] California State Auditor Report dated May 26, 2011, pages 1-2.

LAP processes are triggered by an initial call from the Bar member or employer, a referral from the Committee of Bar Examiners, or a pending or completed disciplinary action. During the telephone intake process, an Administrative Assistant obtains specific demographic and background information, including identifying information, contact information, employer information, the type of law practice, the nature of the problem, the source of the referral and the status of any disciplinary action. The Administrative Assistant refers the call to a Case Manager, assigned by geographic region, who first determines if there is an urgent need for service referral and, if so, makes appropriate referrals. If the matter is not urgent, the Case Manager schedules an in person evaluation meeting with the program applicant.

During the personal interview with the applicant, which may last as long as two hours, the Case Manager gathers additional information, including mental health, substance abuse and medical history, work and spiritual history and any financial issues being encountered by the applicant. The Case Manager notes diagnostic and clinical impressions and updates LAPIS, the LAP case management system. The Case Manager determines if the applicant requires a Program Substance Test and, if so, makes a referral.

Should the participant demonstrate financial need, LAP offers a financial assistance program or loan to the program participant to cover LAP costs for up to 12 months, with interest and monthly payments. LAP monitors loan payments and if the attorney become delinquent, the invoice is referred to the Bar's Finance Department for collection.

Two different plans are prepared for the applicant, as described below:

Evaluation Plan: The Case Manager prepares an LAP Evaluation Plan during the application stage. It includes introductory information about the LAP and the applicant; expectations of the participant; deadlines for progress reports to be submitted by physicians, therapists, and any testing facilities; confidentiality provisions; and participant confirmation of expectations. It is signed by the participant, Case Manager and LAP director. Following creation of the Evaluation Plan, the applicant is assigned to a weekly facilitated group meeting, during which an ongoing applicant assessment is conducted by the group facilitator (a licensed mental health professional) and Case Manager. Throughout the application phase and group meetings, the group facilitator reports status updates in LAPIS, as well as to the Case Manager. The Case Manager also observes and monitors the case, possibly observing and enters data into LAPIS about the program applicant.

The applicant begins participation in weekly group meetings, each led and facilitated by a contracted group facilitator. During the meetings, the group facilitator observes and reports, via LAPIS, on the progress of applicant group participation. The facilitator may have discussions with the Case Manager, and the Case Manager may contact the facilitator or conduct personal observations of the session. Throughout, information and updates are made into LAPIS.

Participation Plan: After the application stage, the Case Manager presents the case to an Evaluation Committee comprised of the LAP Director, the clinical consultant, a mental health professional and an attorney in recovery (often a prior LAP participant). They review the records, information and status of the applicant to make a determination on whether the program applicant is approved for formal program acceptance. If approved by the Evaluation Committee, the applicant is accepted into a Support LAP program, with minimal program oversight, or into a three-year Monitored LAP program. Based upon the attorney's diagnosis and individual recovery needs, a LAP Participation Plan is drafted by the Evaluation Committee that details the attorney's structured recovery program, including ongoing LAP group meetings, drug testing, and often individual therapy/treatment. Those attorneys being monitored by the SBC or OP must enter the LAP Monitored program. Attorneys in Monitored LAP sign a Release of Information form directing the LAP to provide the SBC or OP with regular Participation Reports detailing their compliance with their LAP Participation Plan.

The average time that a participant is in an LAP Support Program is 773 days. The average time that a participant is in Monitored LAP is 553 days. Appendix D outlines program steps and events.

Organization, Workload and Resources

According to the 2011 California State Auditor report on the LAP,[22] program data indicates that between program inception and January 2011, the LAP closed 1,302 participant cases which had been open for more than 14 days. Of those, 76 percent were closed due to participant withdrawal, 11 percent were for successful participation, 7 percent were terminated from program, and 3 percent were denied program admittance.

LAP statistics are maintained on the number of intakes, successful program completions, number of attorneys terminated or denied program participation, and the number of LAP outreach presentations. Participants accepted into Monitored LAP are expected to complete 3 years under monitoring. LAP annual reports[23] indicate the statistics on the following pages:

[22] California State Auditor Report dated May 26, 2011, page 23.
[23] Sources: LAP Annual Reports, 2010, 2012, 2013, 2014, and 2015. Report for 2011 was not available.

LAP Intake Statistics

Year	Participants Completing Intake	Participants Completing 3 Years of Program	Participants Denied Program Admittance	Participants Terminated from Program
2010	202	58	9	8
2011	174	n/a	n/a	n/a
2012	179	32	12	4
2013	176	19	4	2
2014	179	10	15	2
2015	127	14	13	2
Total	**1,037**	**133**	**53**	**18**

Regarding program participants, the following diagnosis areas were represented: [24]

Program Participant Diagnosis Areas 2010-2015

Year	Mental Health	Substance Abuse	Dual Diagnosis: Mental Health and Substance
2010	25%	42%	33%
2012	38%	35%	27%
2013	39%	37%	24%
2014	33%	47%	30%
2015	35%	41%	24%

LAP Referral Sources and Referral Source Caseloads

	January 2015	June 2015	January 2016	April 2016
State Bar Court – Alternative Discipline Program	25	23	25	27
Committee of Bar Examiners – Bar Applicant	53	51	41	37
Self-Referred – Discipline Pending	35	34	27	24
Self-Referred – No Discipline	19	20	12	16
Self-Referred – Bar Applicant Prior to Submitting Application	8	15	23	21
Disbarred	2	2	2	2
Status Not Yet Determined	14	13	10	9
Total	**156**	**158**	**140**	**136**

LAP Case Manager Caseloads

Case Manager	January 2015	June 2015	January 2016	April 2016
CM 1	34	32	36	35
CM 2	35	41	37	30
CM 3	54	51	39	43
CM 4	33	34	28	28
Total	**156**	**158**	**140**	**136**

[24] Sources: LAP Annual Reports, 2010, 2012, 2013, 2014, and 2015. Report for 2011 was not available.

Current Participation: LAP currently has 136 active participants, 130 of whom are participating in a Monitored program. 31 of the participants have been officially accepted into the Alternative Discipline Program. LAP has approximately 15 successful graduates per year.

Committee Oversight

The LAP is overseen by a 12-member Oversight Committee[25] composed of:

- Six individuals appointed by the Board of Trustees;
- Four individuals appointed by the Governor (two attorneys and two public members);
- One appointed by the Senate Committee on Rules; and
- One appointed by the Speaker of the Assembly.

Current Staffing Levels

LAP is managed by a program Director under general oversight of a Bar Senior Director. The Senior Director reports to the Bar's Chief Operating Officer.

Lawyer Assistance Program Staff

Position	No. of Positions
Administrative Assistant II	1
Case Manager	4
Court Systems Analyst	1
Director of LAP	1
TOTAL	7

LAP staff members are located in the Los Angeles office. Case assignments are made by geographical regions. A part time, contracted case manager is available to assist with intake in Northern California. The work of all contractors is supervised by the LAP Director.

A Clinical Consultant (board certified psychiatrist and addictionologist) chairs all Evaluation Committee meetings and is available to the LAP Director and case managers between meetings on an as-needed basis for consultation regarding challenging clinical issues with attorney program participants. Interview feedback indicated that most program issues are program related and not clinical in nature.

[25] The composition of the LAP oversight committee is governed by Business and Professions Code section 6231.

OBSERVATIONS AND RECOMMENDATIONS[26]

OBSERVATION: ***Lack of Clarity Regarding Program Purpose.*** The LAP was adopted over twelve years ago, being modeled after a medical professional monitoring program. Over recent years, LAP work volumes have decreased, applicant screening and review processes have created interest in the level of and need for increased rigor, and program services and delivery mechanisms have caused Bar leaders to question both program functions and relevance. Further, the LAP client base has shifted to one that is comprised of a significant number of those seeking admission to the Bar, as opposed to licensed attorneys. As a result, interest has developed in revamping and revitalizing program operations or considering the feasibility of outsourcing operations, modifying the manner of monitoring, or some other variation in the operation of LAP. It appears that there is merit in reviewing how the LAP is structured and potentially modifying its operations. However, key questions exist, including whether or not LAP should proactively seek clients, or only monitor cases that come its way, and which clients the program most appropriately serves.

RECOMMENDATION: ***The Bar should engage in a strategic planning process for the LAP to determine whether LAP is to be reactive, responsive, and corrective to issues faced, or proactive, by advertising services and sponsoring workshops and orientations about attorneys' stress, addiction, and mental health issues.*** This planning process should include an assessment of the current monitoring approach undertaken by the program, which is more administrative than clinical. Lastly, a determination regarding the target client population for the program is needed.

RECOMMENDATION: ***Once program purpose is established, reassess delivery model to include analysis of feasibility of contracting out LAP services.*** This would entail determining which functions should go to one or more contracted providers for program operations, participant oversight, ongoing monitoring, and reporting to a designated Bar manager. It would also require clear definition of which administrative and support tasks would remain within the Bar, if any. If clear performance expectations are embedded in a contract, it may make it easier for the Bar to hold contracted staff to a performance standard. A full risk assessment and review needs to occur, coupled with a cost-benefit analysis, and determination to what degree Bar executive leaders will be able to oversee work of one or more LAP contractors.

[26] Specific LAP recommendations follow; however NCSC recommends, in another section of this report, better coordination between LAP and OP. To improve coordination, NCSC recommends that the Bar create a supervisor over LAP and a supervisor over OP, while creating a manager position that supervises both OP and LAP.

During this workforce evaluation, it also became clear that the monitoring functions of LAP are parallel with those of OP. Both provide oversight and examination of attorney behavior, program compliance, and as ordered, substance abuse testing and monitoring. The comparable monitoring functions have created the potential for greater alignment and efficiencies in program operations.

OBSERVATION: ***Management of the Lawyer Assistance Program.*** Currently, LAP is overseen by a Senior Executive and a Director; there is a significant difference between the job classification of the LAP Director (grade 55) and the next highest grade level position in LAP, that of the Case Manager, at grade 9. The LAP Director is housed in San Francisco, while all of the program staff are located in the Los Angeles office. The previously existing Case Management Supervisor position, which was based in Los Angeles, was recently vacated via the demotion of that position to Case Manager.

Though there are two levels of high-level management over the program, staff reports a need for more direct supervision of casework, as well as attention to operational reorganization and enhancements, and adherence to Bar policy and operational goals. In order to determine whether or not the supervisor need be a clinician, the current management structure of LAP should be maintained for a period of months, during which time an assessment should be made regarding the utilization of existing contract clinical support.

OBSERVATION: ***Case Manager Caseloads and LAP Staffing Levels.*** The Senior Director, LAP Director, Program Coordinator and four Case Managers are responsible for 136 active participants in the program. This aggregate level statistic translates to individual Case Manager caseload levels ranging from 28-42 cases, with an average caseload size, across all four Case Managers, of 34 cases. Cases are at different stages or phases, which can be best described as being pre- and post- Evaluation Committee. Case stage may indicate variations in the amount of Case Manager rigor, time and effort necessary to monitor. In addition, cases are either in Monitoring or Support status. As discussed below, this status corresponds with a variance in the staffing and resource level needed. LAP Case Manager caseloads are significantly less than those of OCTC Investigators or Probation deputies, two classifications which perform similar work at the Bar.

RECOMMENDATION: ***Adjust staffing based on caseload requirements.*** Application of drug court staffing standards suggests that the recommended range for a Case Manager caseload is 45 to 50 cases.[27] These caseload levels can be achieved by reducing one Case Manager position. In lieu of elimination, however, this position should be converted to a Case Manager Supervisor. The Supervisor position should be based in Los Angeles. The size of the program does not warrant both a Supervisor and a Director; the Director position should be eliminated or re-purposed accordingly.

[27] Drug Court best practices indicate the maximum/optimal size of a clinical caseload is 50. While there may be differences between Clinical Supervision and the current Case Manager functions, the objective of working toward the 45-50 range will allow the Bar to seek greater economies of scale in the LAP.

In addition, one Case Manager position should be redeployed to San Francisco to address delays in serving clients in the Northern part of the state.

OBSERVATION: ***Clinical versus Monitoring Case Management Functions.*** All LAP staff appear to do a significant amount of paperwork and other administrative tasks as part of the LAP monitoring function. It is not clear how much of the work of the LAP Case Managers is actually clinical in nature, aside from Evaluation and Participation Plan development. Currently, Case Managers must hold clinical degrees.

RECOMMENDATION: ***Identify what within LAP is clinical and what is monitoring, ensuring that Case Managers perform clinical, as opposed to monitoring, activities wherever possible.*** If the program design does not require the current level of clinical staffing, transition away from a requirement that all Case Management staff hold clinical degrees.

OBSERVATION: ***Differentiated Case Management.*** Currently, LAP operates two tracks – Monitored and Support. Monitored LAP involves a plan of structured recovery activities typically including attendance at LAP monitoring group, regular participation in self-help peer support groups and, when appropriate, random drug testing and/or individual therapy. Compliance with this Participation Plan is monitored by a LAP Case Manager. Successful completion of monitored LAP requires a minimum of three years of participation in the program and three years of continuous documented sobriety/recovery. Support LAP includes a similar plan of recovery activities but the participant's compliance with their Support Plan is not monitored by a LAP case manager nor is any compliance documentation maintained by the program. The LAP will not provide verification of a participant's time in Support LAP because their participation and compliance with their Plan has not been documented by the program. For this reason, participants who believe that they may at some point in time need to provide documentation of a period of time in the LAP generally do not opt for Support LAP

The average time for participation in Monitored LAP is 2.12 years; for Support, it is 1.75 years. A review of LAP intake and three-year completion data provided in the introductory section to this chapter suggests that, since 2010, of the 1,037 clients completing LAP intake, only 12.8 percent, or 133, have successfully participated in the program.

RECOMMENDATION: ***LAP should evaluate the differences in monitoring actions required for cases in various phases, and consider establishing differentiated monitoring practices.*** A three-tiered program is specifically recommended as follows:

1. Expedited LAP (or "LAP light") – a simplified and expedited program to provide information and resources for those applicants with less risk. Include initial intake and personal meeting, and referral for self-directed support, with no ongoing staff interaction. Key objective of this track: simple information provision.

2. Modified LAP – a program to provide information, resources and support activities (e.g., group meetings, program referrals) with minimal LAP oversight. Key objective of this track: summary oversight.
3. Monitored LAP – a program to provide the full array of LAP support and monitored functions to include ongoing group participation, testing and reporting. Key objective of this track: structured oversight and accountability by the participant.

For Modified and Monitored LAP, the duration of time in the program should be identified based on assessed needs; a blanket participation period of three years should be discontinued.

OBSERVATION: ***Streamlining of Forms and Processes.*** Initial intake is currently handled in two stages. First, an Administrative Assistant obtains demographic and background information regarding a client; the client is then referred to a Case Manager for additional intake-related activity. LAP Case managers prepare an LAP Evaluation Plan for clients during the intake interview. Subsequent to consideration by the Evaluation Committee, a Participation Plan is completed.

RECOMMENDATION: ***Combine processes and forms for LAP intake, interviews, and program plans.*** Move manual process to automated actions. Program administrative and clerical support functions should be evaluated to determine which are best conducted by the Case Managers, which are best conducted by the Program Coordinator, and which are best conducted by the Administrative Assistant.

In addition, technological solutions are needed. For example, a quality assurance report should be developed in LAPIS in which cases with approaching or elapsed deadlines are automatically flagged for action by the Case Manager.

OBSERVATION: ***Committee Structure.*** The Evaluation Committee has served as the LAP review and approval entity. Staff report that the Evaluation Committee provides a needed level of seriousness to LAP; a significant amount of time and effort is needed to prepare materials for the Committee accordingly, an effort shared by the LAP Director, Case Managers, Program Coordinator, Administrative Assistant, and contract clinical consultant. It is unclear what concrete impact the work of the Evaluation Committee has on individual participant plans or outcomes.

RECOMMENDATION: ***A thorough review should be conducted of the use of the Evaluation Committee, to determine if it needed as a review entity, or whether it can be eliminated, including:***

- Assessment of whether the time and preparation activity required to support it justifies its use and demonstrates a return on investment for program operations;

- To what degree it performs a role of review and monitoring support for program participants;
- The need to have the Committee provide a level of gravity and seriousness to approval for program participation;
- The degree to which it is following clear policies and objectives; and
- The level to which the Evaluation Committee has any direct ownership or responsibility for participant outcomes.

Data on the number of Evaluation Committee meetings held and the number of cases heard at each meeting should be tabulated and published along with the number of cases with sufficient information for program conclusion and the number of cases in which the Evaluation Committee requested or required further action by a) the program participant, b) the Case Manager, or c) some other requested follow up.

OBSERVATION: ***Data Collection and Reporting.*** The current set of metrics used by the LAP is a useful beginning however additional work in this area is needed.

RECOMMENDATION: ***Data Collection and Reporting.***

- Specific case issues should be tracked, including the reasons for referral (substance, mental health, crisis), the numbers of incoming calls to the LAP phone lines, the sources of referral to LAP (voluntary-Bar member, voluntary-Bar applicant, SBC ordered, CBX referred) senior or elder lawyer needs, needs by active/inactive/suspended status, and the number of cases assigned to each case manager and to any contract case management staff, as well as any additional categories related to client needs identified by staff.
- Performance targets for task completion should be developed (e.g., case manager return call to applicant within one hour, conduct of face-to-face intake meeting within one week, referral to weekly support meeting with participant attendance within one week of intake meeting).
- Information on outreach activities should be documented and published (e.g., presentations and briefings for parties external to the Bar) to include the number of events, the audiences, and the nature of inquiries and topics discussed.

RECOMMENDATION: ***Improve payment compliance.*** Attentiveness to financial assistance program payment compliance should be increased through a quality assurance program to run reports on cases either coming due or with upcoming payment deadlines.

OFFICE OF PROBATION

Functions and Responsibilities

The Office of Probation's (OP) primary responsibility is to monitor respondent attorneys' compliance with court-ordered or agreement-supported conditions of probation. Fulfilling this responsibility is beneficial to the public and to the attorneys. Through probation, respondents are given an opportunity to keep their license to practice law while improving their knowledge and skills in how to professionally practice. Under probation, respondents in need of various types of treatment are required to obtain that care. Complaining witnesses entitled to restitution and protected legal rights have an opportunity to be made whole as respondents adhere to probation conditions.

Disciplined attorneys are required to comply with probation conditions set by the Supreme Court and the SBC. Probation conditions are generally set in accordance with Supreme Court findings associated with Rule 9.20 of the California Rules of Court under which attorneys are suspended, disbarred, or allowed to resign. In addition, the OP monitors attorney compliance with Agreements in Lieu of Discipline and conditions established through the Alternative Discipline Program. Pursuant to Rules of Procedure 5.380-5.388, the OP can initiate probation revocation motions and probation modification requests subject to SBC approval.

The Current Process

The terms and conditions of probation for respondent attorneys are determined by the Supreme Court or by Supreme Court-authorized actions of the SBC. Court orders are forwarded to the OP on a daily basis from which probation cases are established. OP cases may also be established by stipulation and contractual agreements through the Alternative Discipline Program and Agreements in Lieu of Discipline.

The administrative assistant for the OP enters initial case opening information into the AS 400 CMS and creates a paper file for each respondent attorney. OP cases are assigned to probation deputies (PDs) based on the first letter of the respondent's last name. PDs carry an average caseload of 160 to 175 cases. PDs are also referred to as probation monitors in various court orders and probation related documents.

Attorneys subject to discipline requirements are required to self-regulate their compliance with the conditions of probation. As stated in the conditions, respondents must report their compliance progress on a quarterly basis. Within 30 days from the effective date of discipline, respondents are required to contact the OP.

PDs schedule the initial probation meeting with the respondent as soon as possible after the initial contact is made and all probation condition documents have been received. PDs meet with

the respondent either in person or via telephone. When the respondent and PD meet, the importance of complying with probation conditions is discussed along with the requirement to submit quarterly reports with proof of compliance, when required. Proof of compliance is generally provided in the form of a receipt, verification of attendance, or some other official documentation stating the respondent has complied with a particular condition.

There are standard probation conditions for which respondents must prove compliance. Other conditions are based on the individual actions and violations for which the respondent was disciplined. As sworn court officers of the State of California, attorneys must, under the penalty of perjury, prove their compliance with all conditions of probation. Conditions may include participation in substance abuse testing; mental health treatment; payment of restitution; and participation in professional education classes dealing with ethics, professional conduct, law office management, client and/or trust account management; meeting MCLE requirements, and passing the Multistate Professional Responsibility Examination. Respondents are responsible for all associated costs of complying with probation conditions.

There is no supervision or monitoring fee charged to the respondent. PDs do not, as a rule, conduct field work monitoring. All contact with the respondent is either in the office, over the phone, or through written correspondence.

Throughout the period of probation, the PD monitors the compliance level of the respondent. When necessary, PDs may contact other State Bar offices involved with the respondent and discuss the respondent's efforts related to probation condition compliance. Collaborative contacts are often initiated with OCTC, LAP, MRC, SBC, and CSF.

As monitoring checkpoints, PDs contact service, treatment, or testing providers along with agencies or individuals conducting continuing education classes in which the respondent has reported participation or attendance. Release certificates for respondent information are often required. PDs may also contact complaining witnesses (CW) particularly when there is a question regarding restitution payments. Because respondents are required to make restitution payments directly to CWs, PDs may assist respondents in locating CWs.

A respondent, under penalty of perjury, must submit to the OP a written quarterly report on specific dates as set forth in the conditions of probation. It is the responsibility of the PD to review the reports and to determine any areas of non-compliance or questionable compliance for which additional proof may be required. Issues of questionable compliance are reviewed with the Senior Deputy Trial Counsel (SA).[28]

[28] The Office of Probation is managed by a DTC position originally located in OCTC.

As a quality assurance measure, the SA pulls ten percent of the open case files on a monthly basis and reviews quarterly reports along with the CMS actions logged by the PD assigned to the case. Should a respondent demonstrate non-compliance with his or her conditions of probation, the PD will review the matter with the SA and send a non-compliance letter to the respondent. Should the respondent fail to address the issue of non-compliance, the SA will contact the OCTC Enforcement Unit. The Enforcement Unit may elect to file a new disciplinary case against the respondent or may advise the OP to file a motion to revoke probation.

Depending on the seriousness of the complaint for which discipline was determined necessary, a period of probation can generally last from one to five years. Cases involving substantial restitution payments may last longer.

PDs and the SA reported that documented procedures exist outlining OP performance expectations. Staff also reported that regularly scheduled meetings occur in which ideas are discussed that could improve the overall monitoring efforts of the OP.

Organization, Workload and Resources

The OP is organizationally associated with the SBC, but is operationally independent of the SBC. Overall management of the OP is performed by the Chief Administrative Officer/Chief Court Counsel for the SBC. Day-to-day supervision is performed by an assigned SA. The SA directs and supervises the performance of PDs and the administrative staff support employee. In addition, the SA monitors the quality of the overall monitoring process and reviews the daily functions of the office while serving as the OP liaison with other Bar departments.

Daily monitoring for compliance with court ordered or agreement authorized conditions of probation and the review of written compliance reports consume the majority of the typical workday. On average, from 10 to 12 probation revocation motions are filed annually. Should a question of compliance arise, a letter of non-compliance forwarded to the respondent attorney generally resolves the issue.

The Supervising Attorney produces a monthly report indicating the number of cases currently in inventory, the number of cases filed by source, and the number of cases closed. The report is reviewed by the Chief Administrative Officer/Chief Court Counsel for the SBC who subsequently reviews the report with the Board of Trustees' Regulation and Discipline Oversight Committee.[29]

The following table provides data from year-end reports for 2015 and 2014, which indicate a level workload for each year.

[29] Source: Monthly Statistical Reports provided by the Office of Probation

Office of Probation Caseloads

	2015		2014	
	Opened	Closed	Opened	Closed
Rule 9.20[30]	714	681	713	704
Alternative Discipline Program	11	15	17	16
Agreements in Lieu of Discipline[31]	57	53	55	30
Probation/Suspension	247	231	244	293
Reproval	59	60	60	62
Other	1	2	3	4
Total	**1,089**	**1,042**	**1,092**	**1,109**

- The SA reported that it may take up to three weeks to receive all documents related to court orders and discipline agreements. The objective of the OP is to have the probation case entered into the CMS and catalogued in a paper file within three weeks of the date of ordered discipline or agreement. The SA stated that this objective is achieved in 80 percent of probation cases.
- One hundred percent of new cases are reviewed by the SA and discussed with the assigned PD.
- Respondents routinely contact the OP within the prescribed 30 days of the effective date of the discipline and schedule a meeting with the assigned PD.
- Prior to the closure of a probation case, the SA reviews the probation file for any final compliance need of the respondent. Unresolved compliance issues may be justification for extension of probation.

Current Staffing Levels

The OP is currently staffed with eight employees. All staffing positions are filled with non-contract full time employees.

Office of Probation Staff

Position	No. of Positions
Administrative Assistant II	1
Probation Deputy	6
Senior Attorney	1
TOTAL	8

[30] Rule 9.20 of the California Rules of Court provides that the Supreme Court may order attorneys subject to disbarment, suspension or resignation to: (1) notify clients, co-counsel, opposing counsel and tribunals of their disqualification to practice law as of the effective date; (2) return to clients any papers, property and unearned fees; and (3) file with the Bar proof of compliance with this rule.

[31] Agreements in lieu of discipline frequently include probationary requirements, which are monitored by OP.

Of the eight OP staff responses to the Workforce Staff Survey statement "Staffing levels for my area of responsibility are appropriate," one responded "yes" and seven responded "no." Workforce Staff Survey responses of OP staff cite the need for at least one additional Probation Deputy. The Chief Administrative Officer/Chief Court Counsel for the SBC, and the OP SA believe the current staffing level could be adequate with the installation of a new CMS that enables probation monitoring to be more efficient. At this time, there is no recommendation to increase the number of staff for the OP.

OBSERVATIONS AND RECOMMENDATIONS

OBSERVATION. ***High Caseloads Limits In-depth Monitoring.*** Individual PDs are tasked with monitoring respondent compliance for approximately 170 cases each. In response to the Workforce Staff Survey statement: "I have sufficient on-the-job time to successfully complete my daily responsibilities," PO staff had the lowest aggregate response score (2.13) of any Bar program area.[32] Staff interviews and discussions confirmed that staff believe they need more time for compliance monitoring.

RECOMMENDATIONS: ***In order to increase time for staff to monitor compliance with probation conditions, particularly in complex cases, or cases in which specific respondents require a higher level of monitoring, the Bar should reduce the overall number of cases subject to monitoring.*** Taking the following steps will assist in reducing caseload numbers:

- Eliminate the requirement to monitor attorneys whose resignations have been approved by the California Supreme Court.

  Once resigned from the Bar, a former attorney is no longer allowed to practice law. Should an attorney request reinstatement, any pending disciplinary action at the time of resignation should be reviewed.

- Eliminate the requirement to monitor compliance with agreements for attorneys who do not have pending disciplinary charges.

  Monitoring the conduct of attorneys who are not subject to probation conditions should not be a responsibility of the OP.

- Assign a level of seriousness to each case (e.g. low-level discipline, mid-level discipline, complex high-level discipline) and align the amount and time of monitoring with that level. By devoting less monitoring time to lower level discipline cases, more time will be available to monitor more complex and serious cases. Monitoring levels should correspond with the level discipline imposed by the SBC.

[32] The average score across all program areas was 3.20.

- Develop a monitoring compliance policy that allows for reduced monitoring based on compliance success. As a recognized evidence-based business practice, probation departments often use a reduction in the need to provide compliance reports and compliance proof as an incentive for consistent successful compliance. In addition to these steps to reduce caseloads, the OP should transition to a process where case assignments are based on level of seriousness of the case and the corresponding level of monitoring required. Equalizing the assignment of complex cases or cases involving recalcitrant respondents would assist PDs in managing other case monitoring tasks, and may allow them to begin actual field-work, as appropriate. Knowing the number of complex type cases could also lead to consideration of other assignment options as currently being recommended for the LAP.[33]

OBSERVATION. ***Use of Technology.*** As reported by OP staff, the OP heavily relies on paper records and files. Utilizing electronic tools would modernize the monitoring process of the OP and assist PDs in daily records monitoring. The increased use of technology would also assist attorney respondents by allowing a greater opportunity to electronically communicate and correspond with DPs.

RECOMMENDATION: ***Increase the use of technology in the daily use of electronic records and the need to correspond with respondents.*** In particular:

- The CMS should be upgraded to better support the services of OP and its staff. Use of an updated CMS will provide electronic access to increased information beneficial in creating metric and workload reports. Business decisions can be evidence-based through the convenient use of electronic records tracking. Case assignments could be automated ensuring an equalized assignment of a variety of cases.
- An electronic monitoring portal, through which respondents and PDs can communicate in a secure electronic environment, should be developed. Having such a communication tool would allow important correspondence to quickly pass between respondent and PD. Lengthy reports could be electronically sent, stored, and easily reviewed as an electronic probation record. Reminder notices and questions related to proof of compliance would be provided and addressed in a timely manner. The portal can be developed as part of the upgraded CMS.
- An online or portal capacity, through which treatment and continuing education providers can electronically report the participation of respondents, should be developed. Utilizing this portal, service providers could be asked to efficiently provide proof of compliance, thereby reducing the time and need for contact by a PD questioning compliance.

[33] OP is working with the SBC to develop a system for early notification of violations, to allow the SBC to modify probation requirements, as appropriate. Attorneys may petition the SBC for early termination of probation upon satisfaction of probation conditions.

Electronic compliance histories could be established and archived for possible future use, if required.

- The use of social media should be tested to remind respondents of the need to comply or provide report information.
- Paper PO records and case files should be converted to electronic records and files as soon as possible. Modern records management practices are best achieved through the use of electronic case files. Access is quicker, easily updated, and much easier to store.

OBSERVATION. ***Need for Exchange of Information.*** PO records need to be shared with other Bar Departments and units. Likewise, the OP needs to have access to other records within the Bar that will assist with daily monitoring responsibilities.

RECOMMENDATION: ***OP staff should be provided electronic monitoring and investigation access to court records, OCTC investigation records, and people-finding software.*** Having this level of access will reduce monitoring time that is often spent in records searches or investigation efforts to obtain information readily available through other Bar resources and online programs.

RECOMMENDATION: ***Discussions with the SBC should be held to determine how best to share information needed by either SBC or the OP.*** Whenever possible, the easiest way to share information is through electronic access and electronic communique. Discussions with the SBC involving the use of such methods of sharing information would be mutually beneficial.

OBSERVATION. ***Management and Supervision of the Office of Probation.*** The section of this report discussing the LAP includes the recommendation that there should be one overall manager for monitoring activities by both LAP and OP staff. That recommendation is reaffirmed here. The OP is currently managed by a Senior Trial Counsel repurposed from OCTC, rather than a Supervising Probation Deputy. This position currently spends a significant amount of time reviewing the work of PD's. A pattern of routine errors suggests training and performance management needs; supervisors should not routinely spend substantial amounts of time auditing the work product of subordinate staff.

RECOMMENDATION: ***The OP SA position should be converted to a Supervising Probation Deputy.*** The current SA position should be reassigned to an OCTC intake or enforcement team.

RECOMMENDATION: ***In conjunction with management recommendation in the LAP section, a a manager position should be established with the responsibility for managing both OP and LAP.*** Management duties shared between the two departments would result in personnel savings as well as efficiencies of scale in high level oversight of compliance monitoring. Probation conditions may include active participation in LAP sponsored programs and treatment services

resulting in a level of shared monitoring for specific cases. Centralized management may lead to more opportunities to have a form of centralized monitoring.

OBSERVATION. ***Measurements of Compliance and Effectiveness.*** Use of metrics associated with OP process objectives appears limited. Adding the measuring methods discussed in the following recommendations may assist with determining the overall success of current monitoring methods and practices. Having such information will assist with daily monitoring and management duties and complies with the elements of evidence based decision making.

RECOMMENDATIONS: ***Tracking the amount of restitution paid to CWs through the efforts of the OP will help measure the benefit of monitoring.*** Restitution payments are extremely important to the victims of disciplined attorneys. Knowing the impact of monitoring payments would be beneficial when considering if improved monitoring techniques are needed.

RECOMMENDATION: ***Survey respondents to determine how monitoring practices could be more beneficial to respondents and CWs.*** Though it may appear antithetical in concept, knowing what respondent attorneys think of OP's monitoring process may lead to improved relations and improved processes.

RECOMMENDATION: ***Track recidivism rates of past respondents to help determine if more effective monitoring methods can be developed.***

RECOMMENDATION: ***PDs should be provided with subpoena authority in order to timely obtain records validating compliance.***

THE LAWYER ASSISTANCE PROGRAM AND THE OFFICE OF PROBATION

The NCSC has identified similarities in the work that the LAP and the OP perform. Both the LAP and the OP are responsible for assisting and supporting attorneys in their rehabilitation and for enhancing public protection and maintaining the integrity of the legal profession. While LAP participants enter the program voluntarily and OP participants enter the program primarily pursuant to discipline and as mandated by the Court, both the LAP and the OP provide counseling, referrals, and consultation, make arrangements for treatment, and monitor compliance.

Organization, Workload and Resources

Comparison – Probation and LAP Operations

Program Features or Elements	Office of Probation (OP)	LAP
Staffing and Caseload	6 Probation Deputies (grade 7) 960-1,050 cases 160-175 cases/deputy	4 Case Managers (grade 9) 145 active participants 36 cases per case manager
Source of Program Cases	• Court Order • Negotiated Agreement	• Self-Referral or Employer Referral • SBC Ordered • CBX Directed • OCTC Referral
Program Conditions Set By:	• Court Order • Negotiated Agreement Terms	• Direct Interview/Interaction with Case Manager • Set by Case Manager; approved by Evaluation Committee
Program Services	• Monitors respondent's compliance with conditions ordered by the Court or agreed to within OCTC	• Immediate "crisis" referral • Assignment to facilitated group • Referral to Services o Mental Health o Psychiatric o Medical o Addiction Treatment o Substance Testing o Support Groups
Monitoring Conducted By	Probation Deputy, with input and supervision by Supervising Attorney re legal issues, etc.	Case Manager w/input from Group Facilitator
Monitoring Methods	• Compliance reports o Quarterly for compliance with State Bar Act, Rules of Professional Conduct, probation in underlying criminal matter, etc.	• Compliance reports • Group Facilitator Input • Participant quarterly Reporting • Case manager input

Comparison – Probation and LAP Operations

Program Features or Elements	Office of Probation (OP)	LAP
	○ Monthly or as ordered for AA meetings, therapy, etc. • No Field Monitoring or Work • Verification with doctors, banks, labs, restitution payees, criminal courts, AA, banks, other Bar departments	

Department Head Responsibilities

Probation Senior Attorney – Grade 17[34]	LAP Director – Grade 55[35]
• Helps the Senior Director with budget issues and expenses • Reviews time cards to include leave taken • Reviews overtime • Audits a 10% sample of PD files each month • Handles facility issues • Does occasional department plan review • Coordinates with other departments – SBC, OCTC, MRC, OGC etc. • Trains new staff • Works with IT • Does performance evaluations • Maintains documents in hard copy and electronically related to case progress and office operations (shared drive with PDs) • Creates monthly and annual reports • Reviews new and to-be closed cases • Reviews or creates respondent correspondence • Prepares motions related to amended probation conditions and revocations • Reviews PDs activity notes in AS 400 • Handles complaints about PDs • Maintains probation manual • Meets with staff to discuss methods by which the OP can improve • Assigns new cases and directs PDs • Sets priorities for the office	• Serves under direction of Sr. Director • Serves as member of Bar Executive Staff • Directs and manages the boards, commissions, committees, contractors, experts and others associated with LAP • Maintains effective working relationships with external constituencies • Administers the LAP Oversight Committee • Assists in budget preparation • Develops and maintains funding sources for LAP programs • Manages and directs LAP resources and operations • Plans, organizes, directs the LAP • Supervises, hires, and terminates assigned staff • Conducts reviews of LAP staff • Manages and directs administrative staff support • Develops and implements policies, procedures, plans for LAP operations • Formulates and implements short-term and long term goals for LAP efficiency and efficacy • Initiates inter-office projects, programs and activities • Provides clinical and policy guidance and staff assistance to Board of Trustees, LAP Oversight Committee, facilitators, and staff

[34] Based on interview alone as this position is filled by a G17 Senior Attorney, which is not a PO-specific classification.
[35] Based on job description.

While the two units perform different types of assessment and monitoring activities, there is a significant level of similarity to the work as well as to the job duties of the individuals responsible for unit management; this nexus suggests that better coordination and integration of the units could lead to efficiencies, including improved distribution of work across a combined group of staff.

As noted in the respective separate LAP and OP chapters of this report, recommendations applicable to both units include:

- Establishment of Supervising Case Manager and Supervising Probation Deputy positions;
- Elimination of Director of LAP position;
- Transfer of Senior Attorney position from OP to OCTC; and
- Establishment of a Manager position responsible for both LAP and OP.

Once LAP and OP are integrated, the Bar should:

- Determine appropriate caseload levels for Case Managers and Probation Deputies;
    - Does the variance in the work support the significant differences in current per FTE caseload levels?
- Determine whether the nature of the work of the two units supports the continuation of a two grade level variance between Case Managers and PD's;
- Determine how and whether workload can be shared across Case Manager, Probation Deputy and support staff, such that some staff support both units' activities;
- Create standard and parallel monitoring protocols and check lists for both OP and LAP to include standard periodic reporting, electronic compliance report submittal;
- Determine whether field monitoring responsibilities should be added to PD duties to increase levels of oversight for high-need or high-risk clients;
- Assess the current use of evidence based assessment and supervision (or lack thereof) in both units. Evidence based management (or supervision) refers to the use of data, metrics and statistics to make evaluative, risk based and treatment decisions. The Bar should take immediate actions to implement evidence based practices. This will entail expanding upon current evaluation techniques, and creating new protocols to assess client, probationer, and program participants. The Bar should consider adopting techniques also used in drug court operations:[36]
    - Complementary array and provision of treatment and services;
    - Comprehensive use of substance testing and monitoring;
    - Responsive supervision and the use of sanctions and rewards;
    - Use of a multidisciplinary teams; and
    - Processes for ongoing review, monitoring and evaluation (to include intermediate "check points").

[36] From *Adult Drug Court Best Practices, Volume II*, National Association of Drug Court Professionals, 2015.

MEMBER RECORDS AND COMPLIANCE

Functions and Responsibilities

The Member Records and Compliance (MRC) Department, also known as the Member Services Center, is responsible for collecting, maintaining, verifying and properly disseminating information regarding the membership of the Bar. MRC helps analyze and implement various administrative and compliance issues important to the Bar, its members, and the public. MRC maintains data on Bar members and produces, on request, certificates of standing. MRC also monitors compliance with Minimum Continuing Legal Education (MCLE) Requirements. MRC, as custodian of Bar member records, routinely provides information, sometimes in response to subpoenas, to the SBC and OCTC.

Attorneys may pay fees, update personal information and report MCLE compliance by using an online portal – *My State Bar Profile*, which is maintained by MRC.

While MRC has many responsibilities related to maintaining attorney records, including the operation of a Call Center, this workforce planning analysis covers only its responsibilities related to the disciplinary process. Disciplinary related responsibilities include recording and reporting any changes in an attorney's disciplinary status (e.g., active, inactive, suspended, or disbarred)[37], issuing certificates of standing, and monitoring compliance with MCLE requirements.

The Current Process

Reinstatements. On a daily basis, an MRC associate runs an AS400 report to identify whether an attorney's suspension has reached its end date. For any disciplinary suspensions that are projected to end on that day, MRC must send an e-mail to MRC's liaison at SBC to verify that all conditions of reinstatement (as monitored by the OP) have been met. This frequently results in delays in being able to change the status in AS400. If the attorney is required to pay discipline costs as a condition of reinstatement, MRC also checks with the Billing Department before recommending to the Court that the suspension entry be ended.

Resignations. MRC also receives requests for resignations from members. Before accepting a resignation, MRC checks with OCTC to make sure that there are no pending charges.

Certificates of Standing with Complaint Check. Attorney members, after providing identification, may request a Complaint Check as part of their request for a certificate of standing. (Certificates of standing are typically public documents and may be requested by

[37] Members may be suspended or placed on inactive status for failure to complete Mandatory Continuing Education requirements, failure to pay dues, failure to comply with family or child support obligations, failure to pay taxes, or for professional misconduct. Suspensions are ordered by the State Bar Court.

anyone; those with Complaint Checks can only be requested by the attorney member him or herself.) MRC checks the AS400 to learn of any disciplinary complaints. If not, a certificate is mailed after verifying the address and after notarizing, if requested. If the AS400 shows that the attorney has a complaint, MRC sends a packet (an authorization and ID, a cover letter, the formal request, and a certificate of standing form) to OCTC's Intake Unit to investigate. OCTC will then send a verified summary of complaints and Certificate of Standing to the attorney, with notification of mailing to MRC. Most Certificates of Standing are issued on the same day as received. MRC does not now track how long it takes to receive Certificates of Standing back from OCTC.

Mandatory Continuing Legal Education Compliance. All active members of the Bar must complete 25 hours of continuing education within a 36-month period of time. Failure to do so will result in the member being placed on inactive status. The 190,000 active Bar members are permanently assigned to one of three 36-month compliance groups on the basis of the first letter of their last name at the date of admission. The three year compliance period begins on the first day of February and ends three years later on the last day of January. A member must report MCLE compliance no later than the day following the end of the compliance period.

MRC receives MCLE affidavits from approximately 60,000 attorneys, 1/3 of the Bar, every year. MRC audits 10 percent of these attorneys annually. MRC contacts attorneys selected for audit and asks for proof of compliance. If proof is provided, the audit ends satisfactorily. If not provided, MRC requires members to make up any deficiency, otherwise the member is administratively enrolled on inactive status. If non-compliance, whether eventually satisfied or not, is not a "significant failure," the audit is ended. If it is significant, whether eventually satisfied or not, MRC refers the matter to OCTC Intake for investigation, sending all documents in a paper file. Approximately 5 percent of audited members' affidavits have problems serious enough for referral to OCTC Intake for further investigation. Over the years, MRC has analyzed audit results and identified high risk groups. In recent years, this data has informed staff on which groups might be audited at a higher percentage rate for the following year's audit cycle. This targeted auditing has translated in more referral files to OCTC.

Organization, Workload and Resources

MRC is staffed by a Managing Director, two Senior Administrative Supervisors, one Lead Data Analyst, one Senior Administrative Assistant, three Member Services Representatives, seven Member Services Associates and four Administrative Assistant I's. Together, these 21 positions comprise four percent of the Bar's workforce.

Member Records and Compliance Staff

Position	No. of Positions
Administrative Assistant I	4
Administrative Assistant II	1
Lead Data Analyst	1
Managing Director, MRC	1
Member Services Associate	7
Member Services Representative	3
Senior Administrative Assistant	1
Senior Administrative Supervisor	3
TOTAL	21

OBSERVATIONS AND RECOMMENDATIONS

OBSERVATION. ***MCLE Reporting.*** The receipt and auditing of attorney MCLE compliance affidavits creates substantial work for MRC staff in December, January and February of each year. Some MRC staff believe that additional staff, perhaps temporary employees, are needed during those months.

RECOMMENDATION: ***Require approved providers of Continuing Legal Education to electronically certify satisfactory completion of a course or educational program***. This change will dramatically decrease the time needed to record and audit MCLE compliance.

OBSERVATION. ***MCLE Audits.*** MRC makes approximately 225 referrals to OCTC Intake for further investigation following its own audit of attorney affidavits. When a referral is made, MRC prints out all documents and sends a paper file to the Intake Unit.

RECOMMENDATION: ***MRC should send files to the Intake Unit electronically.*** This change will reduce time used to refer matters for further investigation.

OBSERVATION. ***Tracking Disciplinary Status***. MRC, OCTC, SBC, the OP and CSF staff spend a significant amount of time attempting to keep track of and responding to inquiries from complainants, CSF applicants, and respondents about current disciplinary status. This includes the status of any pending complaints being investigated by OCTC and the status of any pending cases filed with the SBC.

OP does not consistently notify MRC when a respondent's probationary period has been successfully completed.

RECOMMENDATION: ***Provide MRC with authority and direction to access AS 400 data in the Office of the Chief Trial Counsel and other departments, and provide training to MRC staff on how to read and interpret the data on the AS400.*** This change, in addition to vesting responsibility for tracking reinstatement eligibility with a new SBC administrative position, will reduce the time that MRC staff spends contacting other departments and units to obtain information on the status of disciplinary complaints so that MRC can issue timely Certificates of Standing and reinstatements.

OBSERVATION. ***Certificates of Standing.*** When a request for a Certificate of Standing is received and the AS400 reveals that the attorney has a complaint, MRC now sends a packet to OCTC's Intake Unit with a request to investigate and send a verified summary of complaints and Certificate of Standing to the attorney, with notification of mailing to MRC. MRC does not have a good system to track whether OCTC responds.

RECOMMENDATION: ***Once system access is provided to MRC staff, the practice of sending packets to OCTC's Intake Unit for investigation and preparation of verified Certificates of Standing should cease; MRC staff should assume this responsibility.***

OBSERVATION. ***Certificates of Standing.*** When a complaint is closed by OCTC's Intake Unit for lack of merit, the attorney is not notified that a complaint was filed. Yet, OCTC includes these complaints in the attorney's record even if it had been closed many years back. The attorney is then surprised to learn of the complaint when he/she requests a Certificate of Standing. Members of the Bar get upset when caught by surprise that they cannot provide a "clean certificate".

RECOMMENDATION: ***Implement a policy or, if necessary, promulgate a rule, clarifying that attorneys should be notified of closed complaints and outlining when such complaints may be purged from the OCTC file.***

OBSERVATION. ***Reinstatement.*** Based on interviews with MRC and Probation staff, it is not clear who has the authority to reinstate an attorney's license. MRC has been told by "someone at Intake" that MRC can reinstate only with approval by the SBC. This lack of clarity creates confusion and unnecessary delay in attorney reinstatements.

RECOMMENDATION: ***Implement a policy or, if necessary, promulgate a rule regarding who has authority to reinstate an attorney's license. This change will reduce delays in attorney reinstatement.***

RECOMMENDATION: ***Upon implementation of a new case management system, require OCTC, the SBC, OP and CSF to electronically notify MRC of every action that impacts the attorney's***

disciplinary status, including when a complaint is forwarded to the Enforcement Unit, and when it is filed in the SBC. The notification should automatically be sent when an entry is made in the department and it should automatically populate the attorney's electronic MRC file, which should capture:

- All continuing education courses completed
- All complaints filed with OCTC and the status of that complaint
- All cases filed with the SBC and the status of the case
- All probation conditions and their status
- All CSF applications filed and their status

RECOMMENDATION: ***All persons within the Bar who need access to the attorney file in order to fulfill their job responsibilities should have access to the attorney's MRC file.*** The public should not have access to any information in the MRC file that it does not currently have.

CLIENT SECURITY FUND

Functions and Responsibilities

The Client Security Fund (CSF) supports the Bar's goal of protecting the public by alleviating injury to legal consumers, and promoting public confidence in the legal profession. The primary objective of the CSF is to promote confidence in the legal profession by reimbursing clients for the dishonest conduct of lawyers that rises to the level of theft, or is tantamount to theft. The State Bar web site identifies CSF as a "public service of the California legal profession."[38]

The CSF, which is a discretionary fund, reimburses clients up to $100,000 for losses due to attorney theft or acts tantamount to theft. It does not cover losses caused by attorney incompetence, negligence or malpractice. In recent years most of the applications have requested reimbursement for unearned fees (in 2014 88% of applications paid were for unearned fees).

To qualify for reimbursement, an applicant must establish that the respondent attorney has been disbarred, disciplined, or voluntarily resigned from the Bar.[39] The CSF is separate from and does not participate in disciplinary proceedings. The CSF is financed by a $40 statutory assessment that is part of the annual active attorney membership fee; inactive members pay a $10 assessment. A seven-person Client Security Fund Commission (CSFC), appointed by the Board of Trustees, administers the CSF and has the final authority to determine whether to grant applications.[40]

Current Process

Clients who assert that they have suffered losses may learn about the CSF from other Bar departments, from telephone inquiries, from participation in the disciplinary process, from Bar public town hall meetings, or from the Bar web site. A client (applicant) may request reimbursement by submitting an application to the CSF at the Los Angeles Office of the Bar. Applications received in the Bar's San Francisco office are forwarded to CSF in Los Angeles.

CSF staff send an acknowledgment letter, perform data entry and then perform an initial screening and review of Bar computer records to determine the disciplinary status of the attorney (respondent). The file is assigned to a paralegal for further research/investigation to determine if the application falls within the CSF's jurisdiction. If not within jurisdiction, a closing letter is sent to the applicant. The application is held as pending until there is final discipline issued by the California Supreme Court, or the discipline complaint is otherwise resolved. Once the discipline is final, the case is assigned to an attorney to conduct further investigation, interviews and document review.

[38] http://www.calbar.ca.gov/Attorneys/LawyerRegulation/ClientSecurityFund.aspx
[39] Client Security Fund rules , Rule 3.432
[40] Ibid. Rule 3.421

After investigation, the CSF attorney, when there is sufficient proof and when the application meets program criteria, may prepare a Notice of Intention to Pay and serve it on the respondent. If the respondent does not object within 30 days, CSF pays the reimbursement amount to the applicant.[41] If the respondent objects, the CSF attorney drafts a Tentative Decision for the CSF Commission to review at one of its 6 meetings a year. Once the Commission approves the Tentative Decision, the Tentative Decision is served on the applicant and respondent. Both parties are notified of their right to object to the Tentative Decision. If objections are filed, the Commission reviews the objections, and the entire administrative record and any request for an oral hearing. After this review the Commission issues its Final Decision, grants an oral hearing, or requests additional information. Most applications are decided on the documents without an oral hearing. The Final Decision of the Commission is the final action of the State Bar. If a party disagrees with the Final Decision, the party may seek judicial review in the Superior Court.

The Office of Finance issues the actual reimbursement checks after receiving signed check requests from CSF.

Appendix D indicates CSF program steps.

Organization, Workload and Resources

The CSF Department currently records and reports applications received, denied, paid and outstanding, and categories for type of misconduct (misappropriation, loan and unearned fees). The following table provides a comparison of applications and payments from 2010 and 2014:

Client Security Fund Applications and Payments

	2010	2014
Applications Received and Filed	3,875	1,554
Applications Paid	267	1,152
Applications Pending at Year End	6,112	5,674
Total Amount Paid	$3,331,124	$9,031,386

There was an increased number of filings beginning in 2009, fueled by the nation-wide loan modification crisis. Payouts from the increased caseload spiked in 2013, with $11,054,532 paid to applicants.[42] The number of filings in 2014 is more aligned with the historical average of annual filings. Payments may be affected by the timing of approval for case payout (after disciplinary action is concluded), the amount and size of payouts (in 2009 the maximum reimbursement amount was raised to $100,000, up from the prior reimbursement cap of $50,000), and the amount of funds available in the CSF.

[41] Ibid. Rule 3.442
[42] Client Security Fund 2014 Activities Report

Phone Calls. CSF staff estimate that 7,800 phone calls were received at the CSF in 2015, an average of approximately 30 per day.

Attorney Caseload. Each CSF attorney, including the Director, maintains a caseload of 300-600 cases, and often more.

Payments. In 2014, 1,020 payments (88 percent) were made for unearned fees; 127 payments (11 percent) were made for misappropriation; and 5 payments were made for loans and investments (fewer than 1 percent). Since the inception of the CSF in 1972, the Fund has reimbursed approximately $130 million. As of the end of 2014, the CSF balance was $2,208,554, down from a total of $13,943,060 in 2010. CSF payments (payouts) are impacted by the CSF fund balance, and approved payments may be deferred.

Current Staffing Levels

The CSF program is staffed by 9 FTE with one vacancy; all staff persons are located in the Los Angeles office.

Client Security Fund Staff

Position	No. of Positions
Administrative Assistant II	1
Administrative Secretary	1
Director of CSF	1
Paralegal	2
Records Coordinator*	1
Senior Administrative Supervisor	1
Senior Attorney	2
TOTAL	9

*Currently vacant

OBSERVATIONS AND RECOMMENDATIONS

OBSERVATIONS: ***Current processes are inefficient.*** CSF work is negatively impacted by heavy reliance on manual processes and the need to wait to receive status information from OCTC before taking action. Current processes are significantly inefficient, with CSF staff conducting a manual inquiry by reviewing OCTC records in the AS400 database every 30 days to determine the status of the disciplinary proceeding. While the number of case filings has dropped 40 percent, and the number of pending cases 20 percent, from five years ago, the time spent on case status checking has not declined.

Staff interview and observation suggested that in addition to OCTC status checks, CSF has many manual processes and staff spend an unusual amount of time on inefficient communications with clients, maintaining and locating paper files on pending cases, and keeping track of documents.

The CSF currently receives about 7,800 calls per year from applicants requesting application materials and inquiring about the status of their applications. While CSF sends a comprehensive acknowledgment letter when an application is filed, it does not proactively provide updates to applicants regarding the status of their applications while disciplinary action is pending and prior to the case proceeding to the CSF Commission.

RECOMMENDATION: ***Use one vacant CSF FTE or a portion of to support the creation of an administrative support position for the State Bar Court Presiding Judge.*** In addition to supporting the Presiding Judge, this position will be responsible for notifying CSF of final discipline.

RECOMMENDATION: ***A protocol for ongoing email interaction from CSF to and from applicants should be established.*** This could be managed to ensure that each applicant had an established email account and CSF approved access with CSF staff for email use, and a secured method of contact.

Email should be used to begin providing proactive applicant notification of the status of discipline cases and applications throughout the life of the case, to ensure that applicants are kept informed, improve customer service, and reduce applicant status check calls.

RECOMMENDATION: The current "pending drawer" manual process of holding cases awaiting discipline outcomes should become an electronic file and listing. Prior to that happening, all open CSF cases should be maintained or stored in a single location, whether awaiting discipline, currently in the investigation stage or awaiting CSFC review and approval. Making this change will reduce time maintaining and locating paper files.

RECOMMENDATION: ***The current manually-maintained spreadsheet of pending and awaiting cases should be migrated to an automated database with links to data from OCTC.***

RECOMMENDATION: ***CSF staff should be given access to the OCTC CMS and files for investigation and documentation purposes.***

OBSERVATION: ***There are currently three vacant positions in CSF. After a summary review of CSF operations, the unit does not appear to need additional staff.*** In some instances, it appears that there is a second set of clerical hands "touching" work unnecessarily. Examples include doing data entry into the AS400 when it might be done more efficiently and timely by the attorney working on the matter, or document preparation with no real need for clerical assistance.

RECOMMENDATION: ***Evaluate the current vacancy in the Records Coordinator position to determine if the tasks can be absorbed by the Administrative Assistant and the Administrative***

Secretary. Review of this position should be coupled with targeted task simplification, cross-training, and redundancy elimination.

OBSERVATIONS: ***Metrics and Objectives.*** All current reporting should continue, and additional reporting should be considered.

RECOMMENDATION: ***Create and publish more detailed reports on pending cases, including***:

- The number of CSF applications pending awaiting disciplinary action by OCTC and/or by the SBC;
- The length of time a case is in the system. Goals/objectives for each stage of the process should be established and compliance with those goals measured, including:
  - Time from filing of the application to completion of initial screening;
  - Time from initial screening to a determination by CSF whether to send a closing letter and the number and percentage of applications closed by a closing letter;
  - Time from filing an application to Notice of Intent to Pay Letter sent to respondent and the number of Intent to Pay Letters sent;
  - Time from filing an application to tentative case decision made by the CSF Commission; and
  - Total time from the filing of an application to closure by the CSF Commission.

OTHER MISCELLANEOUS RECOMMENDATIONS

RECOMMENDATION: ***Assess the benefit and timing of proposing an increase in the CSF fee that is assessed as part of annual member fees.*** Small incremental increases (e.g., increasing from the current $40 to $42) could assist. Interviews indicated that the Bar has already begun consideration of using funding reserves from another area (LAP) to underwrite CSF payment needs.

RECOMMENDATION: ***Establish a process whereby data is exported from the AS400 for CSFC meeting preparation and document information.*** This will eliminate manual steps in the transmission of files and documents.

The scope of work in the Request for Proposal issued by the Bar in December 2015 included the following section regarding Business Process Reengineering (BPR) BPR involves the redesign of business processes to achieve improvements in efficiency and quality.

> Work with the Workforce Planning Steering Committee to finalize additional areas to be included in the business process reengineering assessment. At a minimum, the scope of the business process reengineering assessment will include:
>
> a. High Volume Call Intake: multiple areas within the State Bar handle a high daily call volume, including Admissions, Member Records, Lawyer Referral Services, Ethics Hotline, IOLTA Compliance, and Reception.
> b. Ethics Training and Technical Assistance: ethics training and technical assistance is provided by several entities within the State Bar including OCTC, Legal Services, General Counsel (OGC), and Education.
> c. Other Training for Attorneys: Legal Services, Education, OCTC, and Bar Relations provide attorney training.
> d. Meeting and Event Support: Admissions, General Services, Bar Relations, Legal Services and Education provide catering, meeting planning, and conference support.
> e. Information Technology (IT) Support Services: technical support analysts are housed or contracted in the following non-IT Departments: OGC, SBC, and Admissions. Web support services are provided by IT, Communications, and Member Records.

The Bar contracted with NCSC to apply its expertise in organizational analysis BPR to conduct this study to identify efficiencies that might allow the Bar to redeploy personnel resources to implement anticipated recommendations regarding increasing discipline system staffing. Preliminary analysis suggests that such efficiencies may be gained by transitioning high volume call intake to a centralized Call Center, as well as by consolidating meeting and event support and IT services. Further evaluation is warranted before implementation of these recommendations. Following is a summary of the initial observations and recommendations in these areas:

HIGH VOLUME CALL INTAKE

OBSERVATIONS: ***Processes are outdated and inefficient.*** Several Bar departments have high volume call lines operated through an automatic call distribution system. While each department operates within its known area of expertise, functional duplications exist. There is a need to reaffirm that all call center functions, and staff working in those functions, understand and support the overall Bar mission and vision.

RECOMMENDATION: ***Create a single, centralized call center.*** Train call center staff to provide assistance in commonly requested areas, with appropriate access to membership database. For

questions that cannot be answered by call center staff, callers should be routed to a subject matter expert in the appropriate Department.

RECOMMENDATION: ***Extend the hours that call center lines are answered.*** In addition, provide a standard message for after-hours calls.

RECOMMENDATION: ***Reduce the number of telephone numbers listed on the Bar's website.*** All callers should be directed to call one central number.

RECOMMENDATION: ***Develop standardized metrics for ongoing evaluation of services provided by call center.*** Regularly reassess staffing and training needs based on these metrics.

RECOMMENDED NEXT STEPS: ***Convene a working group develop protocols for centralized Call Center.*** The working group should consist of experienced staff from each Department that currently has a high volume call center; the group should be tasked with documenting current practices, identifying training requirements, and developing evaluation metrics.

ETHICS TRAINING AND TECHNICAL ASSISTANCE

OBSERVATIONS: ***Ethics training and technical assistance is provided by several different Departments in the Bar, each of which serves a specialized function.*** While improvements to some specific areas can be made, it is not recommended that these services be combined under a single Department. The Bar would benefit from cross-Departmental sharing of information regarding ethics training and technical assistance that is provided by each department.

RECOMMENDATION: ***Continue the provision of the Ethics Hotline to Bar members***. However, review the staffing levels for this function and modernize current operational processes.

RECOMMENDED NEXT STEPS: ***Program information regarding ethics training and available publications should be regularly exchanged between all program areas of the Bar.*** Consideration should be given to expanding the ethics section of the Bar's website to allow attorneys to anonymously ask ethics related questions and to suggest ethics training topics or additional publications.

OTHER TRAINING FOR ATTORNEYS

OBSERVATIONS: ***OCTC, OPC, and OLS offer a variety of ethics trainings and technical assistance, yet each office has a pinpoint purpose and/or clientele for which ethics training is specifically customized.*** There appears to be a lack of routine sharing of information involved in presenting training programs.

RECOMMENDATION: ***Create a barwide annual training and education plan and strategy.***

MEETING AND EVENT SUPPORT

OBSERVATIONS: ***An estimated 25 staff persons at the Bar have some level of responsibility for meeting and event planning.*** Differences in practices among Bar Departments leads to inefficiencies and inconsistency with the services provided.

RECOMMENDATION: ***Standardize and centralize all offsite meeting and event planning.*** Meeting and event support should be provided by the General Services department.

RECOMMENDED NEXT STEPS: ***Develop a protocol for centralized meeting support.*** Following are some key steps in this process:

- Prepare an inventory of all meeting and event planning practices, providers, software, and technology in use;
- Establish standards for site selection and develop protocols that will lead to consistency;
- The level of independence and autonomy for obtaining non-competitively procured, contracted providers and facilities should be decreased; and
- A method of providing *ad hoc* or emergency support should be provided for all Bar functions that are held at off-site locations.

TECHNOLOGY SUPPORT SERVICE

OBSERVATIONS: ***The Information Technology Department (IT) is not adequately staffed to respond to immediate IT needs with Bar Departments.*** As a result, Departments have developed in-house specialists to provide internal support.

RECOMMENDATION: ***Differentiate between individuals performing data analysis or data queries and those providing technical support.*** Reassign individuals providing technical support to the IT Department.

RECOMMENDATION: ***IT staff should function as a pool however individual Departments should have a key contact.*** Staff should be cross-trained, in order to be able to support the general needs of all Bar Departments. Expertise in specific Departmental needs should be developed by identified IT staff, as appropriate.

State Bar of California Workforce Planning Survey

* Please complete this survey by 5 PM, Thursday February 18, 2016.

1. Which division do you work in?

- ◯ State Bar Court: Review
- ◯ State Bar Court: Hearing
- ◯ State Bar Court: Effectuations
- ◯ State Bar Court: Tech/Admin Support
- ◯ State Bar Court: Management
- ◯ OCTC: Intake
- ◯ OCTC: Investigations
- ◯ OCTC: Litigation - Trials
- ◯ OCTC: Audit and Review
- ◯ OCTC: Appeals
- ◯ OCTC: Management
- ◯ OCTC: Central Administration
- ◯ OCTC: Data Analysis
- ◯ Member Records and Compliance (MRC)
- ◯ Client Security Fund (CSF)
- ◯ Lawyers Assistance Program (LAP)
- ◯ Probation Unit

* Please provide your name:

[ ]

* 2. Staffing levels for my area of responsibility are appropriate

- ◯ Yes
- ◯ No

2a. If no, please provides comments on where staffing areas could be improved.

[ ]

* 3. Overall, I would describe the staffing levels for the Bar to be:

- ◯ Sufficient as is - we have sufficient staff to do our functions
- ◯ Insufficient as is - we do not have enough staff to get work done
- ◯ Enough staff but assigned poorly or with wrong allocations to areas

3a. Name areas where there is insufficient staffing:

3b. Name areas where functions are overstaffed:

* 4. Please indicate your current level of agreement to the following statement:

	Strongly Disagree	Disagree	Neither Agree or Disagree	Agree	Strongly Agree	N/A or Don't Know
a. I have sufficient on-the-job time to successfully complete my daily responsibility.	○	○	○	○	○	○

State Bar of California Workforce Planning Survey

* 5. There is documentation (instructions and information) for my work tasks and assignments.

- ◯ Yes
- ◯ No

5a. If no, please provide comments on how documentation can be improved.

* 6. Business processes for my work assignment and area are clearly documented and stated.

- ◯ Yes
- ◯ No

6a. If no, please provide comments on how the processes can be improved.

* 7. I know and understand the performance measures and expected outcomes for my area.

- ◯ Yes
- ◯ No

7a. If no, how can expected performance outcomes be made more clear and precise for you?

* 8. What performance metrics do you think need to be in place for your tasks?

* 9. Are there duplications in work assignments, work tasks and duties assigned to different operational areas?

- ◯ Yes
- ◯ No

9a. If yes, please describe where there are duplications.

* 10. Are there areas where tasks can be reorganized and reengineered?

- ◯ Yes
- ◯ No

10a. If yes, please describe areas for reorganization of tasks.

10b. If yes, please describe areas for reengineering.

State Bar of California Workforce Planning Survey

* 11. What work assignments or areas could be centralized for better operation?

* 12. What work assignments or areas could be decentralized for better operation?

* 13. Are there work functions that need to be grouped differently than currently done? Please explain.

* 14. In what functions, and areas, can technology be better used, or deployed, so that automation helps you complete your tasks?

APPENDIX C
SCHEDULE OF SITE VISITS AND INTERVIEWS

Los Angeles Office

Monday, 2/22	Tuesday, 2/23	Wednesday, 2/24	Thursday, 2/25	Friday, 2/26
Office of the Chief Trial Counsel – Intake • Management • Read Team Attorneys • Walk-through Observation – Case Assignments & Data Entry	*Office of the Chief Trial Counsel – Intake* • Administration • Worker Team – Attorney – Complaint Analysts • Criminal Conviction Monitoring – Paralegal • Sanctions/Reportable Actions/Court Complaints – Attorney – Paralegal • UPL/Non-Attorney/ Cessation of Practice – Attorney – Paralegal – Complaint Analyst	*Office of the Chief Trial Counsel – Enforcement* • Attorneys • Supervising Attorneys • Investigators • Investigator Supervisor	*Office of the Chief Trial Counsel – Enforcement* • Attorneys • Supervising Attorney • Investigators • Investigator Supervisors *Office of the Chief Trial Counsel – Central Administration* • Enforcement Administration	*Office of the Chief Trial Counsel – Central Administration* • Chief Trial Counsel • Enforcement Administrative Team – Coordinator of Records – Legal Secretary – Data Analyst

Monday, 3/2	Tuesday, 3/1	Wednesday, 3/2	Thursday, 3/3	Friday, 3/4
Office of the Chief Trial Counsel – Intake • Complaint Analyst • Supervising Attorney	*Office of Probation* • Managers • Deputies • Administration *Lawyer Assistance Program* • Director • Administration • Case Manager	*Client Security Fund* • Managers • Administration • Attorneys	*State Bar Court* • Managers • Administration • Case Administrators • Attorneys	*Lawyer Assistance Program* • Administration

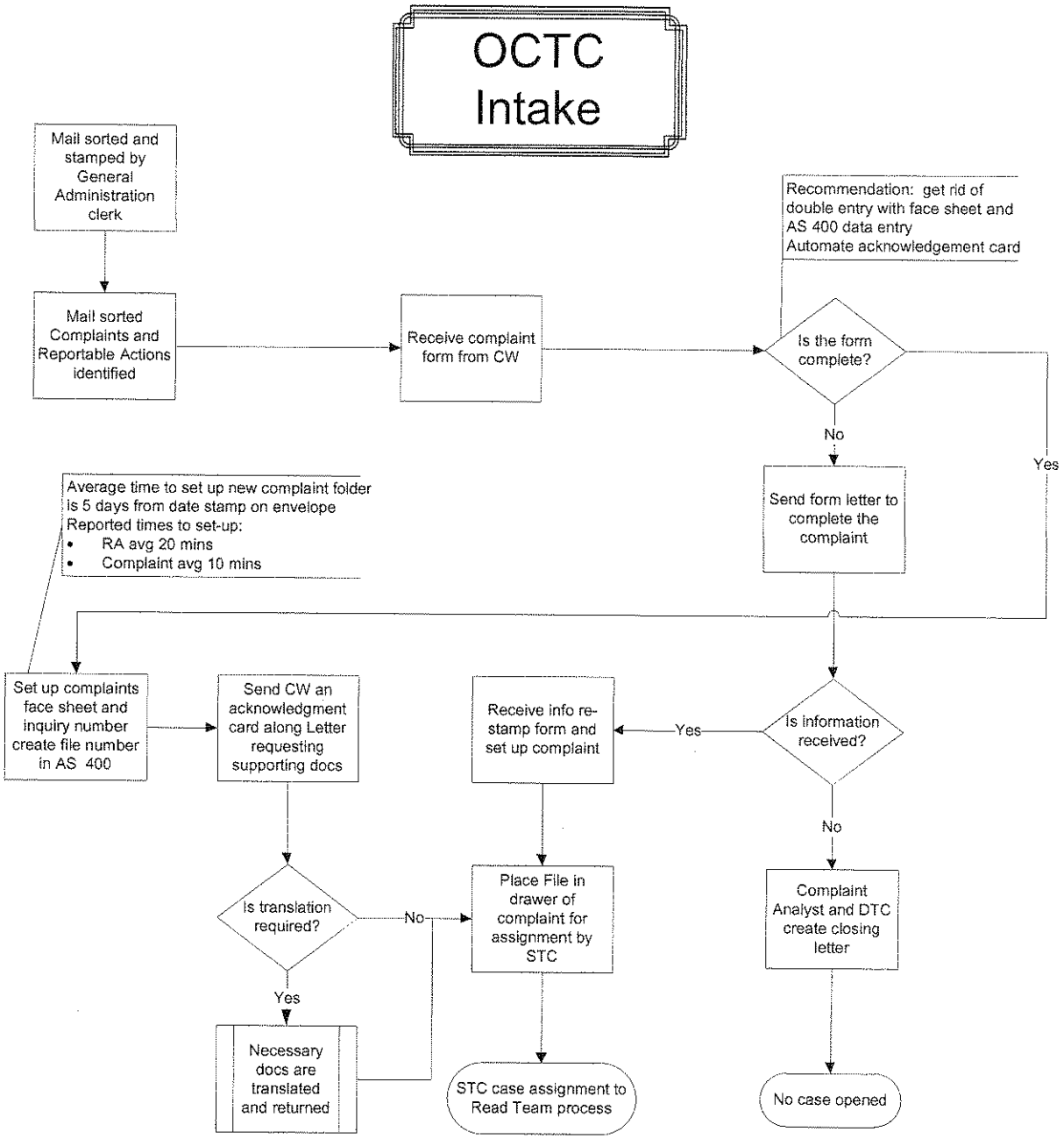
APPENDIX C
SCHEDULE OF SITE VISITS AND INTERVIEWS

San Francisco Office

Monday, 3/21	Tuesday, 3/22	Wednesday, 3/23	Thursday, 3/24	Friday, 3/25
Office of the Chief Trial Counsel – Enforcement • Attorneys • Investigators	*Office of the Chief Trial Counsel – Enforcement* • Attorneys • Investigators • Paralegals *Office of the Chief Trial Counsel – Central Administration* • Legal Secretaries • Coordinator of Records *State Bar Court – Administration* • Data Analyst	*Office of the Chief Trial Counsel – Enforcement* • Attorneys – General Unit – Appeals – Audit & Review *State Bar Court* • Administrator • Chief Court Counsel • Secretary	*State Bar Court* • Data Analysts • Administrative Assistant • Secretary • Administrative Specialist *Member Services – Enforcement* • Administrative Assistant • Member Services Associate • Administrative Supervisor	*Office of the Chief Trial Counsel – Enforcement* • Investigator

Monday, 3/28	Tuesday, 3/29	Wednesday, 3/30
Office of the Chief Trial Counsel – Enforcement • Assistant Chief Trial Counsel • Attorney	*Office of the Chief Trial Counsel – Enforcement* • Attorneys *State Bar Court* • Senior Director	*State Bar Court* • Presiding Judge • Effectuations – Court Administrator • Administration – Secretary *Office of the Chief Trial Counsel – Central Administration* • Director of Administration

APPENDIX D
WORKFLOWS



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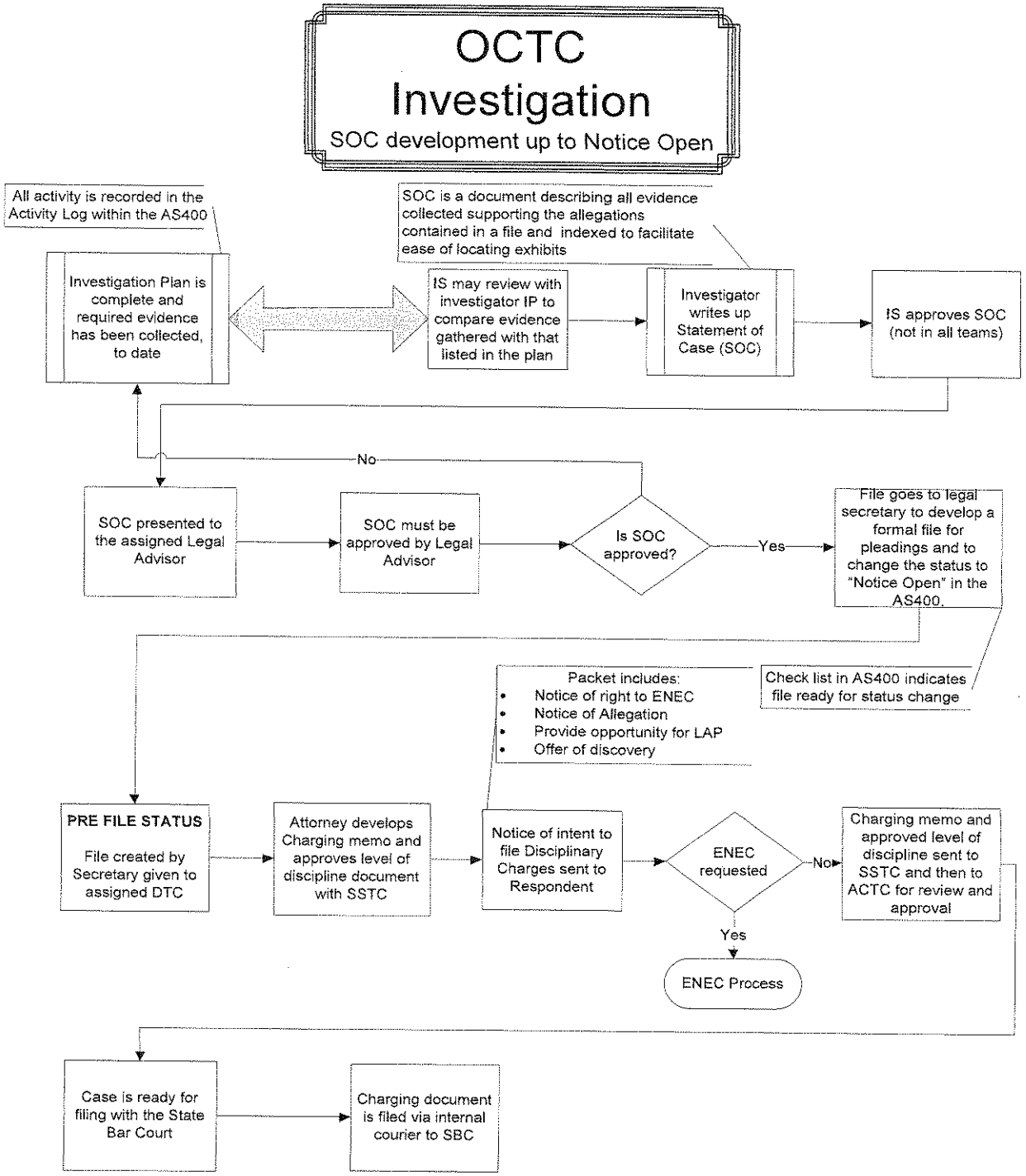

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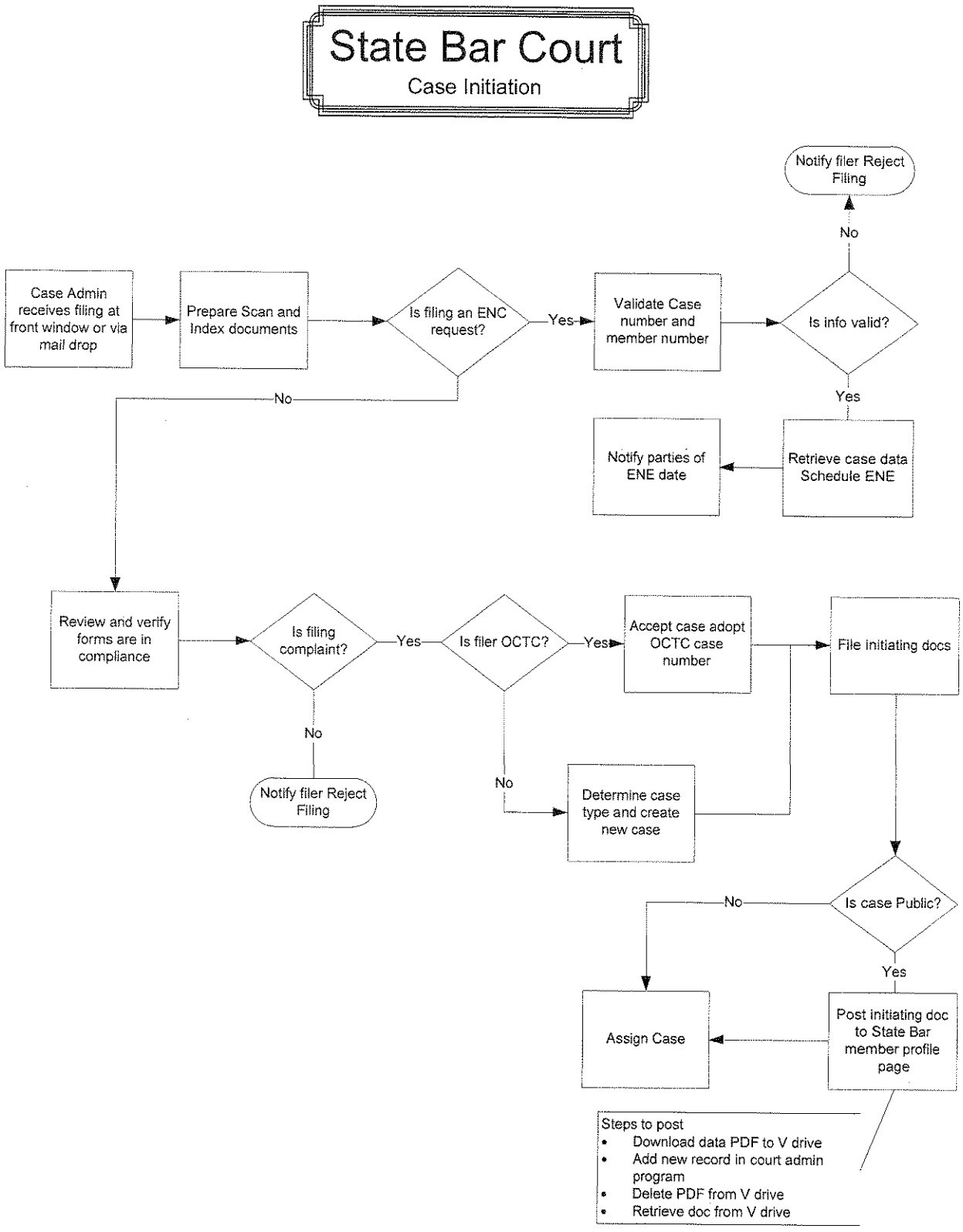

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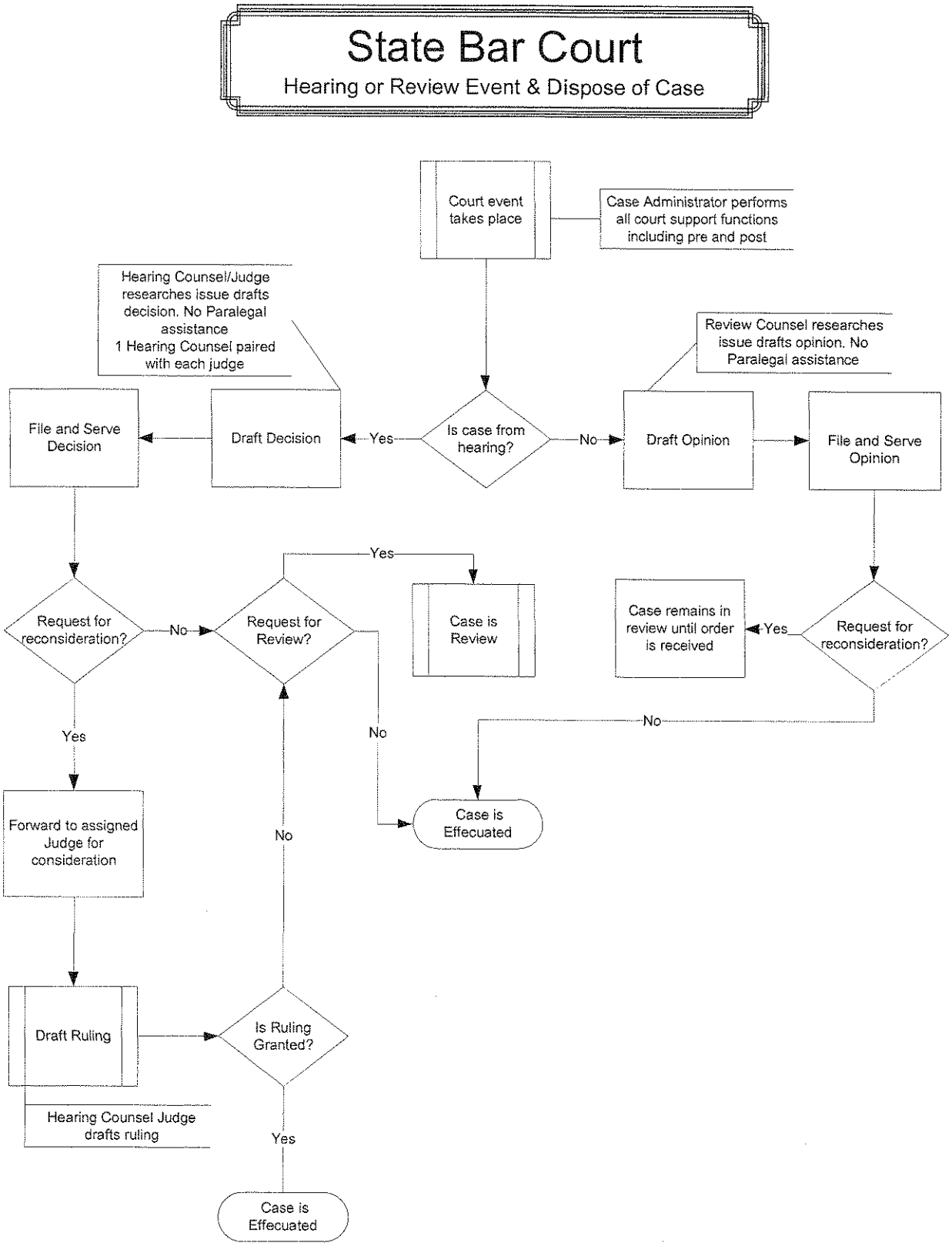

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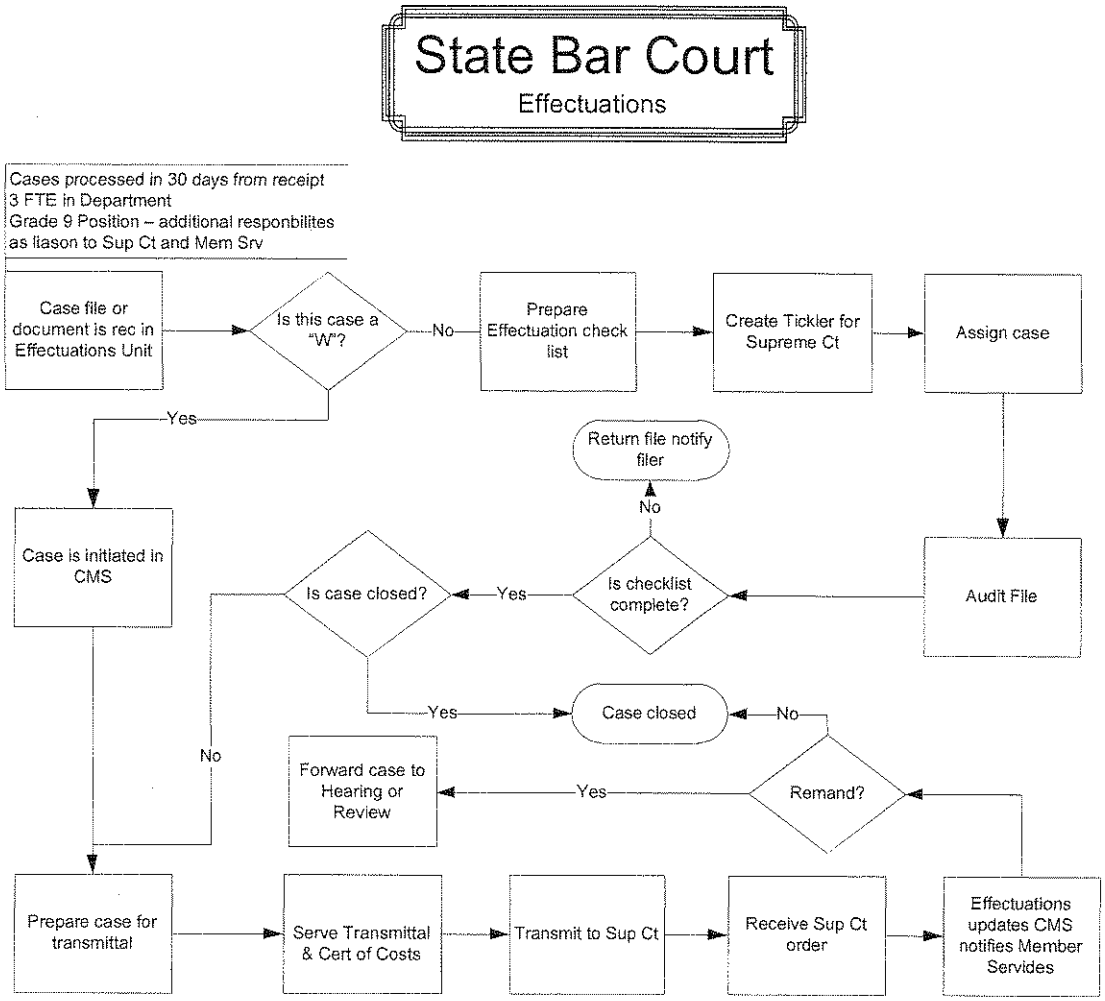
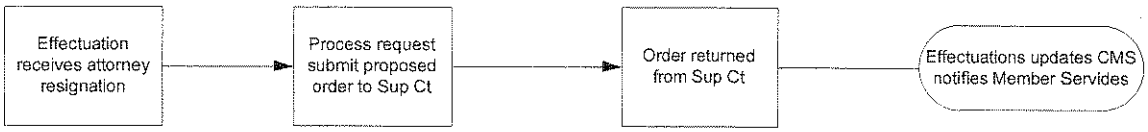
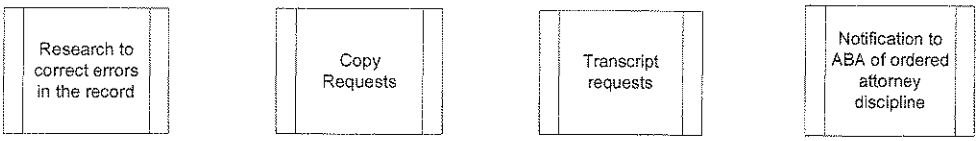


Attorney Voluntary Resignation – Without Charges Pending



Additional Responsibilities



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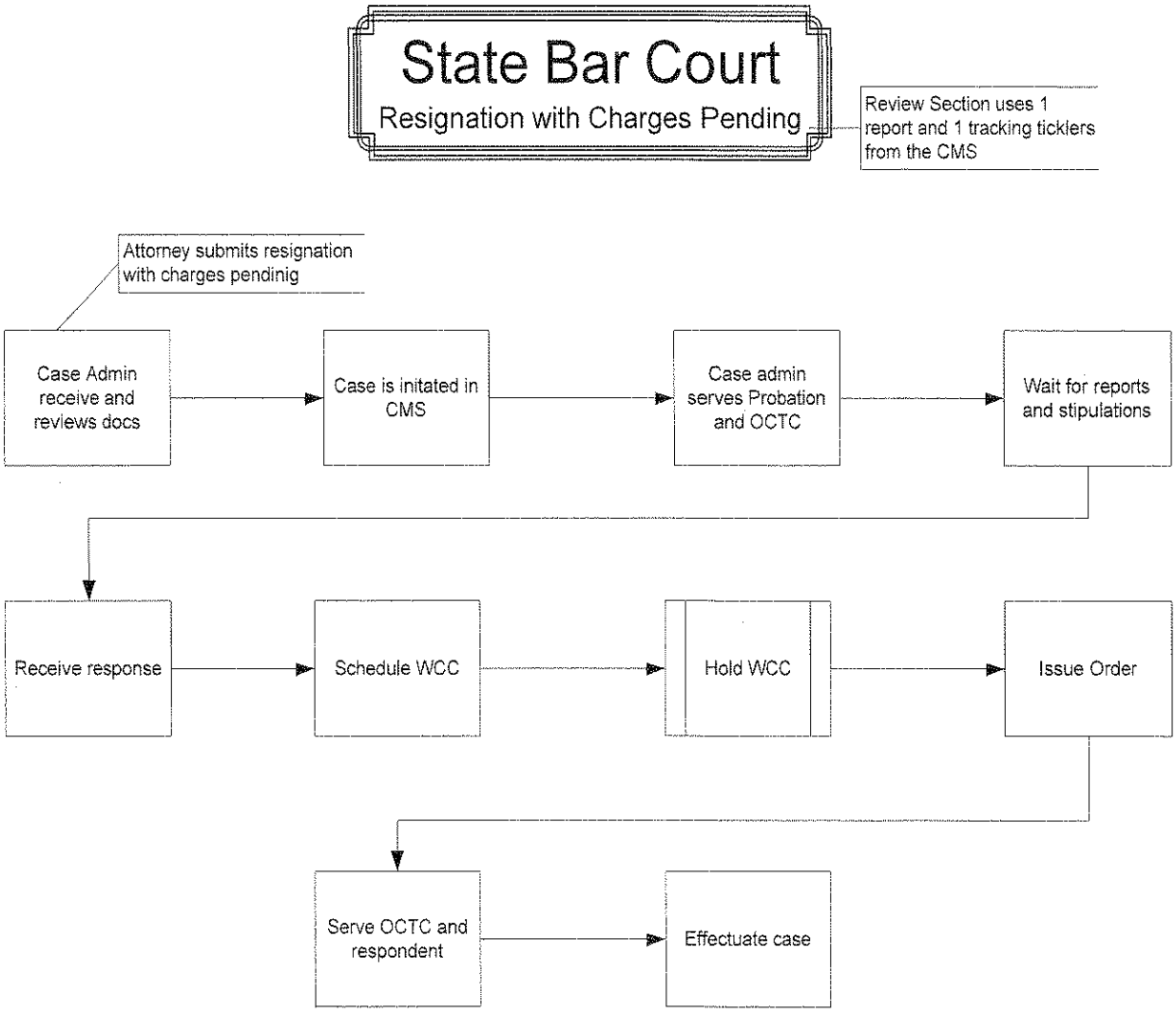

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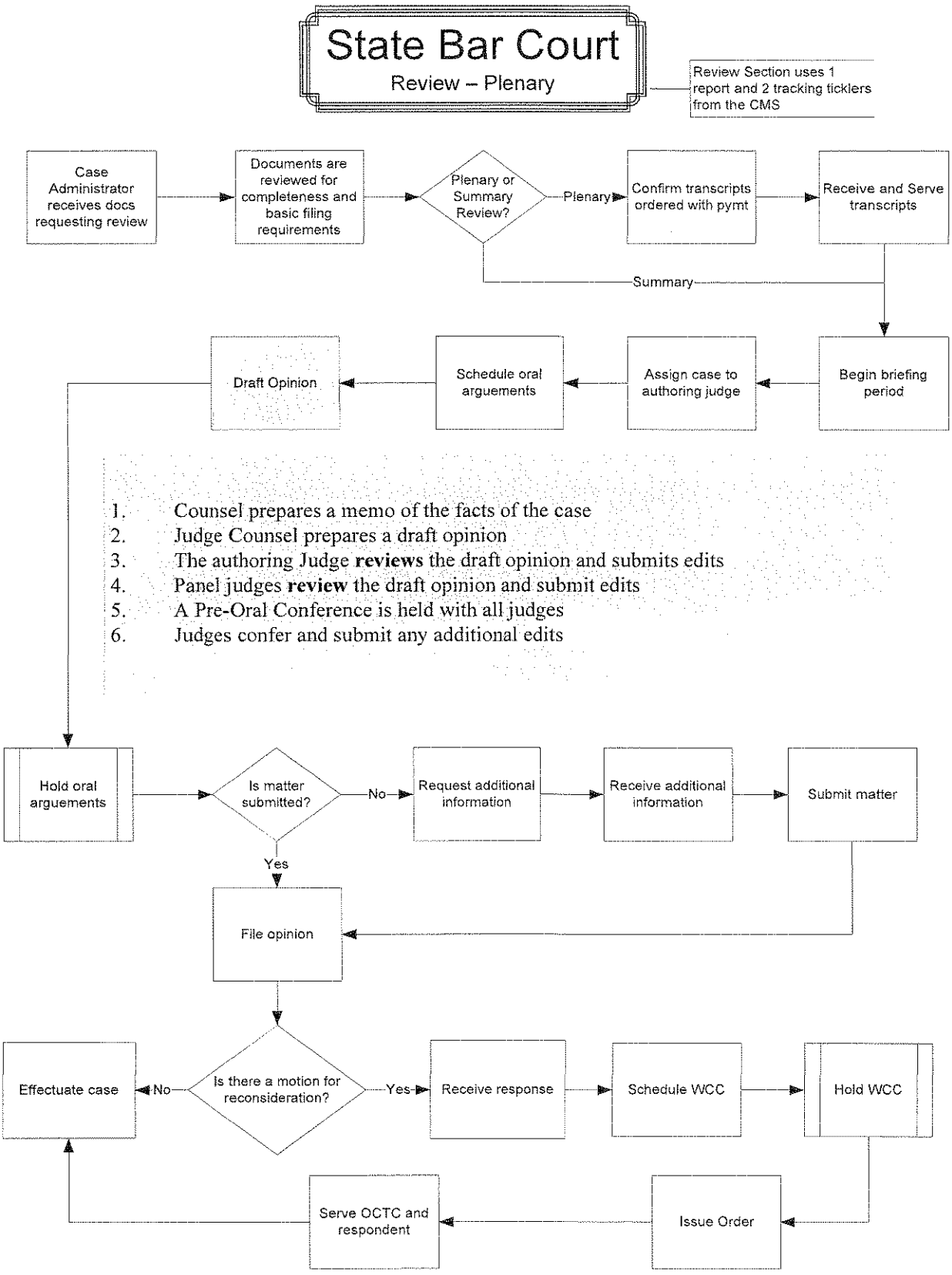

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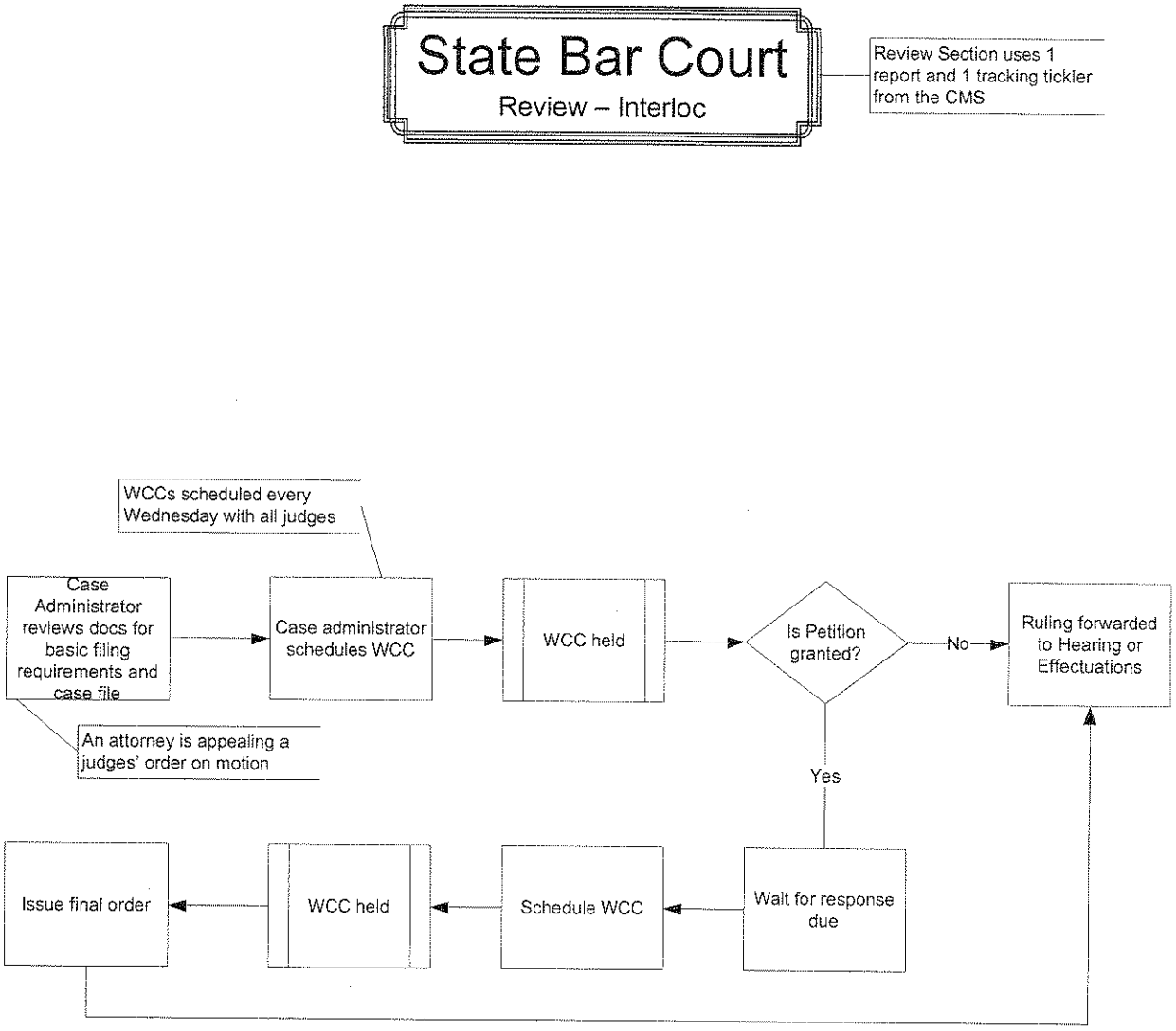

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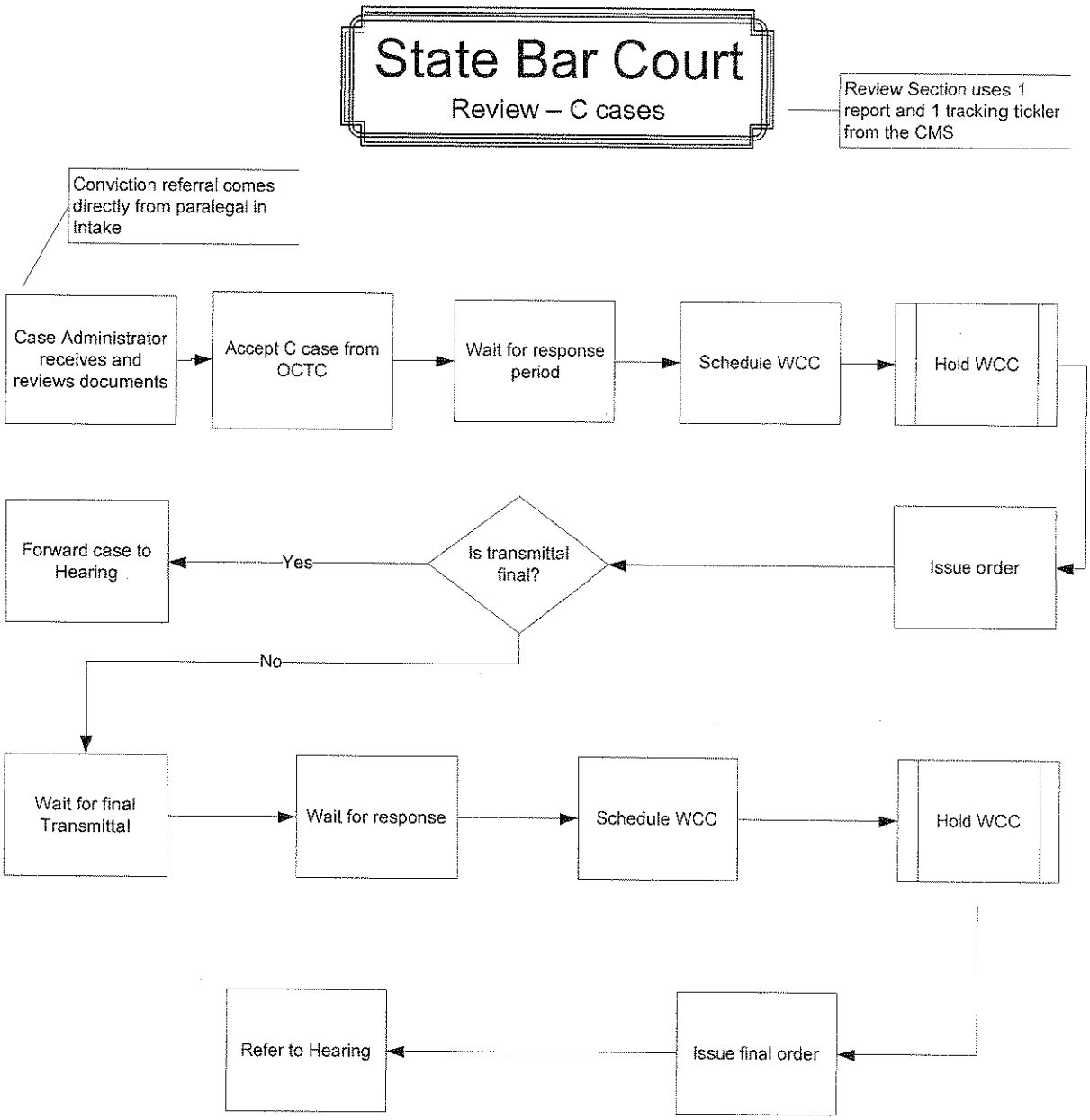
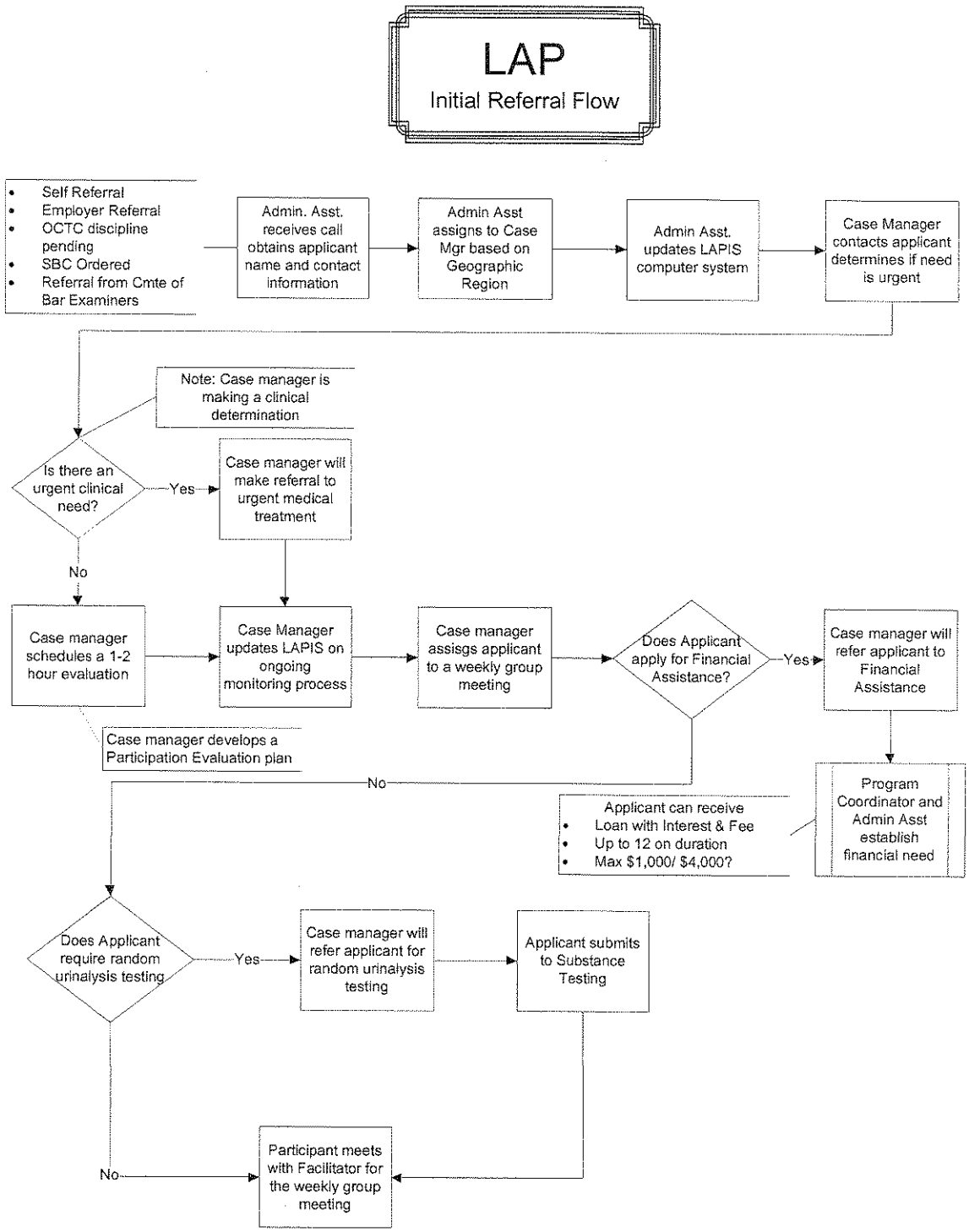
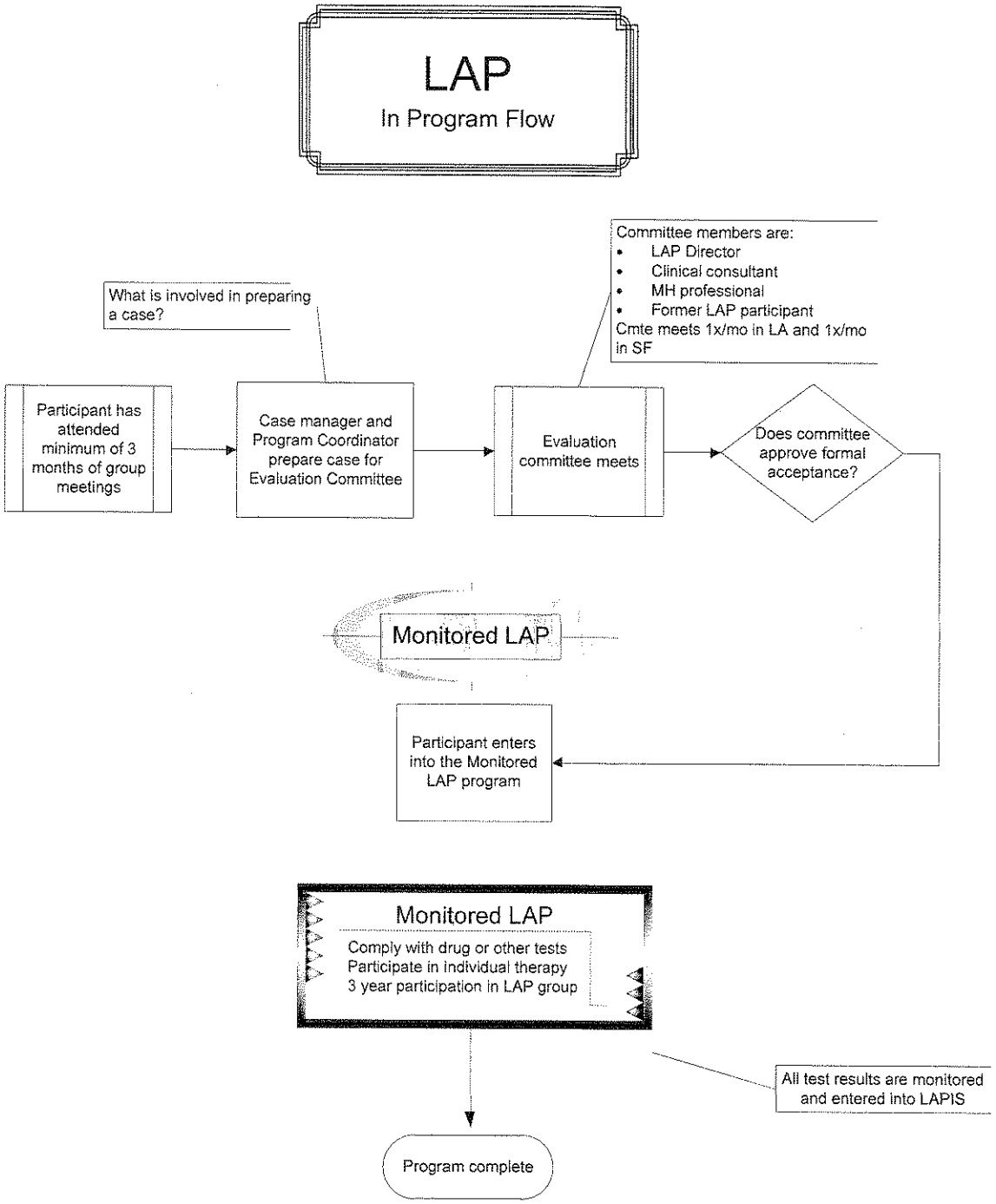


APPENDIX D
WORKFLOWS



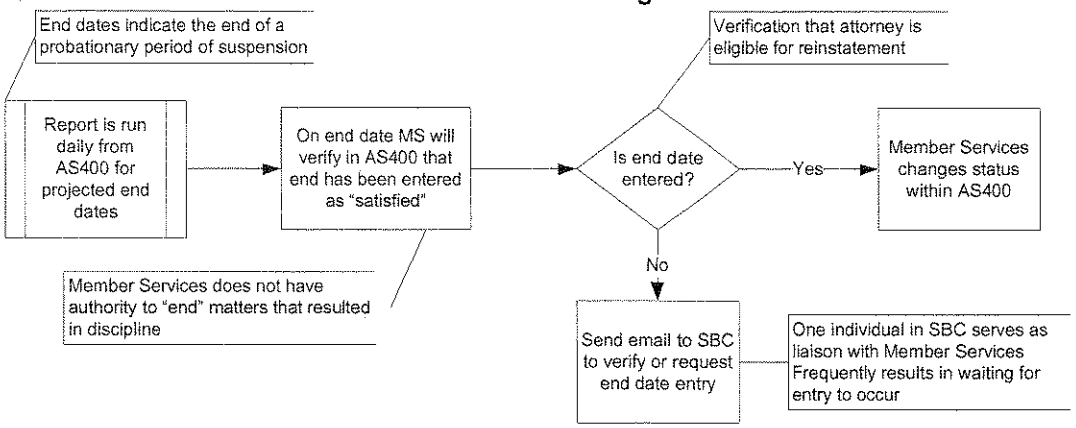
APPENDIX D
WORKFLOWS



APPENDIX D
WORKFLOWS

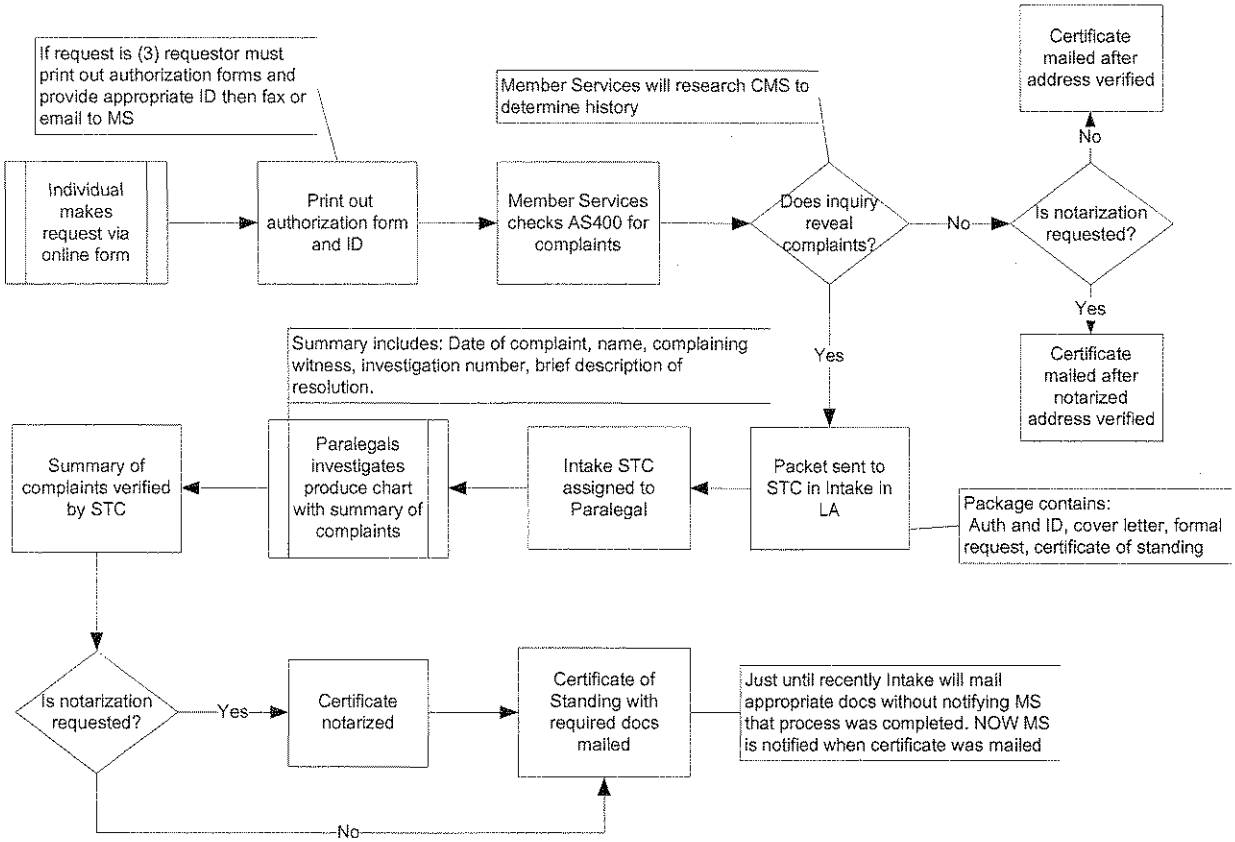
Member Services
Enforcement Intersects

Status Changes



Certificate of Standing

1) **Standard Certificate**
2) **Standard Certificate** – notarized (foreign)
3) **Certified Complaint Certificate** (includes additional confidential information)



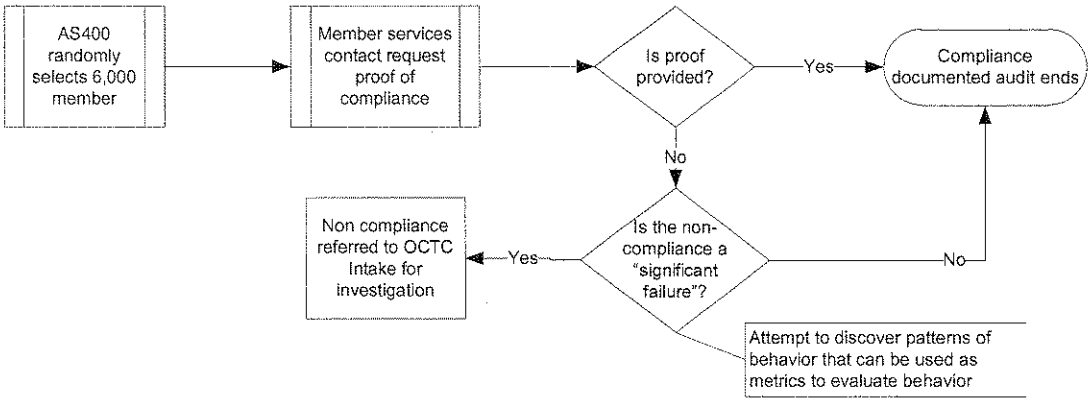
APPENDIX D
WORKFLOWS

Member Services

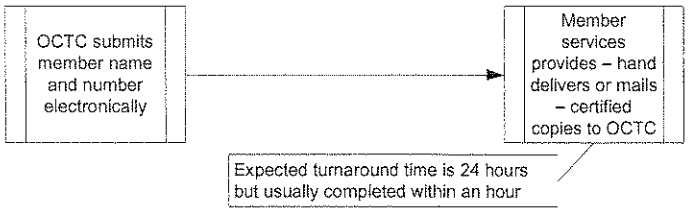
Enforcement Intersects

MCLE Audit

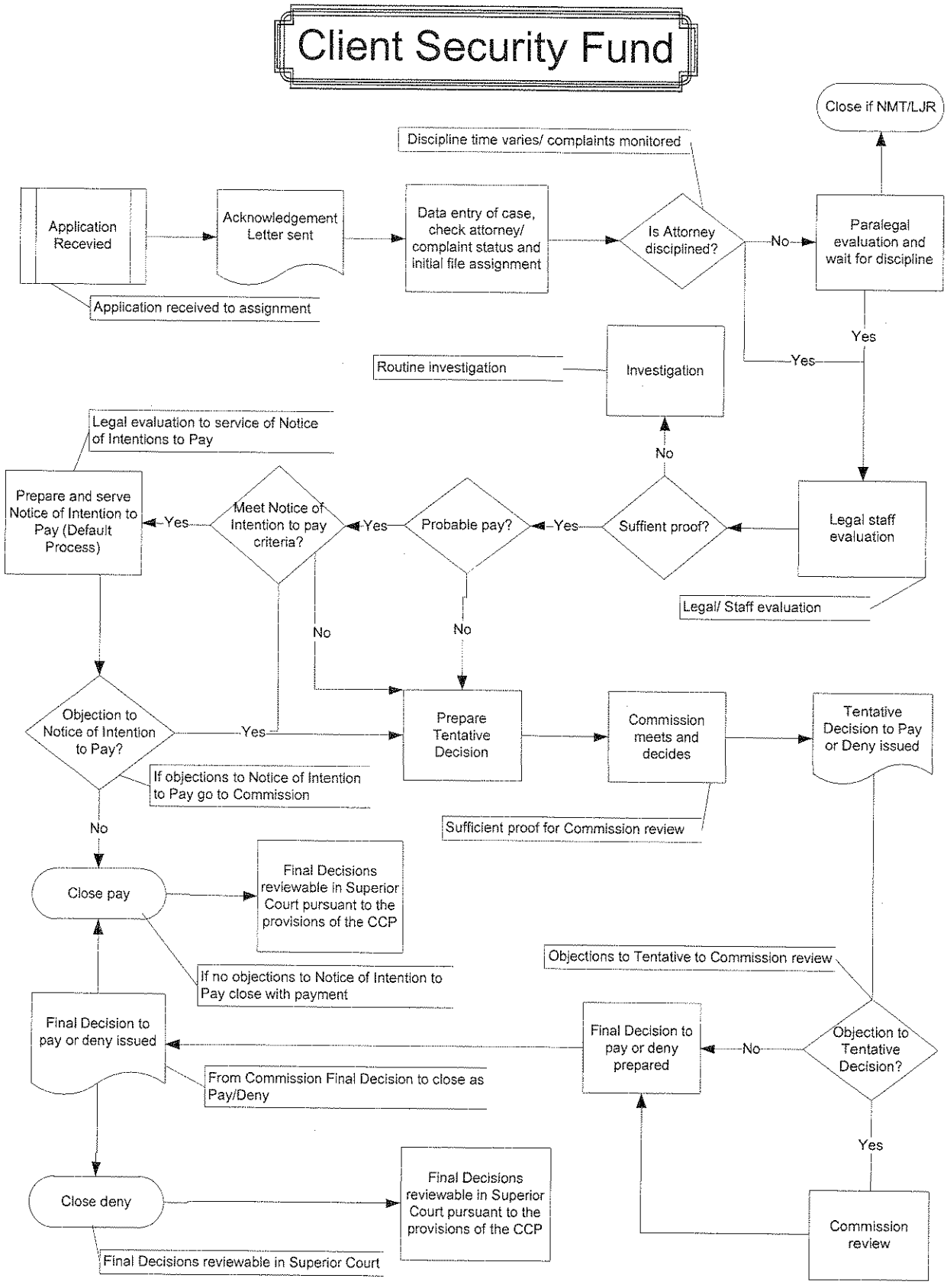
Every year approximately 60,000 members, 1/3 of the active membership, are required to complete their MCLE requirements. Ten percent (6,000) of this total are audited to ensure compliance.



OCTC Member Records Request



APPENDIX D
WORKFLOWS



APPENDIX B

STATE BAR BACKLOG

SUBMITTED PURSUANT TO

BUSINESS AND PROFESSIONS CODE SECTION 6140.16

THE STATE BAR OF CALIFORNIA
MAY 13, 2016

INTRODUCTION

In California, a lawyer is licensed when admitted as a member of the State Bar; only active members of the State Bar may practice law. The State Bar is a constitutional agency established in the judicial branch. In administering the requirements for admission and discipline of California lawyers, the State Bar is an administrative arm of the California Supreme Court. Under its inherent judicial power to regulate admission and discipline, it is the Supreme Court that admits, disbars, or suspends a lawyer from the practice of law.

In 1999, Senate Bill 144 (Schiff and Hertzberg) was passed requiring a biennial performance audit of the State Bar. The most recent audit, completed in June 2015, included the following recommendation:

> "To align its staffing with its mission, the State Bar should engage in workforce planning for its discipline system. The workforce planning should include the development and formal adoption of an appropriate backlog goal, an assessment of the staffing needed to achieve that goal while ensuring that the discipline process is not compromised, and the creation of policies and procedures sufficient to provide adequate guidance to the staff of each unit within the discipline system."

The audit language was eventually added to Senate Bill 387 (2015-2016 Reg. Sess., ch. 537, 2015 Cal. Stat.), the State Bar's 2016 fee bill.

This report responds to the requirement in Senate Bill 387 that the State Bar develop "an appropriate backlog goal [and] an assessment of the staffing needed to achieve that goal." The first section of the report reviews the history of the current backlog standard and issues that have arisen in working to meet that standard. The second section of the report provides an overview of the process that the State Bar has followed to develop a new backlog goal and concludes with recommendations regarding both backlog and new factors to be considered in designating cases as "complex." The final section of the report explains the methodology employed to estimate staffing needs to achieve the new backlog goal and presents those estimates.

HISTORY

Business and Professions code 6094.5 (a) currently defines backlog in the following manner:

> "It shall be the goal and policy of the disciplinary agency to dismiss a complaint, admonish the attorney, or forward a completed investigation to the Office of Trial Counsel within six months after receipt of a written complaint. As to complaints designated as complicated matters by the Chief Trial Counsel, it shall be the goal and policy of the disciplinary agency to dismiss, terminate by admonition, or forward those complaints to the Office of Trial Counsel within 12 months."

In other words, a case enters into "backlog status" under this definition if it has not been closed or filed in State Bar Court within six months (twelve for complex cases) from the date it was received.

In 2009, the State Auditor expressed concerns about the manner in which the State Bar was using the complex designation. The Auditor's concern related to the failure of the State Bar to report on cases designated complex in Annual Discipline Reports, and also to the changing criteria for defining case complexity. That definition changed in 1988, 1995 and 2006 without full disclosure; a historical review of complex criteria is provided in Appendix A. The State Bar addressed these concerns by including statistical and definitional information regarding complex cases in the Annual Discipline Report.

Concerns regarding case complexity were compounded by State Bar-established targets specifying the maximum number of cases that should be in backlog status at the end of any given year. Prior to 2007, the State Bar had a goal of no more than 200 cases in backlog status at year end. In response to the State Bar's 2007 state audit, State Bar management indicated that the 200 cases goal was too aggressive and revised it upwards to 250. The State Bar was never able to meet either of these goals.

In 2011, the State Bar's new Executive Director announced that the State Bar would attempt to eliminate its backlog entirely, and the new annual backlog goal would be zero. Although significant reductions in the backlog were realized, this success was criticized for being achieved at the cost of reducing the severity of discipline sought by the Office of Chief Trial Counsel (OCTC). Although Business and Professions Code 6094.5(a) retains the language about complex cases, the Bar no longer uses this designation.

The current goal is to have no more than 15 percent of cases in backlog at year end. This objective was developed by staff in dialogue with the Board of Trustees Regulation and Discipline Committee. While the goal is currently being met, the State Auditor expressed concern regarding this goal. In its 2015 audit of the State Bar, the State Auditor noted that the number of cases in the State Bar's total backlog cases of active and suspended cases was increasing even though it was meeting its stated goal, thus, calling into question the validity of this measure.

THE STATE BAR'S RESPONSE TO THE LEGISLATIVE MANDATE

Pursuant to legislative direction to recommend an appropriate backlog goal, an interdisciplinary working group of OCTC staff was established in December, 2015. The Backlog Working Group (BWG) was comprised of eight staff with a combined 125 years of experience working for the State Bar. Members of the Working Group were selected to ensure the representation of staff with experience working in all phases of case processing. A BWG roster is provided as Appendix B.

The charge of the BWG was two-fold. First, the BWG was charged with recommending a new backlog definition – i.e., to define the maximum number of days after receipt of a case before it becomes "backlogged." Second, the BWG was charged with developing

criteria to be used in designating a case "complex" and estimating the associated case processing timeframes for these cases. The BWG approached its charge by conducting several activities, some concurrently, others sequentially. These activities are described below:

Reviewing Other Attorney Discipline Systems

In addition to reviewing historical information regarding the State Bar's prior backlog goals and complex definitions, the BWG reviewed information provided by the Chief Bar Counsels from other jurisdictions, including Louisiana, New Mexico, Georgia, Hawaii, Illinois, Massachusetts, Washington and Colorado. A summary of these responses is provided as Appendix C.

Documenting Current Caseflow

Drawing on the experience of subject-matter experts who comprised the BWG, the group documented in detail each activity in the complaint processing continuum. A structured, iterative review of these activities and the time associated with them was then conducted to refine the estimates. This type of evaluation, sometimes referred to as a "Delphi" process, draws on the intimate knowledge that subject-matter experts have of a topic while constantly subjecting that knowledge to data that might clarify or contradict the impressions of the group.

This work resulted in preliminary estimations of the number of days required for each case-processing activity. In addition to articulating case processing timeframes, the BWG identified a host of factors that might result in a case being designated as complex. There were two initial sessions in total; the results of that effort are provided as Appendix D.

Surveying OCTC Staff

A survey was disseminated to all OCTC staff to solicit feedback on the initial Delphi results. Respondents were asked to comment on the estimated timeframes established by the BWG, as well potential complex factors. If respondents disagreed with the BWG timeframes, they were asked to provide an alternative number of days and explain specifically why a different amount of time was required for that phase of case processing. Similarly, if respondents disagreed with a complex designation, they were asked to state the reason(s) for their disagreement.

The overall response rate for the survey was 89 percent. Survey results were reviewed by the BWG and modifications to the timeline were made accordingly. Certain activities, as well as complex designation criteria, required additional research; individual BWG members were tasked with more in-depth work on these issues.

Developing a Preliminary Complex Designation

As reflected in Appendix D, the original list of complex designation factors developed by the BWG was quite lengthy. This list reflects the reality of the work – there are a host of scenarios that can lead to a case taking longer to investigate and process, many of which are not unique to any particular type of discipline matter.

However, the BWG was able to discard some of the proposed factors by keeping in mind the following:

- The criteria had to be quantifiable
- The criteria needed to be easily understood by stakeholders
- The criteria needed to be limited (not all cases could be complex)

The initial list of 18 complex factors was winnowed to six factors based on these criteria. The six were later reduced to the four contained in this report following a final review by the BWG.

Backlog Working Group Results

Case processing Timelines

The BWG ultimately developed two recommended case processing timeframes – Feasible and Enhanced. These can best be understood as follows:

- The Feasible backlog goal represents the number of days that would be required for case processing with only modest increases in the resources available;
- The Enhanced backlog goal represents a shorter time frame than the Feasible goal and would require a more substantial increases in resources.

Table 1 displays Feasible and Enhanced timeframes:

Table 1: Proposed Backlog Goals

Case Stage	Feasible Goal (days)	Enhanced Goal (days)
Intake	58	50
Investigation	108	86
Pre-Filing	71	56
Subtotal through Pre-Filing	**237**	**192**
Additional days for Stipulation	22	17
Total for Stipulations	**259**	**209**
Additional days for Filing NDC	1	1
Total for Filing NDC	**238**	**193**

The Feasible backlog goal recommendation is 259 days for stipulated cases and 238 days for cases that are filed in State Bar Court; the Enhanced backlog goal is 209 days for stipulated cases and 193 days for cases filed in State Bar Court.[1] As a point of comparison, the 2015 Annual Discipline Report reflects an average number of days from initiation to complaint filing of 305 days, with the oldest case filed in 2015 being 388

[1] Note that stipulated cases take longer on average due to the negotiation over the stipulation and the transmittal of the document between the two sides.

days old. Thus, even the more modest, Feasible Goal would represent an improvement of 15 percent on average for stipulated cases and a 22 percent improvement for cases in which an NDC is filed in State Bar Court. The more ambitious target would represent improvements of, respectively, 31 and 37 percent for stipulated and NDC filings as compared to the current average.

COMPLEX DESIGNATION

The survey of OCTC staff found substantial agreement with many of the complex factors identified by the BWG, as reflected in Appendix E. Each of these criteria materially affects the length of time it takes to move a complaint through the process. Although there are a number of factors that contribute to a case taking longer to process, the following four, which represent a combination of case types and criteria, were determined most appropriate for complex designation purposes:

- 5 or more complaints against a single attorney
- 5 or more victims
- Assumption of Law Practice case[2]
- Substantial amount of documentary evidence[3]

Once the criteria were identified, the BWG discussed the amount of time each of these factors added to case processing. After thorough discussion of the difficulties each of these criteria brings to a case, the BWG determined that, on average, the presence of one of these factors would result in the need for an additional 180 days: the exact amount of additional case processing time currently designated in statute for complex cases.

RESOURCE IMPLICATIONS OF ESTABLISHING A NEW BACKLOG GOAL

As noted above, achieving the new backlog goals recommended by the BWG would represent a substantial reduction in the amount of time from case initiation to disposition. State Bar staff in the Office of Research and Institutional Accountability have evaluated the target backlog numbers and developed a methodology for estimating the resources that would be needed to meet the new targets.

The following section provides an overview of that method and the resource implications of the BWG backlog targets. Appendix F provides additional technical detail related to workload calculations. Table 2 on the following page summarizes the workload estimates and, as an additional point of comparison, applies the new backlog targets to the current statutory definition of backlog – 180 days – and estimates the staffing that would be needed to achieve the current, statutory backlog target.

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[2] The Office of Chief Trial Counsel obtains an order from the Superior Court to assume jurisdiction over an attorney's law practice when the attorney is incapable of providing quality services including, among other reasons, because the attorney is operating a corrupt law practice.

[3] Cases may be designated complex in the Superior Courts using the Judicial Council's Civil Case Cover Sheet. Rule of Court 3.400 provides for a complex designation in cases that require, among other factors, "Management of a large number of witnesses or a substantial amount of documentary evidence."

Table 2: Summary of Resources Needed to Meet Three Different Backlog Targets

Additional FTE Needed to Achieve Statutory Backlog		Additional FTE Needed to Achieve Enhanced Backlog		Additional FTE Needed to Achieve Feasible Backlog	
Additional Attorneys	23.0	Additional Attorneys	19.8	Additional Attorneys	11.3
Additional Investigators	25.4	Additional Investigators	22.0	Additional Investigators	12.6
Subtotal	**48.4**	**Subtotal**	**41.8**	**Subtotal**	**23.9**
Supervision & Support Subtotal	**32.8**	**Supervision & Support Subtotal**	**28.3**	**Supervision & Support Subtotal**	**16.2**
Total Additional Staff	**81.1**	**Total Additional Staff**	**70.1**	**Total Additional Staff**	**40.1**

Modeling Resources and Case Processing Times

A key assumption underlying these estimates is that there is an *inverse* relationship between the amount of days required to process cases and the number of staff working on case processing. In other word, as the number of staff devoted to case processing *increases*, the number of days to case disposition should *decrease*.

While there are always exceptions to this assumption – cases where OCTC staff are entirely dependent on external agencies to produce records or provide other documentation necessary to bring a case to conclusion – this should not undermine the general assumption that, all other things being equal, increased staffing should produce faster case resolution times.

To begin estimating *how many staff* would be needed to reach specific targets, it is useful to draw on data showing *current* staffing levels and look at how long cases take from receipt to disposition currently. Once the relationship between the current number of staff and current case processing times is established, adjustments in the number of days required for case processing can be evaluated as *marginal differences* from the status-quo. The marginal differences in the number of days necessary to achieve the new backlog targets can then be applied to staffing levels.

Therefore, the first calculation that we made, shown in Table 3, is the marginal difference between current case processing times and three different backlog targets: the statutory definition of backlog, and the two scenarios developed by the BWG, an Enhanced Goal, and a Feasible Goal.[4]

[4] Note that the BWG established a total of four backlog goals: two each for the Enhanced and Feasible goals. Because the current, statutory backlog target is a *single* number, the two targets for each goal have been combined into a weighted, average target. Stipulated cases generally take longer, but they also represent a much smaller share of the total caseload (about 25% of cases that reach this stage of the process) while filings in State Bar Court are faster and occur more often (about 75% of cases that reach this stage of the process). Therefore, the single target for both the Enhanced and Feasible conditions reflects the added weight of the shorter time frame due to the larger number of cases that dispose as a filing in State Bar Court. See Appendix F, Table F1 for details on the calculation.

Table 3: Comparison of Current Case Processing Times with Three Backlog Targets

	Statutory Definition			Enhanced			Feasible		
Current *Average* Days from Receipt to Filing of Stipulation or NDC[5]	Reduction Target	Difference from Current (Days)	Difference (%)	Reduction Target	Difference from Current (Days)	Difference (%)	Reduction Target	Difference from Current (Days)	Difference (%)
305	**180**	**125**	**41%**	**197**	**108**	**35%**	**243**	**62**	**20%**

For this analysis, we assume that the marginal differences in resources needed to change case processing times are the same as the marginal differences in time. In other words, we assume that achieving a 10 percent *reduction* in the number of days will require a 10 percent *increase* in staff resources.

Building on the marginal differences in time shown in Table 3, we then calculate the number of additional attorney and investigator staff consistent with the marginal difference between current case processing and the three scenarios being evaluated: a statutory backlog number, the Enhanced Goal, and the Feasible Goal.[6]

Table 4: Backlog Target Margins Applied to Attorney & Investigator FTE

		Marginal Difference Needed to Meet Backlog Target		
		Statutory	Enhanced	Feasible*
Current Staffing Levels	**FTE**	41%	35%	20%
Attorneys	56	23	20	11
Investigators	62	25	22	12
Total	**118**	**48**	**42**	**24**

** Sum of staff FTE may not equal total due to rounding.*

It is important to note that not all staff work directly on case processing, so the need for staff who contribute indirectly to case processing should be estimated differently. This analysis builds estimates of supervisory and support (S&S) staff by tying them to the numbers of of additional attorneys and investigators. Additional resources necessary for supervision and support of attorneys and investigators are modeled as an *indirect* function of workload and calculated as ratios of S&S staff to attorneys and investigators.

[5] For more detail on the selection of the current average case processing time rather than the maximum for a point of comparison, see Appendix F. Details on the calculation of a single, weighted average for both Enhanced and Feasible backlog targets is also discussed in the Appendix.

[6] To align staffing levels with time estimates the "current" staffing levels are drawn from December, 2015. This allows for the most direct comparison with the most current data on how long case processing required, data reported in the 2015 Attorney Discipline Report.

The number of S&S staff needed to accompany an increase in the number of attorneys and investigators is determined by calculating current ratios of S&S staff to attorneys and investigators. The full list of OCTC staff who contribute to case processing is provided in Appendix F, Table F2 by job classification. Table 5, below, shows the ratios of S&S staff to attorneys and investigators.

Table 5: Supervisory & Support Staff Ratios

Classification	Number of Attorneys & Investigators per FTE
Assistant Chief Trial Counsel	29.5
Supervising Attorney	11.8
Administrative Supervisor	59.0
Sr. Administrative Assistant	118.0
Executive Secretary	59.0
Administrative Assistant II	14.8
Legal Secretary	8.4
Administrative Assistant I	6.2
Paralegals	7.9
General Clerks	23.6

Table 5 reflects, for example, that for every 29.5 staff in the attorney and investigator classification, there is one Assistant Chief Trial Counsel; for every 11.8 staff in the attorney and investigator classification, there is one Supervising Attorney. To apply these ratios, the additional attorneys and investigators that the model indicates are needed are divided by the ratio. For example, for each additional 30 attorneys and investigators, these ratios would suggest the addition of a single Assistant Chief Trial Counsel: (30 / 29.5 = 1).

The detailed calculations of additional staff needed to achieve the different backlog targets are shown in Appendix F, Table F3; Table F4 then calculates the implications of those estimates on the *total* workforce in OCTC by adding the incremental staffing need to base staffing levels.

CONCLUSION

A more complete and refined model will address other expenses that are not accounted for in these simplified estimates. Underlying administrative infrastructure (human resources, finance, information technology) is often over-looked when estimating staffing needs. Similarly, physical space and the facilities implications of adding staff have not been addressed here and will need to be developed in a subsequent iteration of this model.

Moreover, implementing changes in one part of the State Bar discipline system will necessarily have an impact on other parts. Speeding up case processing under any one of the scenarios explored here would have an immediate impact on the State Bar Court. The

associated costs of which have not yet been modeled. During the implementation phase of this work, State Bar leaders will need to ensure that any changes made to OCTC operations serve the ultimate purpose of the State Bar: protecting the public through the effective regulation of attorneys.

Appendix A

THE STATE BAR OF CALIFORNIA

OFFICE OF TRIAL COUNSEL

Los Angeles/San Francisco

INTER-OFFICE COMMUNICATION

DATE: August 30, 1988

TO: Office of Trial Counsel Staff

FROM: Francis P. Bassios, Deputy Chief Trial Counsel

SUBJECT: Policy Directive - 1988-6
IDENTIFICATION/DESIGNATION OF COMPLEX CASE BY OFFICE OF TRIAL COUNSEL LEGAL ADVISORS

SB 1498 amends Business and Professions Code §6094.5 to read as follows (effective January 1, 1989):

> §6094.5(a) - It shall be the goal and policy of the disciplinary agency to dismiss a complaint, admonish the attorney, or forward a completed investigation to the Office of Trial Counsel within 6 months after receipt of a written complaint. As to complaints designated as complicated matters by the Chief Trial Counsel, it shall be the goal and policy of the disciplinary agency to dismiss, terminate by admonition, or forward those complaints to the Office of Trial Counsel within 12 months. . ."

A "complicated matter" is an open investigation in the Office of Investigation wherein it has been determined that procuring evidentiary material and obtaining legal conclusions upon which to prosecute will require that the investigation be open more than 6 months.

The identification and designation of a matter as complex shall be done solely by designated Legal Advisors in the Intake/Legal Advice Unit in the Los Angeles Office of Trial Counsel and designated attorneys in the San Francisco office.

Some of the criteria to be considered in making the designation are:

1. Multiciplicity of matters;

2. Excessive documentation not easily obtainable and/or excessive evaluation, summarization and review of documentation;

3. Individual complaints of little substance which need to be consolidated to prosecute;

4. Related investigation by other agencies if the complaint does not fall within abatement policies; and,

5. Extremely unusual and complicated legal areas.

When complaints are first reviewed by the Legal Advisors they may not fall within the complex designation. They may become complex during the investigation, at which time the investigator should obtain such a designation from the appropriate Legal Advisor. The above criteria may be met and the investigation may still not fall within the complex designation since each case must be reviewed on its own merits. The ultimate decision will be based on the allegation and how long it will reasonably take to obtain the evidence needed to prosecute the matter.

FPB/rm

Appendix A

THE STATE BAR OF CALIFORNIA

INTER-OFFI
COMMUNICATIC

DATE: December 12, 1995

PRIVILEGED AND CONFIDENTIAL

TO: All Enforcement Staff

FROM: Judy Johnson, Chief Trial Counsel

SUBJECT: Designation of Investigation Cases as Complex

The current definition of "complex" is contained in the former Office of Investigations Policy Manual (currently being revised). Given the reorganization in 1995, we have discussed the following revisions to the internal criteria so that we may achieve more consistency in the limited application of the designation in our treatment of backlog cases.

As a practice note, all designations of "complex" require the approval of either the Assistant Chief Trial Counsel in Los Angeles or the Screening Deputy Trial Counsel in San Francisco in response to a written request for the designation. For computer purposes, the numbers assigned to each reason for "complex" will not change.

Cases designated as "complex" under the statutory backlog definition are limited to investigation cases in which the rule of limitations does not apply and in which any one of the following applies:

1. Multiplicity of matters (not applicable to § 6007(c) cases);

2. ~~Excessive~~ Voluminous documentation not easily obtainable or ~~excessive~~ evaluation, summarization and review of voluminous documentation required; or

~~3. Complaints of little substance which need to be consolidated to prosecute.~~[1]

[1] Completed investigations should not be held or otherwise delayed but instead, should be forwarded upon completion for assignment to a Deputy Trial Counsel for coordination/prosecution. INV HLD should not be used for completed investigations.

4. Related investigations by other agencies ~~if the complaint does not fall within abatement policies~~.[2]

5. ~~Extremely~~ ~~u~~Unusual and complicated ~~areas of the law~~ facts involved.

cc: Roberta M. Yang
Francis P. Bassios
Mable Wilkinson
Mark Shannon
Trev Davis

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[2] If a Bar investigation is unable to be completed due to a related investigation by another agency, discussion should take place with the Assistant Chief Trial Counsel as to the correct computer status that should be used in this instance.

Date: June 6, 2006

Appendix A

Policy Directive

Policy Directive 2006-04

Identification and Designation Of Complex Cases

Introduction

It is the policy of the Office of Chief Trial Counsel to pursue and resolve allegations of criminals acts, professional misconduct or violations of the State Bar Act or California Rules of Professional Conduct committed by California State Bar members in a timely and efficient manner.

Policy Directive 1988-6 previously issued on this subject is vacated and replaced by this policy directive. This policy directive also supercedes any other policy directives, protocols and guidelines previously issued on this subject.

Relevant Rules and Policies

Business and Professions Code section 6094.5, subdivision (a) states, in relevant part, "It shall be the goal and policy of the disciplinary agency to dismiss a complaint, admonish the attorney, or forward a completed investigation to the Office of Trial Counsel within six months after receipt of a written complaint. As to complaints designated as complicated matters by the Chief Trial Counsel, it shall be the goal and policy of the disciplinary agency to dismiss, terminate by admonition, or forward those complaints to the Office of Trial Counsel within 12 months."

Summary of Current Practice

At the intake level, a matter is considered complicated and designated as "complex" if a respondent has five or more pending disciplinary matters in the hearing or investigation stage.

In the investigation stage, a matter is designated as complex upon a determination that the investigation of the matter may not be completed within six months after receipt of the written complaint due to the time required to procure evidentiary material and formulate legal conclusions.

An Investigator may seek to designate a matter as complex during the investigation stage of the case by obtaining the written approval of his or her Deputy Trial Counsel (DTC) and Assistant Chief Trial Counsel (ACTC).

Statement of New Policy

An Investigator may designate a matter as complex upon the written approval of his or her DTC and ACTC. However, designating a matter as complex is generally disfavored and will only be approved under limited circumstances.

Criteria weighing in favor of designating a matter as complex include:

1. There are at least five open matters against the respondent;
2. The resolution of the case requires the recovery of voluminous documentation not easily obtainable and/or the extensive evaluation, summarization and review of voluminous documentation;
3. Another agency is currently undertaking a related investigation of the respondent, and the matter does not fall within the Office of the Chief Trial Counsel's abatement policies;
4. The respondent made misrepresentations about or concealed material evidence;
5. During the course of the investigation, it is established that the respondent engaged in new and/or different misconduct that is related to the current misconduct;
6. The respondent unreasonably delays complying with subpoenas;
7. It is unusually difficult for the investigator to locate or communicate with material witnesses;
8. The matter involves extremely unusual and/or complicated legal issues.

Notwithstanding the existence of such criteria, the DTC or ACTC may deny a request to designate a matter as complex if only one criterion exists or if the criteria that exist are not sufficiently significant to merit a complex designation.

In the absence of extraordinary circumstances, requests for complex designation received 120 days or more after receipt of the written complaint will generally be denied. In order to avoid late requests, Investigative DTCs and Investigators will strive to complete the following steps within sixty (60) days of receiving the matter from the Intake Unit:

(1) Within one week of receiving the investigation file from Intake, the Investigative DTC will develop an Investigation Plan (IP) for the investigator. The IP will identify relevant witnesses and documents, any actual or potential violations of the State Bar Act and Rules of Professional Conduct and key issues and concerns raised by the information known at that time. The Investigator and Investigative DTC will promptly resolve any issues and/or concerns regarding the IP that may exist.

(2) Within 30 days of receiving the IP, the Investigator will: (i) locate and interview known witnesses; (ii) request copies of and/or subpoena necessary evidence, such as bank records, court files, insurance files, etc.; and (iii) request and obtain respondent's written response to the allegations.

During the investigation, the Investigator will also report on his or her progress to the Investigative DTC on a regular basis. The Investigative DTC and Investigator may modify the IP as circumstances warrant.

Appendix B

Backlog Working Group Roster

Name	Title	Unit	Location
Sheila Campbell	Investigator II	OCTC Enforcement	LA
Amanda Gormley	Investigator II	OCTC – Enforcement	SF
Manuel Jimenez	Senior Attorney	OCTC – Enforcement	SF
Erin Joyce	Senior Attorney	OCTC – Enforcement	LA
Lucy Mazon	Senior Administrative Assistant	Central Administration	LA
Esther Rogers	Senior Attorney	OCTC Enforcement	SF
Ross Viselman	Senior Attorney	OCTC – Intake	LA
Craig vonFreymann	Investigator Supervisor	OCTC – Enforcement	LA

Appendix C

Intake Time Standards	Intake Narrative	Investigation Time Standards	Investigation Narrative	Complex Factors	Other Information
		180 days	180 to complete investigation. Must have plan explaining why 180 day not met and what will be done to move case forward. Goal is to have 80% of cases completed in 180 day timeline and 90% of cases in 365 days. Over 365 need justification and are placed in constant monitoring.	Coordination with law enforcement agencies; need to seek immunity for crucial witness; non-cooperating witness; pending criminal or civil action	
		90 days	Any cases lasting in investigation longer than 90 days need to be explain to Board chair and an update must be given at least ever six months.		
365 days	Have one year to conduct an informal screening to decide if they should send it on to disciplinary board for formal investigation. Even though they have 1 year, they usually accomplish this in 60 days.	**180 days**	This is an informal and unenforceable rule to finish in 180 days.		Once probable cause finding has occurred they have 30 days to file case in supreme court.
none		**7 months**	Petition must be filed within 7 months of the complaint being received.	multiple complaints; voluminous, technical or unavailable records; unavailable witnesses; and other similar issues that require additional time and effort to investigate.	
90 days		**6 month- 1 year if complex**			Formal complaint to hearing in 6 months. Hearing board reports due within 120 days of hearing.
45 days		**1 year**	This is from when the formal complaint is open. They try not to have any cases still in investigation after 18months and are 99% effective meeting this standard.		
60 days		**120 days**	It is 120 days from the assignment to investigations and the goal is to meet this 90% of the time with the other 10% to be completed in 180 days.	Trust account and noncooperation matters are allowed 250 days after assignment to investigations to complete.	They don't use a complex designation, but the different timelines for certain cases is the same result.
		8 months - 1 year if complex		Deputy staff member decides if a case is complex.	

Appendix D

Table D1: Detailed Time Estimates for Complaint Processing: Intake through Closing/Filing

Beginning Action	Ending Action	Individual Time (days)	Cumulative Time (days)	Notes
Intake Phase – Action Taken on Complaint				
Receipt	Reading	20	20	None
Reading	Forward to Enforcement	0	20	In 2014, 291/month on average were immediately forwarded In 2015, 298/month on average were immediately forwarded
	or			
Reading	Forward of "worker" complaint to Enforcement	40	60	80-100/month on average are "workers" – i.e., they require additional investigation
				The following time computations assume that the case was forwarded directly from Intake to Enf without any investigation. If the case was a worker in intake, 40 additional days need to be added to the following totals.
Enf. INV LRW	Enf INV OPN	2	22	
Enforcement Phase				
Prepare IP		5	27	None
Approval of IP		3	30	None
Send out TR		14	44	None
TR response		30	74	None
Further investigation		30	104	If a closer, the INV needs to prepare closing memo and obtain LRW approval, which adds an additional approximate 5 days.
Draft SOC		5	109	None
LRW approval		5	114	None

Appendix D

Beginning Action	Ending Action	Individual Time (days)	Cumulative Time (days)	Notes
Pre-Filing Phase				
Prepare Charging memo		4	118	
Receive approval of Charging Memo		2	120	
Send out 10 day letter		1	121	
Wait 10 days		10	131	If no response to 10 day letter, prepare draft NDC, obtain SSTC and ACTC approval and file NDC, which adds 3 days, for a total of approximately 134 days to get a case from Intake to filing of NDC if the respondent doesn't request an ENE. If the case was a worker, then total time would be 174 days, because 40 days is added at intake.
ENE set within 2 weeks		14	145	
		1	146	No settlement at the ENE, file NDC; 186 days if the case was a worker
Prepare Stipulation		4	151	
Obtain Stipulation approval from SSTC and ACTC		2	153	
File Stipulation		1	154	194 days if case is a "worker"

Acronyms Used in the Time Estimates	
ACTC	Assistant Chief Trial Counsel
ENE	Early Neutral Evaluation
ENF	Enforcement
INV	Investigation
IP	Investigation Plan
LRW	Legal Review Status
NDC	Notice of Disciplinary Charges
LRW	Legal Review
SSTC	Supervising Senior Trial Counsel
SOC	Statement of Case
TR	Letter to Respondent

Appendix D

Table D2: Original List of Complex Factors Developed by Backlog Working Group

Complex Case Type or Factor
Multi-Layer Marketing Scheme
Respondent in Multiple States
Multiple CW's
6180
6190
6126
Vexatious Litigants
ADA Complaints
Late Retention of Counsel
Non-English speaking CW
Multiple Matters
Multiple Allegations
Voluminous Documentation
Unusual and complicated facts involved
Respondent made misrepresentations or concealed evidence
Respondent unreasonably delays complying with subpoenas
Unusually difficult to locate or communicate with material witness
Significant pre-trial discovery
Other complaints demonstrating a pattern of misconduct or scheme to defraud
Related disciplinary proceedings against more than a State Bar member
Novel or difficult legal issues that will be time consuming to resolve

Appendix E

Complex Factors Survey Results Summary

Intake and Enforcement Total	Expressing opinions				
Factor	Yes	%Yes	No	%No	Don't Know
Multi-Layer Marketing Scheme	90	97%	2	3%	86
Respondent in Multiple States and Multiple CW's	118	97%	3	3%	57
6180/6190/6126 - Assumption of Law Practice	91	87%	11	13%	76
Respondents Files Numerous Meritless Motions	75	84%	17	16%	86
ADA Complaints	51	81%	12	19%	115
Late Retention of Counsel	50	63%	29	37%	98
Non-English speaking CW	79	67%	34	33%	65
Multiple Matters	110	90%	10	10%	57
Multiple Allegations	83	77%	28	23%	66
Voluminous Documentation	117	98%	5	2%	55
Unusual and complicated facts involved	117	96%	6	4%	54
Respondent made misrepresentations or concealed evidence during the investigation	86	81%	16	19%	74
Respondent unreasonably delays complying with subpoenas	81	80%	17	20%	80
Unusually difficult to locate or communicate with material witness	93	88%	11	13%	74
Significant pre-trial discovery	84	84%	14	16%	80
Other complaints demonstrating a pattern of misconduct or scheme to defraud	106	96%	4	4%	68
Related disciplinary proceedings against more than one State Bar member	99	94%	5	6%	73
Novel or difficult legal issues that will be time consuming to resolve	113	98%	4	2%	61

Appendix F

Methods and Parameters for Estimating Resource Needs

The resources required to process cases within a given time frame can be calculated by looking at *current* case processing times and the resources currently devoted to case processing.

Table F1, attached at the end of this appendix, shows a number of different decision points that were incorporated into the estimations of the relationship between resources and case-processing times. Table F2 also highlights a number of assumptions that need to be made about the parameters used for estimating additional resources required to reduce the length of case processing time before cases fall into backlog.

Some of the more important of these decisions and assumptions are highlighted in the narrative below:

- *Compare the new backlog targets to the current* average *not the* maximum *case processing time*
    - If the ultimate backlog goal is for zero cases to fall into backlog, then the point of comparison for current case processing should be the maximum number of days required to dispose a case – 388 days – and not the average – 305 days;
    - Using 388 days, however, would exaggerate the resource need by focusing on outliers rather than focusing on the broad trends of case processing;
    - Recognizing that there will always be outlier cases that exceed established time frames for reasons entirely outside of the control of OCTC, and; recognizing that beginning from 388 days as the "as-is" estimate of case processing will unnecessarily and unrealistically inflate the estimates of the resources needed to achieve new backlog goals; the staffing estimates are derived by comparisons of target backlog goals with the *average* case processing times for 2015.

- *Estimate a single, weighted-average backlog goal for Feasible & Enhanced goals*
    - Rather than settle on a single backlog goal as current statute does, the BWG established four goals: stipulated filings and NDC filings for both enhanced and feasible scenarios;
    - Current case processing times for stipulations compared with filings of NDC, however, are not readily available;
    - For purposes of comparing current case processing times with backlog goals, it is useful to collapse the backlog goals into a single, weighted average time;
    - If the Legislature agrees to a bifurcated target – one for stipulated cases and another for NDC filings – this decision should be revisited.

Appendix F

Additional assumptions that are built into the estimates of *current* resource utilization and then used to extrapolate estimates of resource *need* under the different scenarios include the following:

- *Use staffing levels, allocations, and functions from 2015 to estimate caseloads*
  - OCTC staff have been reorganized periodically into different groupings, and the functions that they perform across groupings has also changed over time;
  - Modifying the staffing estimates to reflect the most recent organizational structure of OCTC, however, would create a mismatch between data on case processing – readily available and recently published in the Annual Attorney Discipline Report for 2015 – and the staff who were assigned to that work.

- *Estimate the workload of attorneys and investigators as a function of cases disposed*
  - Case disposition provides the most useful workload estimate for staff because it points to work accomplished;
  - Unlike case backlog, case disposition provides an estimate of how much is accomplished by a given number of staff.

- *Estimate the workload of supervisory and support staff as an indirect function of cases disposed*
  - Supervisory and support staff should be determined *indirectly* by looking at how many staff are needed to process cases – primarily attorneys and investigators – and then estimating the number of staff needed to supervise and support the attorneys and investigators;
  - Supervisory and support staff need can be estimated by calculating ratios of these staff to attorneys and investigators.

Appendix F

Table F1: Calculation of Weighted Average Backlog Targets and Comparisons w/ Current Case Processing Times

	Statutory Definition			Enhanced				Feasible			
Current Case Processing	Backlog Target	Difference (Days)	Difference (%)	Backlog Targets	Weighted Average*	Difference (Days)	Difference (%)	Backlog Targets	Weighted Average*	Difference (Days)	Difference (%)
				Stipulation 209		**Compared to Average Days**		**Stipulation 259**		**Compared to Average Days**	
Average Days 305	**180**	**125**	**41%**		**197**	**108**	**35%**		**243**	**62**	**20%**
				Filing NDC 193				**Filing NDC 238**			

** Weighted Average days for backlog target is calculated using the proportion of filings that result in a stipulation and the proportion that result in the filing of an NDC. Approximately 25% of filings that are closed following the pre-filing stage dispose with a stipulation; approximately 75% are filed in State Bar Court. Thus, for the Enhanced Weighted Average: 197 = (209 * .25)+(193*.75). For the Feasible Weighted Average: 243= (259*.25)+ (238*.75)*

Appendix F

Table F2: OCTC Direct Case Processing Staff; Supervision and Support Staff and; Ratios of Attorneys & Investigators to Supervisory & Support Staff

Direct Case Processing - Enforcement & Intake Filled FTE, December 2015	
Attorneys (Senior & Deputy)	56
Investigators & Complaint Analyst II	62
Total Attorneys & Investigators	**118**
Selected Supervisory & Support Filled FTE, December 2015	
ACTC	4
Supervising Senior Attorney	10
Administrative Supervisor	2
Sr. Administrative Assistant	1
Executive Secretary	2
Administrative Assistant II	8
Legal Secretary	14
Administrative Assistant I	19
Paralegals	15
General Clerks	5
Supervisory & Support (S&S) Staff Ratios	
ACTC	29.5
Supervising Attorney	11.8
Administrative Supervisor	59.0
Sr. Administrative Assistant	118.0
Executive Secretary	59.0
Administrative Assistant II	14.8
Legal Secretary	8.4
Administrative Assistant I	6.2
Paralegals	7.9
General Clerks	23.6

Appendix F

Table F3: *Additional* Resources Needed to Achieve Different Backlog Targets

Additional FTE Needed to Achieve Statutory Backlog Definition		Additional FTE Needed to Achieve Enhanced Backlog Definition		Additional FTE Needed to Achieve Feasible Backlog Definition	
Additional Attorneys	23.0	Additional Attorneys	19.8	Additional Attorneys	11.3
Additional Investigators	25.4	Additional Investigators	22.0	Additional Investigators	12.6
Subtotal	**48.4**	**Subtotal**	**41.8**	**Subtotal**	**23.9**
Support & Supervision		**Support & Supervision**		**Support & Supervision**	
ACTC	1.6	ACTC	1.4	ACTC	0.8
Supervising Attorney	4.1	Supervising Attorney	3.5	Supervising Attorney	2.0
Administrative Supervisor	0.8	Administrative Supervisor	0.7	Administrative Supervisor	0.4
Sr. Administrative Assistant	0.4	Sr. Administrative Assistant	0.4	Sr. Administrative Assistant	0.2
Executive Secretary	0.8	Executive Secretary	0.7	Executive Secretary	0.4
Administrative Assistant II	3.3	Administrative Assistant II	2.8	Administrative Assistant II	1.6
Legal Secretary	5.7	Legal Secretary	5.0	Legal Secretary	2.8
Administrative Assistant I	7.8	Administrative Assistant I	6.7	Administrative Assistant I	3.8
Paralegals	6.1	Paralegals	5.3	Paralegals	3.0
General Clerks	2.0	General Clerks	1.8	General Clerks	1.0
S&S Subtotal	**32.8**	**S&S Subtotal**	**28.3**	**S&S Subtotal**	**16.2**
Total *Additional* Staff	**81.1**	**Total *Additional* Staff**	**70.1**	**Total *Additional* Staff**	**40.1**

Appendix F

Table F4: *Total* Resources Needed to Achieve Different Backlog Targets

TOTAL FTE Needed to Achieve Statutory Backlog Definition		**TOTAL FTE Needed to Achieve Enhanced Backlog Goal**		**TOTAL FTE Needed to Achieve Feasible Backlog Goal**	
Total Attorneys	79.0	Total Attorneys	75.8	Total Attorneys	67.3
Total Investigators	87.4	Total Investigators	84.0	Total Investigators	74.6
Subtotal	**166.4**	**Subtotal**	**159.8**	**Subtotal**	**141.9**
Supervision & Support		**Supervision & Support**		**Supervision & Support**	
ACTC	5.6	ACTC	5.4	ACTC	4.8
Supervising Attorney	14.1	Supervising Attorney	13.5	Supervising Attorney	12.0
Administrative Supervisor	2.8	Administrative Supervisor	2.7	Administrative Supervisor	2.4
Sr. Administrative Assistant	1.4	Sr. Administrative Assistant	1.4	Sr. Administrative Assistant	1.2
Executive Secretary	2.8	Executive Secretary	2.7	Executive Secretary	2.4
Administrative Assistant II	11.3	Administrative Assistant II	10.8	Administrative Assistant II	9.6
Legal Secretary	19.7	Legal Secretary	19.0	Legal Secretary	16.8
Administrative Assistant I	26.8	Administrative Assistant I	25.7	Administrative Assistant I	22.8
Paralegals	21.1	Paralegals	20.3	Paralegals	18.0
General Clerks	7.0	General Clerks	6.8	General Clerks	6.0
S&S Subtotal	**112.8**	**S&S Subtotal**	**108.3**	**S&S Subtotal**	**96.2**
Total Staff	***279.1***	***Total Staff***	***268.1***	***Total Staff***	***238.1***

APPENDIX C

SPENDING PLAN

SUBMITTED PURSUANT TO

BUSINESS AND PROFESSIONS CODE SECTION 6140.16

THE STATE BAR OF CALIFORNIA

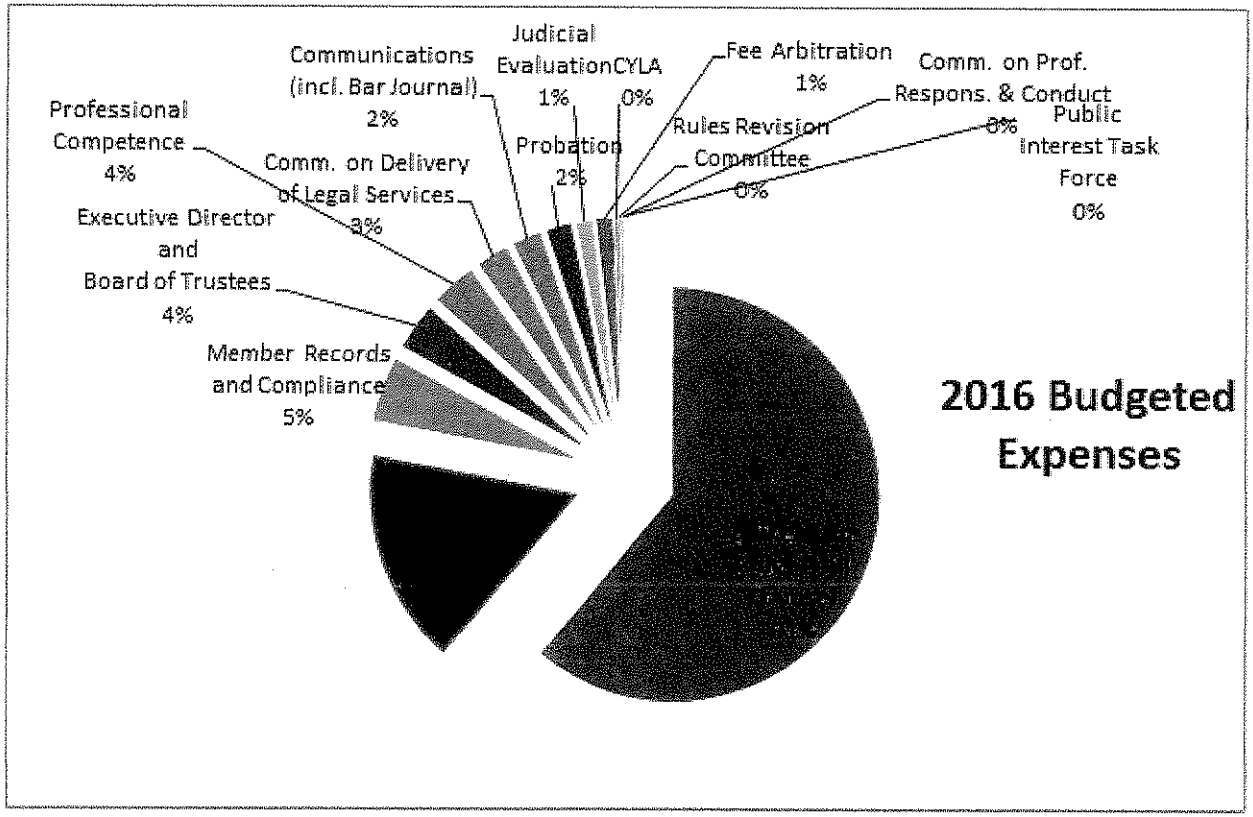
MAY 13, 2016

INTRODUCTION

Senate Bill 387 (2015-2016 Reg. Sess., ch. 537, 2015 Cal. Stat.) required the State Bar to conduct a thorough analysis of its priorities and necessary operating costs and develop a spending plan, which includes its fund balances, to determine a reasonable amount for the annual membership fee that reflects its actual or known costs and those to implement its workforce plan.[1]

Chart 1 below reflects the components of the Bar's unconsolidated General Fund,[2] which houses the annual membership fee. As Chart 1 reflects, 80 percent of budgeted expenses reflect the costs of the Office of the Chief Trial Counsel, State Bar Court, and the Office of Probation.

Chart 1



The bill also directed the Bar to develop and recommend a new backlog goal, and an assessment of the staffing needed to achieve that goal.

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[1] Business and Professions Code section 6140.16 directs the State Bar to develop and implement a workforce plan for its discipline system as well as a public sector compensation and benefits analysis. These reports were prepared by consulting firms and are being submitted separately.

[2] Unconsolidated General Fund membership fees and resources of the State Bar support the discipline system; other General Fund activities include the Building Fund, the IT Fund, and non-discipline-related programs. Membership fee revenue is only deposited in the unconsolidated General Fund.

The following spending plan is submitted pursuant to these directives.

ANNUAL MEMBERSHIP FEE

REVENUE

The Bar's annual membership fee, which has not been increased since 2000, is $330; an additional $50 in mandatory fees, $40 of which are assigned to the Client Security Fund, and $10 of which are designated for the Lawyer Assistance Program. Mandatory fees are outlined below:

Table 1: 2016 Mandatory Membership Fees

Membership Fee	$330
Client Security Fund	$40
Lawyer Assistance Program	$10
Total	**$380**

Summary information regarding maximum mandatory licensing fees from the 2015 International Survey of Attorney Licensing Fees[3] suggests that the California State Bar's commensurate fee of $330 is only slightly above the national average:

Table 2: 2015 US Attorney Membership Fees

Minimum Annual Fee (CT)	$75
Maximum Annual Fee (AK)	$660
Average Annual Fee	$321

As reflected in the Bar's adopted 2016-2018 Budget, projected 2016 revenue from mandatory fees are as follows:

Table 3: 2016 Membership Fee Budgeted Revenue (millions)

Membership Fee	$64.5[4]
Client Security Fund	$7.8
Lawyer Assistance Program	$2.0
Total	**$74.3**

In addition to membership fees, other program revenue is housed in the State Bar's unconsolidated General Fund; these programs, with corresponding 2016 budgeted revenue, are outlined on the following page. This plan includes spending associated with these other revenue sources that are comingled with the membership fee in the applicable Fund. Client Security and

[3] "International Survey of Attorney Licensing Fees." July 2015. Office of Attorney Ethics of New Jersey. Note: the information provided in this table is limited to fees charged in the 50 US states and the District of Columbia.
[4] This figure includes only mandatory fee revenue; penalties and late fees are excluded.

Lawyer Assistance Program revenues are housed in separate funds.

Table 4: 2016 Other Unconsolidated General Fund Budgeted Revenue (thousands)

Penalties and Late Fees	$2,100
Multi-Jurisdictional Practice	$510
LLP Registration	$620
LLC Registration	$820
MCLE & Compliance	$593
Certification	$205
Investment	$105
Other	$347
Total	**$5,300**

Complete revenue detail is provided as Appendix A.

EXPENDITURES

Expenditures against this revenue as reflected in the Bar's 2016 adopted budget are provided below. Eighty percent of expenditures tie to the Office of the Chief Trial Counsel, State Bar Court, and Probation, alone.

Table 5: General Fund Expenses

Office of the Chief Trial Counsel	42,467,700
State Bar Court	11,938,500
Member Records and Compliance	3,604,200
Executive Director and Board of Trustees[5]	2,564,600
Professional Competence & COPRAC	2,482,400
Comm. on Delivery of Legal Services	1,786,900
Communications (incl. Bar Journal)	1,569,800
Probation	1,379,000
Judicial Evaluation	933,400
Fee Arbitration	907,400
CYLA	213,500
Rules Revision Committee	172,800
Public Interest Task Force	51,300
Commission on Access to Justice	28,600
Residuals from Indirect Allocation	-600,000
Total	69,461,900

[5] The expenses for the Executive Director and Board of Trustees are allocated as indirect costs to other Bar programs.

Over 68 percent of all expenses reflect salary and benefit costs.

ALIGNMENT WITH STATE BAR PRIORITIES

At its January 31, 2016 planning retreat, the State Bar Board of Trustees developed the following Mission and Vision Statements, as well as Goals and Objectives for the period 2016-2018. Unconsolidated General Fund expenditures support the Bar's advancement of these priorities:

MISSION AND VISION STATEMENTS

Mission: Protection of the public shall be the highest priority for the State Bar of California and its Board of trustees in exercising their licensing, regulatory, and disciplinary functions. Whenever the protection of the public is inconsistent with other interests sought to be promoted, the protection of the public shall be paramount.
(Added by Stats. 2011, Ch. 417, Sec. 1. Effective January 1, 2012.)

Vision: A public service organization committed to transparency, accountability and excellence to ensure public protection through lawyer regulation, education and discipline, and support for improvements to the legal justice system.

GOALS AND OBJECTIVES

GOAL 1: Ensure a timely, fair, and appropriately resourced discipline and regulatory system.

a. Conduct and implement Workforce Planning for the discipline system.
b. Review and implement a Classification and Compensation Study for the discipline system, as part of an organization-wide effort.
c. Develop and implement transparent and accurate reporting and tracking of the health and efficacy of the discipline system, to include (a) completion of the Annual Discipline Report and assessment of ways to enhance the process for the completion and review of future reports, (b) developing and implementing an appropriate backlog metric and seeking any needed statutory changes in regard to that metric, and (c) assessing ways to staff a dedicated data and research function.
d. Develop and deploy a new case management system for Office of Chief Trial Counsel and State Bar Court.
e. Expeditiously refine, adopt and implement phased-in and/or modified Task Force on Admissions Regulation Reform recommendations.
f. Manage the review, recommendation for Supreme Court adoption, and promulgation of new Rules of Professional Conduct as prepared by the Rules Revision Commission.
g. Complete full implementation of the Auditor's 2015 recommendations.
h. Consider and implement the most effective mechanism for ensuring compliance with MCLE requirements.

i. Design and implement a program of preventative education.

GOAL 2: Proactively inform and educate Stakeholders about the State Bar's responsibilities, initiatives, and accomplishments.

a. Develop and implement a Communications Strategy Plan for timely and effective external and internal communication.
b. Manage and support the Governance in the Public Interest Task Force and its recommendations and continue to address the implementation of the California Public Records Act and Bagley-Keene Bar-wide.
c. Redesign the State Bar website to improve access, legibility and utility for all stakeholders.
d. Continue to play an appropriate role in preventing and remedying the Unauthorized Practice of Law in cooperation with law enforcement agencies empowered to prosecute this crime, and to continue dialog with the Legislature and other Stakeholders about the Bar's statutory authority and appropriate role in this area.

GOAL 3: Improve fiscal and operational management, emphasizing integrity, transparency, and accountability.

a. Complete the Workforce Planning and Classification and Compensation Studies. Develop and implement action plans to improve personnel and fiscal resource utilization.
b. Improve productivity through performance accountability, training, and professional development.
c. Improve staff morale and career satisfaction through recognition of performance, career path development, and transparent and collaborative communication.
d. Reallocate funds to reflect expenditure review, new reserve policy, and other reengineering efforts.
e. Clarify and harmonize policy and regulatory mandates impacting the Bar arising from: Statute; changes in Board composition and leadership (including Board Book review and update); and management policy directives.
f. Develop a three-year technology plan to use appropriate technology to facilitate information sharing and records management. Ensure sufficient funding for the plan and staff training to support its implementation.
g. In conjunction with annual budgets, ensure maintenance and use of the Bar's Los Angeles and San Francisco buildings to maximize benefit to the Bar and the people of California.

GOAL 4: Support Access to Justice and improvements in the Justice System

a. Support increased funding and enhanced outcome measures for Legal Services.
b. Support increased Access to Justice by working with the California Commission on Access to Justice, Council on Access and Fairness, and Standing Committee on the Delivery of Legal Services, to identify and develop programs for implementation by partner organizations.

c. Support adequate funding of the Client Security Fund.

In addition to aligning with adopted 2016-2018 Goals and Objectives, as reflected in Appendix B, the majority of unconsolidated General Fund programs are mandated by statute or rule. Table 6 depicts how each Unconsolidated General Fund program aligns with the Bar's goals:

Table 6: Unconsolidated General Fund Priority Alignment

Department/Program	Goal/Objective		
Office of the Chief Trial Counsel	1	2d	
State Bar Court	1		
Member Records and Compliance	1h		
Executive Director and Board of Trustees	All		
Professional Competence	1f	1i	
Comm. on Delivery of Legal Services	1e	4a	4b
Communications (incl. Bar Journal)	2a	2c	2d
Probation	1		
Judicial Evaluation	4		
Fee Arbitration	2		
CYLA	1i		
Rules Revision Committee	1f		
Comm. on Prof. Responsibility & Conduct	1f	1i	
Public Interest Task Force	2b		

THE LAWYER ASSISTANCE PROGRAM AND CLIENT SECURITY FUND

The Lawyer Assistance Program has been operating with a structural surplus for a number of years, resulting in a sizeable fund balance accumulating as of December 31, 2015. For example, budgeted revenue in 2016 is $2,064,100, while budgeted expenses total $1,623,600[6]. The Bar recently directed over 90 percent of the Program's surplus fund balance, or $1.6 million, to the Client Security Fund. As the declining LAP caseload trend continues, it may be appropriate to consider a permanent adjustment of the $10 mandatory fee supporting this effort.

Specifically, the Bar has recommended redirection a portion of the Lawyer Assistance Program fee to the Client Security Fund on a permanent basis. This recommendation should be considered in light of workforce planning recommendations which suggest, one the one hand,

[6] This amount varies by $28,300 compared to adopted 2016 budget because one contract was determined

a downsizing of Program staff due to declining caseloads, and conversely, the need to implement a strategic planning initiative which may trigger significant program growth.

As distinct from the Lawyer Assistance Program which has been operating at a surplus, the Client Security Fund has an estimated $16 million in applicant payouts[7] pending, which, absent a significant infusion of resources, will take years to address. In addition to that backlog which was generated by a particular market occurrence (the loan modification crisis), the Fund is operating at a slight structural deficit[8], when comparing the value of applications received annually against annual revenue. A limited term augmentation of the annual fee of between $15 - $20 is needed to expedite processing of these pending payouts; on an ongoing basis, redirection of a portion of the LAP fee could ameliorate a portion of the structural deficit in the Fund.

UNCONSOLIDATED GENERAL FUND EXPENDITURE DETAIL

Detailed information regarding unconsolidated General Fund expenditures is provided as Appendix C.

BUDGET IMPLICATIONS OF BACKLOG STANDARD, WORKFORCE PLANNING AND CLASSIFICATION AND COMPENSATION ANALYSES

Concurrent with preparation of this spending plan, the Bar underwent workforce planning and classification and compensation analyses; in addition, a recommendation regarding a new backlog goal was developed, pursuant to legislative mandate. The tables on the following pages detail the financial impact of implementing both current and proposed backlog standards, and the recommendations stemming from both the workforce planning and classification and compensation analyses.

With respect to the backlog standard, the current statutory goal is 180 days from complaint receipt to filing in State Bar Court. This compares to the 2015 *average* time from receipt to filing of 305 days, as reported in the 2015 Annual Discipline Report. Under separate cover the Bar has presented options for the legislature to consider with respect to a new backlog goal. These are Feasible (243 days) and Enhanced (197 days); in addition, the workload needs associated with the current 180 day standard have been identified.

Also presented under separate cover is a classification and compensation analysis of the Office of the Chief Trial Counsel. This report suggests that changes in both classification and compensation are warranted, and implicates both attorney and non-attorney staffing.

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[7] The significant backlog in applicant payouts is due to the spike in claims stemming from the loan modification crisis.

[8] Estimated to total approximately $1.3 million annually based on projected annual payouts of $7.3 million.

Table 7 reflects the fiscal analysis of the resource needs associated with the various backlog standards considered and classification and compensation recommendations:

Table 7: Impact of Revised Backlog Goals and Classification and Compensation Analysis

Salary Structure	Backlog Goal	Additional Cost (millions)[9]
Current	Current statutory (180 days)	$9.9
	Enhanced (197)	$8.6
	Feasible (243)	$4.9
Classification and Compensation Study Recommendations	Current statutory (180 days)	$9.8
	Enhanced (197)	$8.5
	Feasible (243)	$4.9

In addition, the Bar has modeled the fiscal impact of implementation of OCTC-related workforce planning recommendations. Those recommendations, which center around adoption of a team structure in the office, will result in the need for additional staff, particularly supervising attorneys to manage teams; associated costs are provided in Table 8 below.

Table 8: Impact of Workforce Planning Recommendations

Backlog Goal	**Current Compensation (millions)**	**Class and Comp Recommendations (millions)**
Current Statutory	+ $.5[10] = $10.4	+ $.6 = 10.4
Enhanced	+ $.4 = $9.0	+ $.6 = $9.1
Feasible	+ $.4 = $5.3	+ $.5 = $5.4
Current Actual	$1.6	$1.5

Detailed cost modeling is provided as Appendix D.

USE OF FUND BALANCE TO ADDRESS IDENTIFIED NEEDS

On February 1, 2016, the Board of Trustees adopted a reserve policy. As related to the unconsolidated General Fund, that policy reflects a minimum "floor" reserve of 17 percent of annual operating expenditures, and a ceiling of 30 percent. Unconsolidated General Fund, Client Security Fund, and Lawyer Assistance Program fund balances are provided on the following page.

[9] All cost estimates reflect budgeting personnel at the midpoint of the salary range, and include benefits.
[10] Figures reflect an addition to those in Table 7.

Table 9: Fund Balances

	Unconsolidated General Fund[11]	LAP	CSF
Fund Balance 12/31/2015	(28,057,290)	2,233,020	2,200,440
2016 Budgeted Revenues	69,827,700	2,064,100	7,847,100
Less: 2016 Budgeted Expenditures	(69,461,770)	(1,623,600)	(7,831,400)
Projected Fund Balance 12/31/2016	(27,691,360)	2,673,520	2,216,140
Board Approved Interfund Transfers in March 2016:		(1,600,000)[12]	1,600,000
Projected Fund Balance 12/31/2016 after Transfers:		1,073,520	3,816,140
Working Capital & Reserve Calculation:			
Total Current Assets as of 12/31/2015	88,041,965	2,765,625	4,110,966
Less: Total Current Liabilities as of 12/31/2015	(82,107,430)	(525,970)	(1,895,629)
Net Working Capital - 12/31/2015	5,934,535	2,239,655	2,215,337
Board Approved Interfund Transfers in March 2016:		(1,600,000)	1,600,000
Adjusted Working Capital after Interfund Transfers (A):	5,934,535	639,655	3,815,337
2015 Operating Expenses	64,309,853	1,632,537	7,745,688
Adjustment: CSF Payout (Non Operating Expenses)	-	-	(6,005,388)
Adjusted Operating Expenses (B)	64,309,853	1,632,537	1,740,300
Reserve Level Calculation: {(A)/(B)}	9.23%	39.18%	219.23%
Reserve Level meeting 17% target?	No	Yes	Yes

As reflected above, the unconsolidated General Fund balance is below the adopted floor of 17 percent; as such, no fund balance is available to address identified discipline-system needs. The Lawyer Assistance Program maintains a fund balance in excess of the 30 percent ceiling. Concomitant with redirecting a significant portion of Program fund balance to the Client Security Fund, the Board designated remaining excess reserves to support a comprehensive assessment and evaluation of the Program; as a result, Lawyer Assistance Program fund balance is fully committed. It should be noted that this particular Board directive is in alignment with workforce planning recommendations, which suggest that a complete review of the purpose and structure of the Lawyer Assistance Program be conducted.

The Client Security Fund balance supports applicant payout and cannot be appropriately used to advance other discipline-related initiatives.

ADDITIONAL CONSIDERATIONS

[11] The Bar's February budget submission to legislature reflected fund balances for the consolidated General Fund while this information relates to the unconsolidated General Fund only.

[12] At its March 11 meeting, the Board approved a transfer of $1.6 million in LAP fund balance to the Client Security Fund.

This spending plan reflects an analysis of the fiscal impact of implementation of the most significant component of workforce planning and compensation and classification recommendations – those related to the Office of the Chief Trial Counsel. In addition, the impact of existing and proposed backlog standards is identified. It is important to note, however, that additional workforce planning recommendations, related to other areas of the discipline system, were not comprehensively analyzed from a cost perspective. These areas include:

- cost savings associated with proposed reductions in Lawyer Assistance Program staffing.
- additional costs to create a new Probation Deputy Supervisor position, as well as a joint manager over the Lawyer Assistance Program and the Office of Probation
- additional costs to create new positions in State Bar Court;
- the cost implications of faster OCTC case processing on the workload of the State Bar Court (increased prosecutorial resources are likely to result in an increased need for State Bar Court staffing);
- physical space needs resulting from addition of more staff.

The State Bar is committed to ongoing business process improvement while it continues to refine the estimates of the fiscal impact of these recommendations; these efforts may ultimately reduce implementation costs.

IMPLICATIONS FOR DETERMINING THE ANNUAL MEMBERSHIP FEE

The State Bar currently has a combined active and inactive membership of approximately 250,000. To calculate the impact of fees on revenues, that membership number translates into approximately $5 million for every $20 increase in fees, across all Bar members.

Under the most limited scenario outlined in Table 8 above, the State Bar would need only $1.5 million in additional revenue to implement a version of OCTC-related workforce planning recommendations. This approach would result in status quo case processing timelines, and suggests an increased membership fee of between $5 and $6.

Under the most ambitious scenario, the State Bar would need an additional $10.4 million in additional General Fund revenue. Under this scenario, the State Bar would add the resources necessary to meet the statutory time frame of 180 days before cases fall into backlog, and fully implement workforce planning and classification and compensation recommendations. An increase in the membership fee by approximately $40 would be needed to implement this

approach.

In addition to these unconsolidated General Fund adjustments, the Client Security Fund fee warrants an increase. With over $16 million in estimated payouts, clients who have been harmed by unscrupulous attorneys are facing payment delays of months or even years solely from the funds inability to pay. A limited term $15-$20 increase will address the fund's shortfall and ensure the public is protected.

The implication of this analysis for what constitutes a reasonable amount for the annual membership fee is clear. As currently structured, the State Bar's membership fees provide sufficient resources only to maintain the status quo. Even modest improvements will require an investment in the State Bar's discipline system; the level of investment should directly tie to the performance goals that are being considered for adoption.

APPENDIX A - REVENUE DETAIL

Line Item	Account Description	Unconsolidated General	Lawyer Assistance	Client Security Fund
30110	Mandatory Membership Dues	64,500,000	2,050,000	7,792,000
30130	Penalties-Current Year	1,800,000	-	-
30140	Penalties-Prior Years	76,000	-	-
30150	Prior Years Member Fee	230,000	7,500	27,300
30160	Bankcard Proc. Fees	-	-	-
30510	MJP Annual Renewal Fees	500,000	-	-
33010	MJP Late Fees	10,000	-	-
34010	Registration as a Law Corp.	130,000	-	-
34020	Late Fee-Law Corp.	90,000	-	-
34030	Annual Report-Law Corp.	600,000	-	-
34510	Investment Income	105,200	6,600	14,500
34520	Unrealized Gain/Loss on Invest	-	-	-
35610	LLP Registration	35,000	-	-
35620	LLP Renewal	588,000	-	-
35710	MCLE Application Fees	-	-	-
35710	MCLE Self Study Test	113,700	-	-
35750	Member Credit Req.	5,000	-	-
35760	Ex/Mod. Application Fees	1,700	-	-
35770	Late Compliance Fees	426,000	-	-
35780	Reentry Fee	47,000	-	-
36540	Classified Advertising Revenue	23,400	-	-
36550	Internet Adv. Revenue	93,500	-	-
37010	Seminar and Workshop Revenue	20,800	-	-
38300	All Other Miscellaneous	78,800	-	-
38310	Subs. renewal-nontaxable	14,000	-	-
38410	Court Order Sanction	-	-	13,300
38520	Ethics School Class Fees	57,500	-	-
38700	Fee Arbitration Revenues	44,000	-	-
38800	Outside Label Revenue	15,000	-	-
39220	Proc. Fee-Certification	202,500	-	-
39240	Proc. Fee-Oath Cards	3,000	-	-
39510	Sale of Publication 250	6,000	-	-
39510	Sales of Ethics Opinion	10,000	-	-
39520	Sale of Trust Acctg Handbook	-	-	-
39520	Sales of Pamphlets	1,500	-	-
39530	Sale of e-Publications	100	-	-
	Total	**69,827,700**	**2,064,100**	**7,847,100**

Appendix B
Authorities for State Bar Spending Plan

Goal	Spending Area	Authority
Ensure a timely, fair and appropriate discipline and regulatory system	Office of the Chief Trial Counsel	Business and Professions Code section 6079.5
	State Bar Court	Business and Professions Code sections 6079.1 and 6086.65
	Office of Probation	State Bar Rules of Procedure Rules 550-566 and 2701-2703 California Rules of Court Rule 9.20
	Committee on Professional Responsibility and Conduct	Board of Trustees
	Office of Professional Responsibility and Competence	Board of Trustees
	Rules Revision Committee	Board of Trustees, pursuant to direction from Supreme Court
	Member Records and Compliance	State Bar Act Business and Professions Code sections 6160 and 6174 Family Code section 17520
	California Young Lawyers Association	Board of Trustees
	Mandatory Fee Arbitration	Business and Professions Code sections 6200-6206 Rules of the State Bar Title 3, Division 4, Chapter 2
Proactively inform and educate Stakeholders about the State Bar's responsibilities, initiatives and accomplishments	Communications	Board of Trustees
	California Bar Journal	Board of Trustees
	Governance in the Public Interest Task Force	Business and Professions Code section 6001.2
Improve fiscal and operational management, emphasizing integrity, transparency, and accountability	Office of the Executive Director and Board of Trustees	Board of Trustees
	Judicial Evaluation	Government Code section 12011.5
Support Access to Justice and improvements in the Justice System	Commission on Access to Justice	Board of Trustees
	Commission on Delivery of Legal Services	Board of Trustees

APPENDIX C - EXPENDITURE DETAIL

Department	Cost Center	Authorized FTE	Vacant FTE	Filled FTE	Budget Personnel Expense	OPEB	SF Alloc	LA Alloc	Budget Operating Expense	Budget Indirect Cost	Budget Total Expense	Budget Revenue
Public Interest Task Force	10010 - Public Interest Task Force	-	-	-	-	-	3,300	-	48,000	3,300	51,300	-
Judicial Evaluation	10101 - Judicial Evaluation	4.0	-	4.0	454,400	4,600	250,100	-	224,300	254,700	933,400	-
Member Records and Compliance	10201 - Child & Family Support	-	-	-	200	-	-	-	4,000	-	4,200	-
	10202 - Member Rec. & Cert.	-	-	-	-	-	-	-	-	-	-	3,000
	10251 - Member Services Center	19.0	-	19.0	2,088,800	21,200	1,036,500	-	425,200	1,057,700	3,571,700	710,200
	10252 - Transition Assistance Services	-	-	-	-	-	-	-	28,300	-	28,300	-
Member Records and Compliance Total		**19.0**	**-**	**19.0**	**2,089,000**	**21,200**	**1,036,500**	**-**	**457,500**	**1,057,700**	**3,604,200**	**713,200**
					2,089,000	21,200	1,036,500		457,500	1,057,700	3,604,200	713,200
OCTC	10310 - OCTC-Enforcement (Consolidated)	233.1	16.0	217.1	30,176,200	305,400	9,956,400	2,142,800	886,900	12,404,600	43,467,700	60,500
OCTC Adjustment for Reimbursements	10310 - OCTC-Enforcement (Consolidated)	-	-	-	-				(1,000,000)	-	(1,000,000)	-
SBC	10401 - SBC Sr. Executive	2.9	-	2.9	512,200	73,000	2,934,600	1,359,000	78,600	4,366,600	4,957,400	14,000
	10402 - Hearing Admin.-SF	8.0	-	8.0	1,036,500				51,400	-	1,087,900	
	10403 - Hearing Counsel LA/SF	7.0	-	7.0	1,320,800				25,200	-	1,346,000	
	10404 - Hearing Judges	5.0	-	5.0	1,182,300				87,300	-	1,269,600	
	10405 - Hearing/Effec./Admin.-LA	11.0	-	11.0	1,486,700				59,400	-	1,546,100	1,500
	10407 - Presiding/Review Judges	2.6	-	2.6	743,200				46,000	-	789,200	
	10408 - Review Counsel/Clerk	6.0	-	6.0	932,100				10,200	-	942,300	
SBC Total		**42.5**	**-**	**42.5**	**7,213,800**	**73,000**	**2,934,600**	**1,359,000**	**358,100**	**4,366,600**	**11,938,500**	**15,500**
Mandatory Fee Arb	10503 - Mandatory Fee Arb Committee	-	-	-	-	-	-	-	24,800	-	24,800	-
	10504 - Mandatory Fee Arbitration (Consolidated)	5.0	-	5.0	575,500	5,800	222,200	-	79,100	228,000	882,600	48,300
Mandatory Fee Arb Total		**5.0**	**-**	**5.0**	**575,500**	**5,800**	**222,200**	**-**	**103,900**	**228,000**	**907,400**	**48,300**
Probation	10601 - Probation	8.0	-	8.0	919,700	9,300	290,800	139,000	20,200	439,100	1,379,000	-
COPRAC	10702 - COPRAC	-	-	-	-	-	5,800		48,000	5,800	53,800	4,300
Professional Competence - Excl COPRAC ar	10706 - Prof. Resp. & Conduct	13.0	1.0	12.0	1,574,500	15,900	764,800	-	47,800	780,700	2,403,000	
	10709 - OPC Publications (Consolidated)	-	-	-	-	-	-	-	25,600	-	25,600	17,100
Professional Competence Total		**13.0**	**1.0**	**12.0**	**1,574,500**	**15,900**	**764,800**	**-**	**73,400**	**780,700**	**2,428,600**	**17,100**
Rules Revision Committee	10708 - Rules Revision Committee	-	-	-	-	-	11,200		161,600	11,200	172,800	-
Communications - Media Relations	10801 - Media & Info. Svcs.	4.8	1.0	3.8	781,300	7,900	304,000		269,600	311,900	1,362,800	-
Communications - Calbar Journal	10802 - Calif. Bar Journal	1.0	-	1.0	119,700	1,200	39,000		47,100	40,200	207,000	230,600

APPENDIX C - EXPENDITURE DETAIL

Department	Cost Center	Authorized FTE	Vacant FTE	Filled FTE	Budget Personnel Expense	OPEB	SF Alloc	LA Alloc	Budget Operating Expense	Budget Indirect Cost	Budget Total Expense	Budget Revenue
Commission on Access to Justice	10901 - Commission on Access to Justic	-	-	-	-	-	6,800		21,800	6,800	28,600	-
Commission on Delivery of Legal Services	10905 - Comm. on Delivery of Legal Svc	9.0	-	9.0	1,141,800	11,600	542,200		91,300	553,800	1,786,900	60,000
CYLA	10903 - Calif. Young Lawyers Assoc.	0.9	-	0.9	112,500	1,100	39,200		500	40,300	153,300	
	10908 - CYLA - Admin	-	-	-					35,600	-	35,600	
	10909 - CYLA - Education	-	-	-						-	23,500	17,000
	10910 - CYLA - Outreach	-	-	-					24,600	-	1,100	
CYLA Total		**0.9**	**-**	**0.9**	**112,500**	**1,100**	**39,200**	**-**	**60,700**	**40,300**	**213,500**	**17,000**
Dues Revenue	10 - General Fund OH Alloc BU	-	-	-	-	-	-	-	-	-	-	66,606,000
Multi Jurisdictional Practice	10 - General Fund OH Alloc BU	-	-	-	-	-	-	-	-	-	-	510,000
Law Corporation	10 - General Fund OH Alloc BU	-	-	-	-	-	-	-	-	-	-	820,000
LLP	10 - General Fund OH Alloc BU	-	-	-	-	-	-	-	-	-	-	610,000
Investment Income	10 - General Fund OH Alloc BU	-	-	-	-	-	-	-	-	-	-	105,200
Miscellaneous Income	10 - General Fund OH Alloc BU	-	-	-	-	-	-	-	-	-	-	10,000
Totals:		**340.3**	**18.0**	**322.3**	**45,158,400**	**457,000**	**16,406,900**	**3,640,800**	**1,872,400**	**20,504,700**	**67,535,500**	**69,827,700**
Allocated Executive Director/Appt/BOT/Election Cost Centers												
Executive Director	10001 - Executive Director	9.0	1.0	8.0	1,961,600	-	-	-	263,700	2,225,300	2,225,300	-
Appointments	10002 - Appointments Administration	1.0	-	1.0	99,300	-	-	-	1,600	100,900	100,900	-
Board of Trustees	10003 - Board of Trustees	-	-	-	-	-	-	-	182,100	182,100	182,100	-
Elections	10005 - Elections	-	-	-	200	-	-	-	56,100	56,300	56,300	-
Total Allocated Executive Director/Appt/BOT/Election Cost Centers:		**10.0**	**1.0**	**9.0**	**2,061,100**	**0**	**0**	**0**	**503,500**	**2,564,600**	**2,564,600**	**0**
Indirect Costs allocated out (ED/BOT/Election)		-	-	-	-	-	-	-	-	(2,564,600)	(2,564,600)	-
Non-Departmental	10 - General Fund OH Alloc BU	-	-	-	-	-	1,882,200	44,200	-	1,926,400	1,926,400	-
Grand Total:		**350.3**	**19**	**331.3**	**47,219,500**	**457,000**	**18,289,100**	**3,685,000**	**2,375,900**	**22,431,100**	**69,461,900**	**69,827,700**

APPENDIX C - EXPENDITURE DETAIL

Department	Authorized FTE	Vacant FTE	Filled FTE	Budget Personnel Expense	OPEB	SF Alloc	LA Alloc	Budget Operating Expense	Budget Indirect Cost	Budget Total Expense	Budget Revenue
Public Interest Task Force	-	-	-	-		3,300		48,000	3,300	51,300	-
Judicial Evaluation	4.0	-	4.0	454,400	4,600	250,100		224,300	254,700	933,400	-
Member Records and Compliance	19.0	-	19.0	2,089,000	21,200	1,036,500		457,500	1,057,700	3,604,200	713,200
OCTC	233.1	16.0	217.1	30,176,200	305,400	9,956,400	2,142,800	886,900	12,404,600	43,467,700	60,500
OCTC Adjustment for Reimbursements	-	-	-	-				(1,000,000)	-	(1,000,000)	-
SBC	42.5	-	42.5	7,213,800	73,000	2,934,600	1,359,000	358,100	4,366,600	11,938,500	15,500
Mandatory Fee Arb	5.0	-	5.0	575,500	5,800	222,200		103,900	228,000	907,400	48,300
Probation	8.0	-	8.0	919,700	9,300	290,800	139,000	20,200	439,100	1,379,000	-
COPRAC	-	-	-	-	-	5,800		48,000	5,800	53,800	4,300
Professional Competence - Excl COPRAC and Rules Revision Comm	13.0	1.0	12.0	1,574,500	15,900	764,800		73,400	780,700	2,428,600	17,100
Rules Revision Committee	-	-	-	-	-	11,200		161,600	11,200	172,800	-
Communications - Media Relations	4.8	1.0	3.8	781,300	7,900	304,000		269,600	311,900	1,362,800	-
Communications - Calbar Journal	1.0	-	1.0	119,700	1,200	39,000		47,100	40,200	207,000	230,600
Commission on Access to Justice	-	-	-	-	-	6,800		21,800	6,800	28,600	-
Commission on Delivery of Legal Services	9.0	-	9.0	1,141,800	11,600	542,200		91,300	553,800	1,786,900	60,000
CYLA	0.9	-	0.9	112,500	1,100	39,200		60,700	40,300	213,500	17,000
Dues Revenue	-	-	-	-	-	-	-	-	-	-	66,606,000
Multi Jurisdictional Practice	-	-	-	-	-	-	-	-	-	-	510,000
Law Corporation	-	-	-	-	-	-	-	-	-	-	820,000
LLP	-	-	-	-	-	-	-	-	-	-	610,000
Investment Income	-	-	-	-	-	-	-	-	-	-	105,200
Miscellaneous Income	-	-	-	-	-	-	-	-	-	-	10,000
Totals:	**340.3**	**18.0**	**322.3**	**45,158,400**	**457,000**	**16,406,900**	**3,640,800**	**1,872,400**	**20,504,700**	**67,535,500**	**69,827,700**
Allocated Executive Director/BOT/Election Cost Centers	10.0	1.0	9.0	2,061,100	-	-	-	503,500	2,564,600	2,564,600	-
Indirect Costs allocated out (ED/BOT/Election)	-	-	-	-	-	-	-	-	(2,564,600)	(2,564,600)	-
Non-Departmental	-	-	-	-	-	1,882,200	44,200	-	1,926,400	1,926,400	-
Grand Total:	**350.3**	**19**	**331.3**	**47,219,500**	**457,000**	**18,289,100**	**3,685,000**	**2,375,900**	**22,431,100**	**69,461,900**	**69,827,700**

Cost Center 10001 - Executive Director 2016 Budget

Revenue

Line Item	Account Description	2016 Budget	Percent of Expense
Total Revenue		-	

Personnel Expenses

Line Item	Account Description	2016 Budget	
40110	Salaries - Regular	1,354,000	
40140	Payroll Tax Allocation	101,500	
40150	Fringe Allocation	352,100	
40159	Misc Benefits	145,500	
40180	Dues & Membership	2,100	
40200	Rideshare Program Reimbursemen	6,000	
40160	Temporary Outside Help	400	
Total Personnel Expenses		**1,961,600**	**88%**

Operating Expenses

Line Item	Account Description	2016 Budget	
40220	Seminars and Training	10,000	
40510	Travel - Staff	70,400	
40530	Travel - Others	6,100	
40550	Travel - Volunteers	19,000	
40590	Catering	7,400	
41020	Postage	300	
41030	Stationery and Office Supplies	3,900	
41040	Subscriptions	700	
42560	In House Copier Usages Alloc.	8,200	
43510	Professional Services	112,600	
41050	Telephone	12,500	
42730	Equipment Rental	4,000	
44580	Delivery Services	600	
41510	Computer Software Purchase	1,300	
41540	Equipment - Hardware Purchases	6,200	
46220	Non-Section Mbr Dues Expenses	500	
Total Operating Expenses		**263,700**	**12%**

Total Expenses		**2,225,300**	**100%**

Cost Center 10002 - Appointments Administration 2016 Budget

Revenue

Line Item	Account Description	2016 Budget	Percent of Expense
Total Revenue		-	

Personnel Expenses

Line Item	Account Description	2016 Budget	
40110	Salaries - Regular	72,100	
40140	Payroll Tax Allocation	5,400	
40150	Fringe Allocation	18,700	
40159	Misc Benefits	700	
40200	Rideshare Program Reimbursemen	1,500	
40130	Salaries - Overtime	900	
Total Personnel Expenses		**99,300**	**98%**

Operating Expenses

Line Item	Account Description	2016 Budget	
40550	Travel - Volunteers	100	
42560	In House Copier Usages Alloc.	1,300	
41050	Telephone	100	
44580	Delivery Services	100	
Total Operating Expenses		**1,600**	**2%**
Total Expenses		**100,900**	**100%**

Cost Center 10003 - Board of Trustees 2016 Budget

Revenue

Line Item	Account Description	2016 Budget	Percent of Expense
		-	
Total Revenue			

Personnel Expenses

Line Item	Account Description	2016 Budget	
Total Personnel Expenses		-	0%

Operating Expenses

Line Item	Account Description	2016 Budget	
40510	Travel - Staff	21,900	
40530	Travel - Others	1,400	
40540	Travel - Speakers	700	
40550	Travel - Volunteers	94,500	
40590	Catering	44,500	
40600	Meeting Room Rental	1,500	
40610	Public Member Per Diem	1,000	
41020	Postage	400	
41030	Stationery and Office Supplies	300	
42560	In House Copier Usages Alloc.	1,000	
43510	Professional Services	6,100	
41050	Telephone	900	
42730	Equipment Rental	2,800	
44000	Photo/Awards/Certificates	3,000	
44580	Delivery Services	400	
45000	Ticketed Event Expenses	1,500	
47250	In House Printing Service	200	
Total Operating Expenses		**182,100**	**100%**
Total Expenses		**182,100**	**100%**

Cost Center 10005 - Elections 2016 Budget

Revenue

Line Item	Account Description	2016 Budget	Percent of Expense
Total Revenue		-	

Personnel Expenses

Line Item	Account Description	2016 Budget	
40130	Salaries - Overtime	200	
Total Personnel Expenses		**200**	**0%**

Operating Expenses

Line Item	Account Description	2016 Budget	
40510	Travel - Staff	300	
41020	Postage	9,400	
43510	Professional Services	46,400	
Total Operating Expenses		**56,100**	**100%**
Total Expenses		**56,300**	**100%**

Cost Center 10010 - Public Interest Task Force 2016 Budget

Revenue

Line Item	Account Description	2016 Budget	Percent of Expense
Total Revenue		-	

Personnel Expenses

Line Item	Account Description	2016 Budget	
Total Personnel Expenses			0%

Operating Expenses

Line Item	Account Description	2016 Budget	
40510	Travel - Staff	2,500	
40530	Travel - Others	5,000	
40540	Travel - Speakers	5,000	
40550	Travel - Volunteers	19,100	
40590	Catering	5,000	
41020	Postage	300	
41030	Stationery and Office Supplies	300	
42560	In House Copier Usages Alloc.	500	
43510	Professional Services	10,000	
41050	Telephone	300	
Total Operating Expenses		**48,000**	**100%**
Total Expenses		**48,000**	**100%**

Cost Center 10101 - Judicial Evaluation 2016 Budget

Revenue

Line Item	Account Description	2016 Budget	Percent of Expense
Total Revenue		-	

Personnel Expenses

Line Item	Account Description	2016 Budget	
40110	Salaries - Regular	327,400	
40140	Payroll Tax Allocation	24,600	
40150	Fringe Allocation	85,100	
40159	Misc Benefits	3,200	
40200	Rideshare Program Reimbursemen	5,300	
40130	Salaries - Overtime	7,200	
40160	Temporary Outside Help	1,600	
Total Personnel Expenses		**454,400**	**67%**

Operating Expenses

Line Item	Account Description	2016 Budget	
40510	Travel - Staff	5,000	
40530	Travel - Others	2,800	
40540	Travel - Speakers	400	
40550	Travel - Volunteers	118,500	
40590	Catering	14,000	
41020	Postage	8,300	
41030	Stationery and Office Supplies	5,000	
42560	In House Copier Usages Alloc.	2,700	
43510	Professional Services	54,900	
42090	Janitorial Services-Contract	500	
42190	Repairs and Maintenance- Build	3,500	
41050	Telephone	3,800	
44120	Outside Printing	1,300	
44560	Outside services-others	2,000	
44580	Delivery Services	1,400	
44620	Document Destruction	100	
47250	In House Printing Service	100	
Total Operating Expenses		**224,300**	**33%**

Total Expenses		**678,700**	**100%**

Cost Center 10201 - Child & Family Support 2016 Budget

Revenue

Line Item	Account Description	2016 Budget	Percent of Expense
Total Revenue		-	

Personnel Expenses

Line Item	Account Description	2016 Budget	
40130	Salaries - Overtime	200	
Total Personnel Expenses		**200**	**5%**

Operating Expenses

Line Item	Account Description	2016 Budget	
41020	Postage	1,200	
42560	In House Copier Usages Alloc.	100	
44560	Outside services-others	2,700	
Total Operating Expenses		**4,000**	**95%**
Total Expenses		**4,200**	**100%**

Cost Center 10202 -Member Rec. & Cert. 2016 Budget

Revenue

Line Item	Account Description	2016 Budget	Percent of Expense
39240	Proc. Fee-Oath Cards	(3,000)	
Total Revenue		**(3,000)**	

Personnel Expenses

Line Item	Account Description	2016 Budget	
Total Personnel Expenses		-	-

Operating Expenses

Line Item	Account Description	2016 Budget	
Total Operating Expenses		-	-
Total Expenses		-	-

Cost Center 10251 - Member Services Center 2016 Budget

Revenue

Line Item	Account Description	2016 Budget	Percent of Expense
35620	LLP Renewal	(13,000)	
35780	Reentry Fee	(47,000)	
39220	Proc. Fee-Certification	(202,500)	
35750	Member Credit Req.	(5,000)	
35760	Ex/Mod. Application Fees	(1,700)	
38800	Outside Label Revenue	(15,000)	
35770	Late Compliance Fees	(426,000)	
Total Revenue		**(710,200)**	

Personnel Expenses

Line Item	Account Description	2016 Budget	
40110	Salaries - Regular	1,403,200	
40140	Payroll Tax Allocation	105,200	
40150	Fringe Allocation	364,800	
40159	Misc Benefits	14,000	
40180	Dues & Membership	100	
40200	Rideshare Program Reimbursemen	22,500	
40130	Salaries - Overtime	14,000	
40160	Temporary Outside Help	165,000	
Total Personnel Expenses		**2,088,800**	**83%**

Operating Expenses

Line Item	Account Description	2016 Budget	
40220	Seminars and Training	6,000	
40510	Travel - Staff	3,000	
41020	Postage	192,000	
41030	Stationery and Office Supplies	7,600	
42560	In House Copier Usages Alloc.	15,100	
43510	Professional Services	200	
41050	Telephone	19,100	
44120	Outside Printing	152,500	
44560	Outside services-others	1,500	
44580	Delivery Services	14,100	
44620	Document Destruction	100	
45010	Outside Mailing Services	1,500	
41540	Equipment - Hardware Purchases	200	
42720	Equipment Purchase-Non-Capital	300	
42760	Furniture Purchase-Non-Capital	800	
47250	In House Printing Service	11,200	
Total Operating Expenses		**425,200**	**17%**

Total Expenses	**2,514,000**	**100%**

Cost Center 10252 - Transition Assistance Services

Revenue

Line Item	Account Description	2016 Budget	Percent of Expense
Total Revenue		-	

Personnel Expenses

Line Item	Account Description	2016 Budget	
Total Personnel Expenses		-	0%

Operating Expenses

Line Item	Account Description	2016 Budget	
43510	Professional Services	28,300	
Total Operating Expenses		**28,300**	100%
Total Expenses		**28,300**	100%

Cost Center 10310 - OCTC-Enforcement (Consolidated) 2016 Budget

Revenue

Line Item	Account Description	2016 Budget	Percent of Expense
38520	Ethics School Class Fees	(57,500)	
38300	All Other Miscellaneous	(3,000)	
Total Revenue		**(60,500)**	

Personnel Expenses

Line Item	Account Description	2016 Budget	
40110	Salaries - Regular	21,371,700	
40140	Payroll Tax Allocation	1,651,700	
40150	Fringe Allocation	5,725,800	
40159	Misc Benefits	224,400	
40180	Dues & Membership	400	
40200	Rideshare Program Reimbursemen	382,300	
40130	Salaries - Overtime	11,700	
40160	Temporary Outside Help	808,200	
Total Personnel Expenses		**30,176,200**	**100%**

Operating Expenses

Line Item	Account Description	2016 Budget	
40220	Seminars and Training	9,900	
40510	Travel - Staff	58,000	
40530	Travel - Others	39,500	
40590	Catering	600	
41010	Books and Publications	2,700	
41020	Postage	59,700	
41030	Stationery and Office Supplies	106,900	
41040	Subscriptions	35,700	
42560	In House Copier Usages Alloc.	125,400	
43510	Professional Services	58,500	
42180	Parking - Lease Contracts	200	
41050	Telephone	153,000	
44100	Reporting and Transcribing	35,200	
44120	Outside Printing	100	
44560	Outside services-others	127,000	
44620	Document Destruction	3,850	
45030	Deposition Fees	42,000	
45040	Witness Fees	15,000	
45570	Collection Fees	4,200	
41510	Computer Software Purchase	400	
41520	Computer Supplies	100	
42760	Furniture Purchase-Non-Capital	1,100	
42810	Ergonomic Expenses	2,400	
46520	Abandoned Case Expenses	1,500	
47250	In House Printing Service	4,000	
45530	CSF proc. Costs reimb. Collect	(1,000,000)	
Total Operating Expenses		**(113,050)**	**0%**

Total Expenses	**30,063,150**	**100%**

Cost Center 10401 - SBC Sr. Executive 2016 Budget

Revenue

Line Item	Account Description	2016 Budget	Percent of Expense
38310	Subs. renewal-nontaxable	(14,000)	
Total Revenue		**(14,000)**	

Personnel Expenses

Line Item	Account Description	2016 Budget	
40110	Salaries - Regular	376,400	
40140	Payroll Tax Allocation	28,200	
40150	Fringe Allocation	97,900	
40159	Misc Benefits	3,700	
40180	Dues & Membership	630	
40200	Rideshare Program Reimbursemen	5,400	
Total Personnel Expenses		**512,230**	**87%**

Operating Expenses

Line Item	Account Description	2016 Budget	
40220	Seminars and Training	4,900	
40510	Travel - Staff	16,100	
40530	Travel - Others	2,600	
40550	Travel - Volunteers	2,700	
40590	Catering	300	
41010	Books and Publications	35,300	
41020	Postage	400	
41040	Subscriptions	500	
42560	In House Copier Usages Alloc.	9,000	
43510	Professional Services	500	
41050	Telephone	4,900	
44100	Reporting and Transcribing	100	
44120	Outside Printing	600	
44560	Outside services-others	300	
44580	Delivery Services	200	
42720	Equipment Purchase-Non-Capital	100	
47250	In House Printing Service	100	
Total Operating Expenses		**78,600**	**13%**

Total Expenses	**590,830**	**100%**

Cost Center 10402 - Hearing Admin.-SF 2016 Budget

Revenue

Line Item	Account Description	2016 Budget	Percent of Expense
Total Revenue		-	

Personnel Expenses

Line Item	Account Description	2016 Budget	
40110	Salaries - Regular	761,000	
40140	Payroll Tax Allocation	57,100	
40150	Fringe Allocation	197,900	
40159	Misc Benefits	7,600	
40180	Dues & Membership	1,000	
40200	Rideshare Program Reimbursemen	11,900	
Total Personnel Expenses		**1,036,500**	**95%**

Operating Expenses

Line Item	Account Description	2016 Budget	
40220	Seminars and Training	3,200	
40510	Travel - Staff	8,300	
41010	Books and Publications	1,000	
41020	Postage	2,100	
41030	Stationery and Office Supplies	8,800	
42560	In House Copier Usages Alloc.	7,300	
43510	Professional Services	100	
42780	Repairs and Maintenance - Equi	4,600	
41050	Telephone	9,000	
44580	Delivery Services	2,800	
44620	Document Destruction	200	
42720	Equipment Purchase-Non-Capital	3,400	
42810	Ergonomic Expenses	600	
Total Operating Expenses		**51,400**	**5%**
Total Expenses		**1,087,900**	**100%**

Cost Center 10403 - Hearing Counsel LA/SF 2016 Budget

Revenue

Line Item	Account Description	2016 Budget	Percent of Expense
Total Revenue		-	

Personnel Expenses

Line Item	Account Description	2016 Budget	
40110	Salaries - Regular	973,900	
40140	Payroll Tax Allocation	73,000	
40150	Fringe Allocation	253,200	
40159	Misc Benefits	9,700	
40200	Rideshare Program Reimbursemen	11,000	
40160	Temporary Outside Help	-	
Total Personnel Expenses		**1,320,800**	**98%**

Operating Expenses

Line Item	Account Description	2016 Budget	
40220	Seminars and Training	5,600	
40510	Travel - Staff	6,500	
42560	In House Copier Usages Alloc.	2,200	
41050	Telephone	8,300	
44620	Document Destruction	100	
42720	Equipment Purchase-Non-Capital	700	
42810	Ergonomic Expenses	1,800	
Total Operating Expenses		**25,200**	**2%**
Total Expenses		**1,346,000**	**100%**

Cost Center 10404 -Hearing Judges 2016 Budget

Revenue

Line Item	Account Description	2016 Budget	Percent of Expense
Total Revenue		-	

Personnel Expenses

Line Item	Account Description	2016 Budget	
40110	Salaries - Regular	874,000	
40140	Payroll Tax Allocation	65,500	
40150	Fringe Allocation	227,200	
40159	Misc Benefits	8,700	
40180	Dues & Membership	3,900	
40200	Rideshare Program Reimbursemen	3,000	
Total Personnel Expenses		**1,182,300**	**93%**

Operating Expenses

Line Item	Account Description	2016 Budget	
40220	Seminars and Training	1,600	
40510	Travel - Staff	38,600	
42560	In House Copier Usages Alloc.	400	
43510	Professional Services	100	
41050	Telephone	16,700	
43511	Appointed Counsel Fees	15,400	
43620	Interpreter's Fees	10,600	
42720	Equipment Purchase-Non-Capital	3,500	
47070	Miscellaneous Expenses	400	
Total Operating Expenses		**87,300**	**7%**
Total Expenses		**1,269,600**	**100%**

Cost Center 10405 - Hearing/Effec./Admin.-LA 2016 Budget

Revenue

Line Item	Account Description	2016 Budget	Percent of Expense
38300	All Other Miscellaneous	(1,500)	
Total Revenue		**(1,500)**	

Personnel Expenses

Line Item	Account Description	2016 Budget	
40110	Salaries - Regular	1,025,400	
40140	Payroll Tax Allocation	76,900	
40150	Fringe Allocation	266,600	
40159	Misc Benefits	10,300	
40180	Dues & Membership	200	
40200	Rideshare Program Reimbursemen	18,900	
40160	Temporary Outside Help	88,400	
Total Personnel Expenses		**1,486,700**	**96%**

Operating Expenses

Line Item	Account Description	2016 Budget	
40220	Seminars and Training	3,200	
40510	Travel - Staff	1,000	
41020	Postage	5,100	
41030	Stationery and Office Supplies	17,300	
41040	Subscriptions	100	
42560	In House Copier Usages Alloc.	5,000	
43510	Professional Services	700	
42780	Repairs and Maintenance - Equi	7,200	
41050	Telephone	13,100	
44560	Outside services-others	400	
44580	Delivery Services	2,400	
42720	Equipment Purchase-Non-Capital	2,100	
42760	Furniture Purchase-Non-Capital	800	
47250	In House Printing Service	1,000	
Total Operating Expenses		**59,400**	**4%**

Total Expenses		**1,546,100**	**100%**

Cost Center 10407 - Presiding/Review Judges 2016 Budget

Revenue

Line Item	Account Description	2016 Budget	Percent of Expense
Total Revenue		-	

Personnel Expenses

Line Item	Account Description	2016 Budget	
40110	Salaries - Regular	505,400	
40140	Payroll Tax Allocation	37,900	
40150	Fringe Allocation	131,400	
40159	Misc Benefits	5,000	
40180	Dues & Membership	2,400	
40200	Rideshare Program Reimbursemen	3,000	
40160	Temporary Outside Help	58,100	
Total Personnel Expenses		**743,200**	**94%**

Operating Expenses

Line Item	Account Description	2016 Budget	
40220	Seminars and Training	2,900	
40510	Travel - Staff	34,900	
40540	Travel - Speakers	200	
40590	Catering	500	
42560	In House Copier Usages Alloc.	300	
43510	Professional Services	100	
41050	Telephone	7,000	
47250	In House Printing Service	100	
Total Operating Expenses		**46,000**	**6%**
Total Expenses		**789,200**	**100%**

Cost Center 10408 -Review Counsel/Clerk 2016 Budget

Revenue

Line Item	Account Description	2016 Budget	Percent of Expense
Total Revenue		-	

Personnel Expenses

Line Item	Account Description	2016 Budget	
40110	Salaries - Regular	661,700	
40140	Payroll Tax Allocation	49,600	
40150	Fringe Allocation	172,000	
40159	Misc Benefits	6,600	
40200	Rideshare Program Reimbursemen	11,200	
40160	Temporary Outside Help	31,000	
Total Personnel Expenses		**932,100**	**99%**

Operating Expenses

Line Item	Account Description	2016 Budget	
40510	Travel - Staff	1,800	
42560	In House Copier Usages Alloc.	2,300	
41050	Telephone	5,600	
42720	Equipment Purchase-Non-Capital	400	
42810	Ergonomic Expenses	100	
Total Operating Expenses		**10,200**	**1%**
Total Expenses		**942,300**	**100%**

Cost Center 10503 - Mandatory Fee Arb Committee 2016 Budget

Revenue

Line Item	Account Description	2016 Budget	Percent of Expense
Total Revenue		-	

Personnel Expenses

Line Item	Account Description	2016 Budget	
Total Personnel Expenses		-	0%

Operating Expenses

Line Item	Account Description	2016 Budget	
40220	Seminars and Training	100	
40510	Travel - Staff	1,500	
40530	Travel - Others	100	
40550	Travel - Volunteers	16,400	
40590	Catering	2,700	
41020	Postage	300	
41040	Subscriptions	400	
42560	In House Copier Usages Alloc.	1,300	
44010	Awards	600	
44580	Delivery Services	400	
47250	In House Printing Service	1,000	
Total Operating Expenses		**24,800**	**100%**
Total Expenses		**24,800**	**100%**

Cost Center 10504 - Mandatory Fee Arbitration (Consolidated) 2016 Budget

Revenue

Line Item	Account Description	2016 Budget	Percent of Expense
38300	All Other Miscellaneous	(4,300)	
38700	Fee Arbitration Revenues	(44,000)	
Total Revenue		**(48,300)**	

Personnel Expenses

Line Item	Account Description	2016 Budget	
40110	Salaries - Regular	422,900	
40140	Payroll Tax Allocation	31,700	
40150	Fringe Allocation	110,000	
40159	Misc Benefits	4,200	
40200	Rideshare Program Reimbursemen	6,700	
Total Personnel Expenses		**575,500**	**88%**

Operating Expenses

Line Item	Account Description	2016 Budget	
40510	Travel - Staff	3,500	
40550	Travel - Volunteers	4,300	
40590	Catering	200	
40600	Meeting Room Rental	300	
41020	Postage	4,400	
41030	Stationery and Office Supplies	1,900	
42560	In House Copier Usages Alloc.	3,200	
41050	Telephone	3,900	
44120	Outside Printing	100	
44580	Delivery Services	200	
45060	Arbitrations-Local Bar	57,000	
47250	In House Printing Service	100	
Total Operating Expenses		**79,100**	**12%**

Total Expenses	**654,600**	**100%**

Cost Center 10601 - Probation 2016 Budget

Revenue

Line Item	Account Description	2016 Budget	Percent of Expense
Total Revenue		-	

Personnel Expenses

Line Item	Account Description	2016 Budget	
40110	Salaries - Regular	667,900	
40140	Payroll Tax Allocation	50,100	
40150	Fringe Allocation	173,600	
40159	Misc Benefits	6,700	
40180	Dues & Membership	300	
40200	Rideshare Program Reimbursemen	19,200	
40160	Temporary Outside Help	1,900	
Total Personnel Expenses		**919,700**	**98%**

Operating Expenses

Line Item	Account Description	2016 Budget	
40220	Seminars and Training	500	
41020	Postage	2,300	
41030	Stationery and Office Supplies	5,800	
41040	Subscriptions	100	
42560	In House Copier Usages Alloc.	3,900	
41050	Telephone	6,700	
42720	Equipment Purchase-Non-Capital	100	
42810	Ergonomic Expenses	400	
47250	In House Printing Service	400	
Total Operating Expenses		**20,200**	**2%**
Total Expenses		**939,900**	**100%**

Cost Center 10702 - COPRAC 2016 Budget

Revenue

Line Item	Account Description	2016 Budget	Percent of Expense
37010	Seminar and Workshop Revenue	(4,300)	
Total Revenue		**(4,300)**	

Personnel Expenses

Line Item	Account Description	2016 Budget	
Total Personnel Expenses		-	**0%**

Operating Expenses

Line Item	Account Description	2016 Budget	
40510	Travel - Staff	6,900	
40540	Travel - Speakers	100	
40550	Travel - Volunteers	28,300	
40590	Catering	7,900	
40600	Meeting Room Rental	400	
41020	Postage	1,100	
42560	In House Copier Usages Alloc.	2,400	
43510	Professional Services	200	
41050	Telephone	300	
44580	Delivery Services	300	
45070	Bank Processing Fees	100	
Total Operating Expenses		**48,000**	**100%**
Total Expenses		**48,000**	**100%**

Cost Center 10706 -Prof. Resp. & Conduct 2016 Budget

Revenue

Line Item	Account Description	2016 Budget	Percent of Expense
Total Revenue		-	

Personnel Expenses

Line Item	Account Description	2016 Budget	
40110	Salaries - Regular	1,154,800	
40140	Payroll Tax Allocation	86,600	
40150	Fringe Allocation	300,300	
40159	Misc Benefits	11,500	
40200	Rideshare Program Reimbursemen	18,000	
40130	Salaries - Overtime	3,300	
Total Personnel Expenses		**1,574,500**	**97%**

Operating Expenses

Line Item	Account Description	2016 Budget	
40510	Travel - Staff	9,100	
41010	Books and Publications	400	
41020	Postage	100	
41030	Stationery and Office Supplies	5,400	
41040	Subscriptions	1,000	
42560	In House Copier Usages Alloc.	4,600	
43510	Professional Services	100	
41050	Telephone	20,500	
44100	Reporting and Transcribing	100	
44120	Outside Printing	200	
44560	Outside services-others	3,900	
44580	Delivery Services	100	
42720	Equipment Purchase-Non-Capital	1,000	
47250	In House Printing Service	1,300	
Total Operating Expenses		**47,800**	**3%**

Total Expenses		**1,622,300**	**100%**

Cost Center 10708 - Rules Revision Committee 2016 Budget

Revenue

Line Item	Account Description	2016 Budget	Percent of Expense
Total Revenue		-	

Personnel Expenses

Line Item	Account Description	2016 Budget	
Total Personnel Expenses		-	0%

Operating Expenses

Line Item	Account Description	2016 Budget	
40510	Travel - Staff	6,600	
40550	Travel - Volunteers	54,400	
40590	Catering	7,500	
41020	Postage	400	
41030	Stationery and Office Supplies	100	
42560	In House Copier Usages Alloc.	2,100	
43510	Professional Services	83,500	
42090	Janitorial Services-Contract	2,700	
41050	Telephone	300	
44100	Reporting and Transcribing	3,400	
44580	Delivery Services	600	
Total Operating Expenses		**161,600**	**100%**
Total Expenses		**161,600**	**100%**

Cost Center 10709 - OPC Publications (Consolidated) 2016 Budget

Revenue

Line Item	Account Description	2016 Budget	Percent of Expense
39510	Sale of Publication 250	(6,000)	
39510	Sales of Ethics Opinion	(10,000)	
39520	Sales of Pamphlets	(1,000)	
39530	Sale of e-Publications	(100)	
Total Revenue		**(17,100)**	

Personnel Expenses

Line Item	Account Description	2016 Budget	
Total Personnel Expenses		-	0%

Operating Expenses

Line Item	Account Description	2016 Budget	
41020	Postage	3,200	
41030	Stationery and Office Supplies	100	
42560	In House Copier Usages Alloc.	2,500	
44120	Outside Printing	9,000	
44130	Outside Services-Printing-Desi	2,800	
44580	Delivery Services	3,400	
47250	In House Printing Service	4,600	
Total Operating Expenses		**25,600**	**100%**
Total Expenses		**25,600**	**100%**

Cost Center 10801- Media & Info. Svcs. 2016 Budget

Revenue

Line Item	Account Description	2016 Budget	Percent of Expense
Total Revenue		-	

Personnel Expenses

Line Item	Account Description	2016 Budget	
40110	Salaries - Regular	535,300	
40140	Payroll Tax Allocation	48,600	
40150	Fringe Allocation	139,200	
40159	Misc Benefits	5,300	
40180	Dues & Membership	1,000	
40200	Rideshare Program Reimbursemen	6,900	
40120	Salaries - Casual Hourly	45,000	
Total Personnel Expenses		**781,300**	**74%**

Operating Expenses

Line Item	Account Description	2016 Budget	
40510	Travel - Staff	17,400	
41020	Postage	2,600	
41030	Stationery and Office Supplies	900	
41040	Subscriptions	2,900	
43510	Professional Services	41,900	
41050	Telephone	3,400	
44120	Outside Printing	122,600	
44560	Outside services-others	60,300	
44580	Delivery Services	17,300	
41520	Computer Supplies	200	
47250	In House Printing Service	100	
Total Operating Expenses		**269,600**	**26%**

Total Expenses	**1,050,900**	**100%**

Cost Center 10802 - Calif. Bar Journal 2016 Budget

Revenue

Line Item	Account Description	2016 Budget	Percent of Expense
35710	MCLE Self Study Test	(113,700)	
36540	Classified Advertising Revenue	(23,400)	
36550	Internet Adv. Revenue	(93,500)	
Total Revenue		**(230,600)**	

Personnel Expenses

Line Item	Account Description	2016 Budget	
40110	Salaries - Regular	87,300	
40140	Payroll Tax Allocation	6,500	
40150	Fringe Allocation	22,700	
40159	Misc Benefits	900	
40180	Dues & Membership	900	
40200	Rideshare Program Reimbursemen	1,400	
Total Personnel Expenses		**119,700**	**72%**

Operating Expenses

Line Item	Account Description	2016 Budget	
40510	Travel - Staff	2,700	
41040	Subscriptions	600	
42560	In House Copier Usages Alloc.	200	
43510	Professional Services	40,500	
41050	Telephone	4,400	
45070	Bank Processing Fees	2,700	
47230	CalBar Journal Internal Adv. C	(4,000)	
Total Operating Expenses		**47,100**	**28%**
Total Expenses		**166,800**	**100%**

Cost Center 10901 -Commission on Access to Justic 2016 Budget

Revenue

Line Item	Account Description	2016 Budget	Percent of Expense
Total Revenue		-	

Personnel Expenses

Line Item	Account Description	2016 Budget	
Total Personnel Expenses		-	0%

Operating Expenses

Line Item	Account Description	2016 Budget	
40220	Seminars and Training	1,300	
40510	Travel - Staff	900	
40530	Travel - Others	300	
40550	Travel - Volunteers	5,800	
40590	Catering	2,800	
41020	Postage	100	
42560	In House Copier Usages Alloc.	500	
43510	Professional Services	7,800	
41050	Telephone	2,300	
Total Operating Expenses		**21,800**	**100%**
Total Expenses		**21,800**	**100%**

Cost Center 10903 -Calif. Young Lawyers Assoc. 2016 Budget

Revenue

Line Item	Account Description	2016 Budget	Percent of Expense
Total Revenue		-	

Personnel Expenses

Line Item	Account Description	2016 Budget	
40110	Salaries - Regular	82,800	
40140	Payroll Tax Allocation	6,200	
40150	Fringe Allocation	21,500	
40159	Misc Benefits	800	
40130	Salaries - Overtime	1,200	
Total Personnel Expenses		**112,500**	**100%**

Operating Expenses

Line Item	Account Description	2016 Budget	
40550	Travel - Volunteers	500	
Total Operating Expenses		**500**	**0%**
Total Expenses		**113,000**	**100%**

Cost Center 10905 - Comm. on Delivery of Legal Svc 2016 Budget

Revenue

Line Item	Account Description	2016 Budget	Percent of Expense
38300	All Other Miscellaneous	(60,000)	
Total Revenue		**(60,000)**	

Personnel Expenses

Line Item	Account Description	2016 Budget	
40110	Salaries - Regular	838,900	
40140	Payroll Tax Allocation	62,900	
40150	Fringe Allocation	218,100	
40159	Misc Benefits	8,400	
40180	Dues & Membership	400	
40200	Rideshare Program Reimbursemen	12,300	
40130	Salaries - Overtime	800	
Total Personnel Expenses		**1,141,800**	**93%**

Operating Expenses

Line Item	Account Description	2016 Budget	
40220	Seminars and Training	2,300	
40510	Travel - Staff	20,600	
40530	Travel - Others	300	
40540	Travel - Speakers	100	
40550	Travel - Volunteers	16,100	
40590	Catering	17,000	
41020	Postage	600	
41030	Stationery and Office Supplies	5,800	
41040	Subscriptions	800	
42560	In House Copier Usages Alloc.	2,300	
43510	Professional Services	14,700	
41050	Telephone	8,200	
44560	Outside services-others	1,900	
44580	Delivery Services	500	
47250	In House Printing Service	100	
Total Operating Expenses		**91,300**	**7%**

Total Expenses	**1,233,100**	**100%**

Cost Center 10908 -CYLA - Admin 2016 Budget

Revenue

Line Item	Account Description	2016 Budget	Percent of Expense
Total Revenue		-	

Personnel Expenses

Line Item	Account Description	2016 Budget	
Total Personnel Expenses		-	0%

Operating Expenses

Line Item	Account Description	2016 Budget	
40510	Travel - Staff	2,500	
40530	Travel - Others	100	
40550	Travel - Volunteers	21,900	
40590	Catering	8,000	
41020	Postage	200	
42560	In House Copier Usages Alloc.	100	
43510	Professional Services	500	
41050	Telephone	1,100	
43550	Photography	300	
44120	Outside Printing	200	
42720	Equipment Purchase-Non-Capital	200	
46220	Non-Section Mbr Dues Expenses	500	
Total Operating Expenses		**35,600**	**100%**
Total Expenses		**35,600**	**100%**

Cost Center 10909- CYLA - Education 2016 Budget

Revenue

Line Item	Account Description	2016 Budget	Percent of Expense
37010	Seminar and Workshop Revenue	(16,500)	
39520	Sales of Pamphlets	(500)	
Total Revenue		(17,000)	

Personnel Expenses

Line Item	Account Description	2016 Budget	
Total Personnel Expenses		-	0%

Operating Expenses

Line Item	Account Description	2016 Budget	
40510	Travel - Staff	2,900	
40540	Travel - Speakers	2,300	
40550	Travel - Volunteers	3,000	
40590	Catering	7,200	
42560	In House Copier Usages Alloc.	100	
43510	Professional Services	5,200	
41050	Telephone	100	
44560	Outside services-others	100	
44580	Delivery Services	100	
44640	Marketing and Advertising	2,100	
45070	Bank Processing Fees	400	
Total Operating Expenses		**23,500**	**100%**
Total Expenses		**23,500**	**100%**

Cost Center 10910 - CYLA - Outreach 2016 Budget

Revenue

Line Item	Account Description	2016 Budget	Percent of Expense
Total Revenue		-	

Personnel Expenses

Line Item	Account Description	2016 Budget	
Total Personnel Expenses		-	0%

Operating Expenses

Line Item	Account Description	2016 Budget	
43510	Professional Services	900	
44580	Delivery Services	100	
44640	Marketing and Advertising	100	
Total Operating Expenses		1,100	100%
Total Expenses		1,100	100%

Additional FTE Needed Under Three Different Backlog Targets

				Burden Rate Statutory	Enhanced	33.5% Feasible
	Grade	Salary Midpoint Baseline	Salary Midpoint Comp Class Adj	(180 days)	(197 days)	(243 days)
Attorneys	16	107,928	116,821	11.5	9.9	5.6
Senior Attorneys	17	129,192	135,070	11.5	9.9	5.7
Investigators	9	83,904	78,517	25.4	22.0	12.6
ACTC	56	144,452	167,334	1.6	1.4	0.8
Supervising Attorney	TBD	148,440	148,440	4.1	3.5	2.0
Administrative Supervisor	10A	91,920	91,920	0.8	0.7	0.4
Sr. Administrative Assistant	8	76,368	76,368	0.4	0.4	0.2
Executive Secretary	37	73,227	73,227	0.8	0.7	0.4
Administrative Assistant II	6	63,132	63,132	3.3	2.8	1.6
Legal Secretary	6	63,132	51,964	5.7	5.0	2.8
Administrative Assistant I	5	57,120	57,120	7.8	6.7	3.8
Paralegals	8	76,368	63,561	6.1	5.3	3.0
General Clerks	3	46,896	46,896	2.0	1.8	1.0
Total				**81.1**	**70.1**	**40.1**

Impact of Additional FTE Under Three Different Backlog Targets - Baseline Salary Ranges - Including Benefits

	Grade	Salary Midpoint Baseline	Salary Midpoint Comp Class Adj	Statutory (180 days)	Enhanced (197 days)	Feasible (243 days)
Attorneys	16			1,656,965	1,426,430	806,870
Senior Attorneys	17			1,983,420	1,707,466	983,087
Investigators	9			2,846,202	2,459,119	1,406,024
ACTC	56			316,137	273,143	156,172
Supervising Attorney	TBD			812,161	701,708	401,208
Administrative Supervisor	10A			100,585	86,905	49,689
Sr. Administrative Assistant	8			41,783	36,101	20,641
Executive Secretary	37			80,130	69,232	39,584
Administrative Assistant II	6			276,332	238,751	136,508
Legal Secretary	6			483,581	417,814	238,889
Administrative Assistant I	5			593,790	513,035	293,333
Paralegals	8			626,750	541,512	309,614
General Clerks	3			128,291	110,844	63,376
Total				**9,946,128**	**8,582,058**	**4,904,993**

Impact of Additional FTE Under Three Different Backlog Targets - Comp Class Adjusted Salary Ranges - Including Benefits

	Grade	Salary Midpoint Baseline	Salary Midpoint Comp Class Adj	Statutory (180 days)	Enhanced (197 days)	Feasible (243 days)
Attorneys	16			1,793,499	1,543,968	873,356
Senior Attorneys	17			2,073,666	1,785,156	1,027,817
Investigators	9			2,663,464	2,301,233	1,315,751
ACTC	56			366,215	316,409	180,910
Supervising Attorney	TBD			812,161	701,708	401,208
Administrative Supervisor	10A			100,585	86,905	49,689
Sr. Administrative Assistant	8			41,783	36,101	20,641
Executive Secretary	37			80,130	69,232	39,584
Administrative Assistant II	6			276,332	238,751	136,508
Legal Secretary	6			398,036	343,903	196,630
Administrative Assistant I	5			593,790	513,035	293,333
Paralegals	8			521,643	450,700	257,692
General Clerks	3			128,291	110,844	63,376
Total				**9,849,594**	**8,497,944**	**4,856,493**

Additional FTE Needed Under Three Different Backlog Goals

	FTE Need by Classification				
	Statutory	Enhanced	Feasible	Classification Grade	Current Salaries
Attorneys	11.5	9.9	5.6	16	$107,9
Senior Attorneys	11.5	9.9	5.7	17	$129,1
Investigators	25.4	22.0	12.6	9	$83,9
ACTC	1.6	1.4	0.8	56	$144,4
Supervising Attorney	4.1	3.5	2.0	TBD	$148,4
Administrative Supervisor	0.8	0.7	0.4	10A	$91,9
Sr. Administrative Assistant	0.4	0.4	0.2	8	$76,3
Executive Secretary	0.8	0.7	0.4	37	$73,2
Administrative Assistant II	3.3	2.8	1.6	6	$63,1
Legal Secretary	5.7	5.0	2.8	6	$63,1
Administrative Assistant I	7.8	6.7	3.8	5	$57,1
Paralegals	6.1	5.3	3.0	8	$76,3
General Clerks	2.0	1.8	1.0	3	$46,8
Total	**81.1**	**70.1**	**40.1**		

Fiscal Impact of Additional FTE Under Three Different Backlog Goals
(FTE Need multiplied by *Current* Salaries + Benefits)*

	Statutory	Enhanced	Feasible
Attorneys	$1,656,965	$1,426,430	$806,870
Senior Attorneys	$1,983,420	$1,707,466	$983,087
Investigators	$2,846,202	$2,459,119	$1,406,024
ACTC	$316,137	$273,143	$156,172
Supervising Attorney	$812,161	$701,708	$401,208
Administrative Supervisor	$100,585	$86,905	$49,689
Sr. Administrative Assistant	$41,783	$36,101	$20,641
Executive Secretary	$80,130	$69,232	$39,584
Administrative Assistant II	$276,332	$238,751	$136,508

Fiscal Impact of Additional FTE Under Three Different Backlog Goals
(FTE need multiplied by *Recommended* Salaries + Benefits)*

	Statutory	Enhanced	Feasible
Attorneys	$1,793,499	$1,543,968	$873,356
Senior Attorneys	$2,073,666	$1,785,156	$1,027,817
Investigators	$2,663,464	$2,301,233	$1,315,751
ACTC	$366,215	$316,409	$180,910
Supervising Attorney	$812,161	$701,708	$401,208
Administrative Supervisor	$100,585	$86,905	$49,689
Sr. Administrative Assistant	$41,783	$36,101	$20,641
Executive Secretary	$80,130	$69,232	$39,584
Administrative Assistant II	$276,332	$238,751	$136,508
Legal Secretary	$398,036	$343,903	$196,630
Administrative Assistant I	$593,790	$513,035	$293,333
Paralegals	$521,643	$450,700	$257,692
General Clerks	$128,291	$110,844	$63,376
Total	**$9,849,594**	**$8,497,944**	**$4,856,493**

* Salaries are calculated at the mid-point of the range. Benefits are calculated at Burden Rate of 33%

Fiscal Impact of Organizational Changes under Three Different Backlog Goals
(Net of increased cost to meet Backlog Goals)
(FTE Need multiplied by *Current* Salaries + Benefits)*

	Statutory	Enhanced	Feasible	Status Quo
Supervising Attorney	$2,421,319	$2,325,593	$2,065,160	$1,717,447
Attorneys	$0	$0	$0	$0
Investigators	-$947,511	-$910,052	-$808,139	-$672,072
Paralegals	$527,025	$506,190	$449,504	$1,699,183
Administrative Staff**	-$1,543,348	-$1,482,331	-$1,316,332	-$1,094,700
Total	**$457,486**	**$439,399**	**$390,193**	**$1,649,859**

* Salaries are calculated at the mid-point of the range. Benefits are calculated at Burden Rate of 33%
** "Administrative Staff" includes: Sr. Administrative Supervisor, Administrative Assistant II, Administrative Secretary, Administrative Assistant I, Secretary Coordinator of Records, Sr. Administrative Assistant, Executive Secretary, Legal Secretary, and General Clerk classifications.
An annual salary of $60K was assumed under the current compensation structure, with a 10% reduction to $54K under the recommended compensation st

Fiscal Impact of Organizational Changes under Three Different Backlog Goals
(Net of increased cost to meet Backlog Goals)
(FTE need multiplied by *Recommended* Salaries + Benefits)*

	Statutory	Enhanced	Feasible	Status Quo
Supervising Attorney	$2,421,319	$2,325,593	$2,065,160	$1,717,447
Attorneys				
Investigators	-$886,674	-$851,620	-$756,251	-$628,920
Paralegals	$438,644	$421,302	$374,123	$1,414,233
Administrative Staff**	-$1,389,013	-$1,334,098	-$1,184,699	-$985,230
Total	**$584,276**	**$561,177**	**$498,333**	**$1,517,531**

** Salaries are calculated at the mid-point of the range. Benefits are calculated at Burden Rate of 33%*
*** "Administrative Staff" includes: Sr. Administrative Supervisor, Administrative Assistant II, Administrative Secretary, Administrative Assistant I, Secretary Coordinator of Records, Sr. Administrative Assistant, Executive Secretary, Legal Secretary, and General Clerk classifications.*
An annual salary of $60K was assumed under the current compensation structure, with a 10% reduction to $54K under the recommended compensation st

APPENDIX D

THE
STATE BAR
OF CALIFORNIA

180 HOWARD STREET
SAN FRANCISCO, CALIFORNIA 94105-1639
TELEPHONE (415) 538-2000

Title of Report: 2017 Proposed Final Budget
Statutory Citation: Business and Professions Code section 6140.1
Date of Report: February 12, 2016

The State Bar of California has submitted a report to the Legislature in accordance with Business and Professions Code section 6140.1.

This summary is provided under Government Code section 9795. Business and Professions Code section 6140.1 requires the State Bar of California to submit a proposed baseline budget to the Legislature by November 15 and later a proposed final budget February 15 so that the budget may be reviewed in conjunction with any bill that authorizes the State Bar's imposition of membership fees on its members. The proposed final budget includes the State Bar's revenues and expenditures, by each department and fund, for the calendar year 2016, as well as 2017 and 2018. Expenditures on wages and salaries by department are also included. The authority for the State Bar to assess annual membership fees is provided under Business and Professions Code section 6140 et seq. A State Bar fee bill related to the membership fees it may impose in 2017 will be introduced in the Regular Session 2016-2017 of the Legislature by February 19, 2016. (J.R. 54(a), 61(a)(1) .) The State Bar has submitted its proposed final budget for 2017, as required by Business and Professions Code section 6140.1.

In January, 2016, the State Bar Board of Trustees adopted a two-month reserve policy, pursuant to a 2015 California State Auditor recommendation; given the restricted and dedicated nature of the majority of the State Bar's revenue streams, this policy is applied to each fund within the State Bar's three Fund Groups. In addition, the State Bar's 2017 proposed final budget reflects the implementation of GASB 68, as related to the State Bar's pension liability. The Statement of Fund Condition/Projected Working Capital Rollover 2016-2018 included in the 2017 proposed final budget should be reviewed with these issues in mind.

The 2017 proposed final budget can be accessed at: http://www.calbar.ca.gov/AboutUs/Reports.aspx.

A printed copy of the report may be obtained by calling 916-442-8018.

THE STATE BAR OF CALIFORNIA

2017 Proposed Final Budget

February 12, 2016

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Statement of Fund Condition/Projected Working Capital Rollover 2016-2018

Fund Description	2015 Adopted Budget Expenditure	Projcted 12/31/2015 Working Capital Before GASB 68 Adjustment	GASB 68 Adjustments (Estimated)	Projcted 12/31/2015 Working Capital After GASB 68 Adjustment (B)	2016 Budget Revenue	2016 Budget Expense	2016 Budget Interfund Transfer	Projcted 12/31/2016 Working Capital	2017 Budget Revenue	2017 Budget Expenses	Projcted 12/31/2017 Working Capital	2018 Budget Revenue	2018 Budget Expenses	Projcted 12/31/2018 Working Capital
Consolidated General Fund: (A)	**(83,000,700)**	**24,570,700**	**(14,487,500)**	**10,083,200**	**72,954,900**	**(74,776,500)**	**1,211,400**	**9,473,000**	**73,599,700**	**(73,857,300)**	**9,215,400**	**74,251,000**	**(74,607,000)**	**8,859,400**
Special Revenue Fund Group:														
Admissions Fund (20)	(22,267,300)	3,600,700	(2,088,100)	1,512,600	21,161,000	(21,624,000)	-	1,049,600	21,161,000	(21,840,000)	370,600	21,161,000	(22,123,000)	(591,400)
Annual Mtg Fund (14)	(968,200)	100,700	(100,700)	-	623,800	(678,400)	54,600	-	678,400	(678,400)	-	678,400	(678,400)	-
Grant Fund (12)	(308,397)	376,800	-	376,800	40,000	(68,800)	-	348,000	40,000	(68,800)	319,200	40,000	(68,800)	290,400
Sections (70-89)	(8,115,100)	8,186,800	(600,400)	7,586,400	8,601,200	(8,076,800)	(54,600)	8,056,200	8,601,200	(8,110,900)	8,546,500	8,601,200	(8,213,500)	8,934,200
Total Special Revenue Fund Group:	**(31,658,997)**	**12,265,000**	**(2,789,200)**	**9,475,800**	**30,426,000**	**(30,448,000)**	**-**	**9,453,800**	**30,480,600**	**(30,698,100)**	**9,236,300**	**30,480,600**	**(31,083,700)**	**8,633,200**
Restricted Fund Group:														
Legislative Activities Fund (16)	(640,400)	541,900	(114,000)	427,900	761,900	(594,400)	-	595,400	761,900	(603,900)	753,400	761,900	(616,600)	898,700
Elimination of Bias / Bar Relations Fund(17)	(1,118,400)	598,000	(188,100)	409,900	785,200	(1,158,800)	-	36,300	785,200	(1,175,400)	(353,900)	785,200	(1,198,600)	(767,300)
Lawyer Assistance Program (21)	(1,948,300)	2,292,300	(309,700)	1,982,600	2,064,100	(1,651,900)	-	2,394,800	2,084,600	(1,679,300)	2,800,100	2,105,300	(1,713,700)	3,191,700
Legal Specialization Fund (24)	(2,043,000)	5,558,600	(237,500)	5,321,100	2,115,800	(1,415,600)	-	6,021,300	2,115,800	(1,439,500)	6,697,600	2,115,800	(1,470,400)	7,343,000
Client Security Fund (27)	(8,085,300)	2,035,200	(509,200)	1,526,000	7,847,100	(7,831,400)	-	1,541,700	7,925,000	(7,875,000)	1,591,700	8,003,700	(7,932,500)	1,662,900
IT Special Assessment Fund(31)	-	1,211,400	-	1,211,400	-	-	(1,211,400)	-	-	-	-	-	-	-
Legal Service Trust Fund (28)	(11,830,000)	11,183,600	(364,800)	10,818,800	11,522,400	(12,973,900)	-	9,367,300	11,522,400	(13,008,600)	7,881,100	11,522,400	(13,053,200)	6,350,300
Equal Access Fund (29)	(15,462,100)	335,800	-	335,800	15,165,100	(15,192,800)	-	308,100	15,165,100	(15,192,800)	280,400	15,165,100	(15,192,800)	252,700
Justice Gap Fund (32)	-	938,300	-	938,300	625,800	-	-	1,564,100	625,800	-	2,189,900	625,800	-	2,815,700
Total Restricted Fund Group:	**(41,127,500)**	**24,695,100**	**(1,723,300)**	**22,971,800**	**40,887,400**	**(40,818,800)**	**(1,211,400)**	**21,829,000**	**40,985,800**	**(40,974,500)**	**21,840,300**	**41,085,200**	**(41,177,800)**	**21,747,700**
Grand Total:	**(155,787,197)**	**61,530,800**	**(19,000,000)**	**42,530,800**	**144,268,300**	**(146,043,300)**	**-**	**40,755,800**	**145,066,100**	**(145,529,900)**	**40,292,000**	**145,816,800**	**(146,868,500)**	**39,240,300**

Notes:

(A) Consolidated General Fund includes: 180 Howard Building Fund, Legal Education and Development Fund, LA Facility Fund, Public Protection Fund, Support & Admin Fund, Technology Fund, Fixed Asset Fund, Benefit Reserve Fund and the original unconsolidated General Fund.

(B) As of 12/31/15, General Fund Working Capital balance consists of $4.6 million restricted cash and $2.1 million designated OPEB benefit cost balance, which leaves a Spendable reserve of $ 3.38 million.

Admissions

The Office of Admissions is responsible for all activities pertaining to the admission of attorneys to the practice of law in the State of California. Its principal activities include developing, administering and grading the Bar Examination and the First-Year Law Students' Examination, as well as conducting moral character investigations. The Office also carries out the Committee of Bar Examiners' responsibility to accredit and register law schools. Finally, Admissions administers programs to allow non-members to practice in certain defined, limited areas, as well as programs to certify specialists in areas of legal practice.

	Positions				Expenditures			
SUMMARY OF PROGRAM REQUIREMENTS	2015	2016	2017	2018	2015*	2016*	2017*	2018*
Admissions Administration	7.0	8.0	8.0	8.0	1,977	1,625	1,605	1,635
Examination Development	2.0	2.0	2.0	2.0	1,106	974	983	993
Admissions Operations and Processing	26.0	28.0	28.0	28.0	10,897	9,250	9,338	9,428
Examination Grading	3.0	7.0	7.0	7.0	2,688	2,632	2,650	2,666
Moral Character Determinations	12.0	13.0	13.0	13.0	2,166	1,626	1,670	1,717
Law School Regulation	2.0	2.0	2.0	2.0	448	332	340	350
Special Admissions	2.0	2.0	2.0	2.0	312	190	195	201
Specialization	8.0	8.0	8.0	8.0	1,543	1,017	1,036	1,060
MCLE Providers	2.0	2.0	2.0	2.0	287	176	181	186
Admissions Overhead					316	5,214	5,277	5,353
TOTAL	64.0	72.0	72.0	72.0	21,740	23,036	23,275	23,589

REVENUE	2015*	2016*	2017*	2018*
Admissions Fund	20,430	21,161	21,161	21,161
Legal Specialization Fund	2,575	2,114	2,114	2,114
TOTAL REVENUE (All Funds)	23,005	23,275	23,275	23,275

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

PROGRAM DESCRIPTIONS

Admissions Administration

Staff in this area provides general oversight and management of the Office of Admissions, which carries out the functions delegated to the Committee of Bar Examiners by statute. The responsibilities of this area include: developing and implementing policies and procedures; supporting the activities of the Committee of Bar Examiners, Board of Trustees and its Committee on Admissions and Education; compiling and monitoring the departmental budget; interacting with law schools and communicating with applicants and the public; and monitoring and implementing IT projects for the office.

Examination Development

Staff in this area is responsible for the acquisition, development, editing and production of examination questions. This area also processes petitions and determines reasonable testing accommodations for applicants with disabilities, and coordinates the production of Admission certificates for new admits.

Admissions Operations

Staff in this area is responsible for the receipt and processing of applications for registration, the First-Year Law Students' Examination, the California Bar Examination, moral character determinations, moral character determination extension, multi-jurisdictional practice program, Foreign Legal Consultant program, determining the eligibility of applicants to take the examinations and administering examinations on behalf of Committee of Bar Examiners. In addition, this area is responsible for the reception and telephone services provided by the Los Angeles office.

Examination Grading

Staff in this area is responsible for ensuring that examinations administered by the Committee of Bar Examiners are graded using the standards and protocols adopted by the Committee, and that the results provided to applicants are error free and on time.

Moral Character Determinations

Staff in this area is responsible for completing the moral character investigations of applicants seeking admission to practice law in California and scheduling and coordinating informal conferences for applicants with the Committee of Bar Examiners' Subcommittee on Moral Character.

Law School Regulation

Staff in this area is responsible for the registration of unaccredited law schools and the accreditation of law schools in California. The workload of the staff includes monitoring applications received, reviewing annual reports, completing law school visitations and reporting findings and recommendations to the Committee of Bar Examiners.

Special Admissions

Staff in this area process applications for the Pro Hac Vice and Out-of-State Attorney Arbitration Counsel, which allow attorneys from other jurisdictions to practice law in California in limited ways. Staff also process applications from law students who wish to enhance their legal training by participating in the Practical Training of Law Students Program.

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

Specialization

Staff in this area support the work of the Legal Specialization department, which is responsible for administering the requirements for certification in 11 different areas of law. In addition, staff coordinate the administration of the legal specialization examinations that are administered every other year.

MCLE Providers

Staff in this area process applications from Mandatory Continuing Legal Education (MCLE) providers seeking certification as single or multiple educational activity providers. Certification is required in order for the legal education to count toward an attorney's MCLE requirements.

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

	Positions				Expenditures			
EXPENDITURES BY CATEGORY	2015	2016	2017	2018	2015*	2016*	2017*	2018*
Regular Salary & Benefits	64.0	72.0	72.0	72.0	6,803	7,653	7,823	8,055
Supplemental Staffing					766	745	751	757
Travel & Training					519	496	496	496
Supplies and Postage					389	425	425	425
Professional Services					434	452	452	452
Exam & Software Licensing					1,682	1,844	1,844	1,844
Exam Room Rental					1,766	1,716	1,716	1,716
Exam Proctors					1,640	1,668	1,668	1,668
Exam Graders					875	686	686	686
Occupancy					172	185	185	185
Telecommunications					100	98	98	98
Other Outside Services					1,770	1,812	1,812	1,812
Computers & Software					0	20	20	20
Buildings & Equipment					2	7	7	7
Retiree Medical Funding					298	146	146	146
Other Expenditures					18	16	16	16
Indirect Costs					4,506	5,067	5,130	5,206
TOTAL	64.0	72.0	72.0	72.0	21,740	23,036	23,275	23,589

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

Chief Trial Counsel

The Office of Chief Trial Counsel (OCTC) is the prosecutorial arm of the State Bar, responsible for investigating and prosecuting attorneys for violations of the Rules of Professional Conduct and State Bar Act. In addition to its core attorney regulatory function, OCTC is responsible for regulatory proceedings before the State Bar Court, such as representing the Committee of Bar Examiners in moral character appeals to the State Bar Court and representing the Board of Legal Specialization in specialization certification appeals to the State Bar Court. OCTC is also responsible for ancillary proceedings such as superior court proceedings involving the assumption of a law practice and conducting certain investigations of non-attorneys who may be engaging in the unauthorized practice of law.

OCTC has an Intake Unit responsible for receiving and initiating new cases involving attorney violations of ethical rules and complaints against non-attorneys alleging the unauthorized practice of law. The Intake Unit conducts the initial review of complaints and determines whether the matters should be forwarded to OCTC's Enforcement Unit for further action. The Intake Unit also services the State Bar's complaint hotline.

OCTC's Enforcement Unit handles the investigation and prosecution of matters before the State Bar Court and superior court proceedings involving the assumption of a law practice.

OCTC's Audit and Review Unit handles the review of closed cases. More specifically, when the Office of Chief Trial Counsel decides to close a complaint against a member of the Bar without disciplinary action, the complainant may request a review ("second look") of the decision. The "second look" requests and reviews are handled by the Audit & Review Unit.

OCTC is staffed with executive, attorney and non-attorney staff. Non-attorney staff includes investigators, paralegals, complaint analysts, administrative assistants, secretaries, record coordinators and clerks.

	Positions				Expenditures			
SUMMARY OF PROGRAM REQUIREMENTS	2015	2016	2017	2018	2015*	2016*	2017*	2018*
Chief Trial Counsel	217.3	233.1	233.1	233.1	38,258	30,063	30,701	31,588
TOTAL	217.3	233.1	233.1	233.1	38,258	30,063	30,701	31,588

REVENUE	2015*	2016*	2017*	2018*
General Fund	70	61	61	61
TOTAL REVENUE (All Funds)	70	61	61	61

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

	Positions				Expenditures			
EXPENDITURES BY CATEGORY	2015	2016	2017	2018	2015*	2016*	2017*	2018*
Regular Salary & Benefits	217.3	233.1	233.1	233.1	26,528	29,356	29,994	30,881
Supplemental Staffing					1,121	820	820	820
Travel & Training					116	109	109	109
Supplies and Postage					363	331	331	331
Professional Services					79	58	58	58
Telecommunications					150	153	153	153
Other Outside Services					337	227	227	227
Buildings & Equipment					2	3	3	3
Other Expenditures					37	6	6	6
Indirect Costs					10,616	0	0	0
Reimbursements					-1,091	-1,000	-1,000	-1,000
TOTAL	**217.3**	**233.1**	**233.1**	**233.1**	**38,258**	**30,063**	**30,701**	**31,588**

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

Probation

The Office of Probation (OP) monitors disciplined attorneys who have been ordered to comply with probation or reproval conditions pursuant to orders issued by the California Supreme Court and/or the State Bar Court. The OP also monitors compliance with Rule 9.20 of the California Rules of Court; Agreements in Lieu of Discipline; some Alternative Discipline Program matters; and conditions imposed pursuant to Business and Professions Code, section 6007(h). Once these orders or agreements become effective, the OP establishes its own case files to maintain a record of compliance or non-compliance for each attorney.

OP staff monitor participating attorneys' compliance. The monitoring requires OP staff to contact the attorney being monitored and third parties such as former clients, service providers, and other departments of the State Bar. OP staff provides timely information to the attorney, Office of Chief Trial Counsel, and State Bar Court regarding non-compliance and are available to testify regarding such under oath in court.

	Positions				Expenditures			
SUMMARY OF PROGRAM REQUIREMENTS	2015	2016	2017	2018	2015*	2016*	2017*	2018*
Probation	8.0	8.0	8.0	8.0	1,332	939	959	985
TOTAL	8.0	8.0	8.0	8.0	1,332	939	959	985

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

	Positions				Expenditures			
EXPENDITURES BY CATEGORY	2015	2016	2017	2018	2015*	2016*	2017*	2018*
Regular Salary & Benefits	8.0	8.0	8.0	8.0	887	918	938	964
Supplemental Staffing					2	2	2	2
Travel & Training					1	0	0	0
Supplies and Postage					12	12	12	12
Telecommunications					7	7	7	7
Other Outside Services					1	0	0	0
Other Expenditures					1	0	0	0
Indirect Costs					421	0	0	0
TOTAL	8.0	8.0	8.0	8.0	1,332	939	959	985

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

Client Security Fund

The main purpose of the Client Security Fund (CSF) is to reimburse victims of attorney theft by processing, investigating, reviewing and administering the legal decisions made on applications for reimbursement. There are four main areas that encompass the work of CSF: (a) legal case processing; (b) support for the CSF Commission, the Board of Trustees and other State Bar departments; (c) financial management; and (d) basic internal administrative functions.

	Positions				Expenditures			
SUMMARY OF PROGRAM REQUIREMENTS	2015	2016	2017	2018	2015*	2016*	2017*	2018*
Client Security Fund	11.0	11.0	11.0	11.0	7,553	6,990	7,023	7,069
Indirect Cost					189	840	851	863
TOTAL	11.0	11.0	11.0	11.0	7,742	7,830	7,874	7,932

REVENUE	2015*	2016*	2017*	2018*
Client Security Fund	7,737	7,846	7,924	8,003
TOTAL REVENUE (All Funds)	7,737	7,846	7,924	8,003

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

	Positions				Expenditures			
EXPENDITURES BY CATEGORY	2015	2016	2017	2018	2015*	2016*	2017*	2018*
Regular Salary & Benefits	11.0	11.0	11.0	11.0	1,469	1,497	1,530	1,576
Supplemental Staffing					123	5	5	5
Travel & Training					14	13	13	13
Supplies and Postage					18	20	20	20
Telecommunications					10	10	10	10
Other Outside Services					16	17	17	17
CSF Applications					6,005	6,000	6,000	6,000
Computers & Software					1	1	1	1
Retiree Medical Funding					37	21	21	21
Other Expenditures					-123	-99	-99	-99
Indirect Costs					702	819	830	842
Reimbursements					-530	-474	-474	-474
TOTAL	11.0	11.0	11.0	11.0	7,742	7,830	7,874	7,932

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

Mandatory Fee Arbitration

The Mandatory Fee Arbitration program provides arbitration in cases of attorney-client disputes over legal fees, primarily through local bar associations. The program also assists clients in enforcing those awards where an attorney has been ordered to return unearned fees to the client, but fails to do so.

	Positions				Expenditures			
SUMMARY OF PROGRAM REQUIREMENTS	2015	2016	2017	2018	2015*	2016*	2017*	2018*
Mandatory Fee Arbitration	5.0	5.0	5.0	5.0	827	678	691	709
TOTAL	5.0	5.0	5.0	5.0	827	678	691	709

REVENUE	2015*	2016*	2017*	2018*
General Fund	52	48	48	48
TOTAL REVENUE (All Funds)	52	48	48	48

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

	Positions				Expenditures			
EXPENDITURES BY CATEGORY	2015	2016	2017	2018	2015*	2016*	2017*	2018*
Regular Salary & Benefits	5.0	5.0	5.0	5.0	528	576	589	607
Travel & Training					34	29	29	29
Supplies and Postage					12	10	10	10
Telecommunications					4	4	4	4
Other Outside Services					58	58	58	58
Other Expenditures					1	1	1	1
Indirect Costs					190	0	0	0
TOTAL	5.0	5.0	5.0	5.0	827	678	691	709

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

State Bar Court

The California State Bar is the only state bar in the United States with independent professional judges dedicated to ruling on attorney disciplinary and regulatory cases. The independent State Bar Court hears the charges and has the power to recommend that the California Supreme Court suspend or disbar those attorneys found to have committed acts of professional misconduct or convicted of serious crimes. For lesser offenses, public or private reprovals may be issued.

	Positions				Expenditures			
SUMMARY OF PROGRAM REQUIREMENTS	2015	2016	2017	2018	2015*	2016*	2017*	2018*
Administration	2.9	2.9	2.9	2.9	899	589	601	616
Hearing Department & Effectuations Unit	31.0	31.0	31.0	31.0	8,312	5,249	5,358	5,509
Review Department	8.6	8.6	8.6	8.6	2,746	1,730	1,765	1,812
TOTAL	42.5	42.5	42.5	42.5	11,957	7,568	7,724	7,937

REVENUE	2015*	2016*	2017*	2018*
General Fund	29	16	16	16
TOTAL REVENUE (All Funds)	29	16	16	16

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

PROGRAM DESCRIPTIONS

Administration

Administration encompasses the day-to-day administration of the State Bar Court, as well as the State Bar Court Reporter.

Hearing Department

The Hearing Department of the State Bar Court hears disciplinary cases brought by the Office of the Chief Trial Counsel, regulatory matters brought by petitioners, motions for modification and revocation of attorney probation and other matters.

Review Department

The Review Department of the State Bar Court decides cases on appeal, exercises suspension and other powers delegated pursuant to Rule 9.10, California Rules of Court, and conducts interlocutory review on issues materially affecting the outcome of Hearing Department cases.

Effectuations Unit

The Effectuations Unit of the State Bar Court transmits cases to the California Supreme Court and processes all other cases not requiring Supreme Court action.

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

	Positions				Expenditures			
EXPENDITURES BY CATEGORY	2015	2016	2017	2018	2015*	2016*	2017*	2018*
Regular Salary & Benefits	42.5	42.5	42.5	42.5	6,991	7,037	7,193	7,406
Supplemental Staffing					223	177	177	177
Travel & Training					179	135	135	135
Supplies and Postage					95	94	94	94
Professional Services					4	1	1	1
Occupancy					16	12	12	12
Telecommunications					65	65	65	65
Other Outside Services					46	32	32	32
Buildings & Equipment					11	14	14	14
Other Expenditures					10	1	1	1
Indirect Costs					4,317	0	0	0
TOTAL	42.5	42.5	42.5	42.5	11,957	7,568	7,724	7,937

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

Member Records & Compliance

The State Bar of California's Office of Member Records and Compliance maintains, on behalf of the Supreme Court, the official " Roll of Attorneys," i.e., the list of all attorneys who are licensed to practice law in the State of California. Upon admission to the practice of law in California, an attorney becomes a "member" of the State Bar. That official "membership" or licensing record is public information.

The Office also manages the registration of law corporations and of LLPs providing legal services, and is responsible for ensuring the compliance of all bar members with the requirements for mandatory continuing legal education (MCLE). Member Records and Compliance staff is responsible for answering all calls and emails to the Member Services Center, and is dedicated to efficiently providing reliable information to State Bar members.

	Positions				Expenditures			
SUMMARY OF PROGRAM REQUIREMENTS	2015	2016	2017	2018	2015*	2016*	2017*	2018*
Member Service Center	19.0	19.0	19.0	19.0	3,108	2,545	2,587	2,646
TOTAL	19.0	19.0	19.0	19.0	3,108	2,545	2,587	2,646

REVENUE	2015*	2016*	2017*	2018*
General Fund	904	713	713	713
TOTAL REVENUE (All Funds)	904	713	713	713

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

	Positions				Expenditures			
EXPENDITURES BY CATEGORY	2015	2016	2017	2018	2015*	2016*	2017*	2018*
Regular Salary & Benefits	19.0	19.0	19.0	19.0	1,735	1,909	1,951	2,009
Supplemental Staffing					213	179	179	180
Travel & Training					8	9	9	9
Supplies and Postage					184	216	216	216
Professional Services					29	28	28	28
Telecommunications					19	19	19	19
Other Outside Services					156	173	173	173
Buildings & Equipment					1	1	1	1
Other Expenditures					10	11	11	11
Indirect Costs					753	0	0	0
TOTAL	19.0	19.0	19.0	19.0	3,108	2,545	2,587	2,646

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

Professional Competence

The Office of Professional Competence administers the State Bar's attorney professional responsibility programs and resources. These activities assist practicing attorneys in complying with their professional duties.

	Positions				Expenditures			
SUMMARY OF PROGRAM REQUIREMENTS	2015	2016	2017	2018	2015*	2016*	2017*	2018*
COPRAC & RRC					204	208	208	208
Outreach & Education	12.0	13.0	13.0	13.0	2,143	1,621	1,654	1,704
Publications					13	25	25	25
TOTAL	**12.0**	**13.0**	**13.0**	**13.0**	**2,360**	**1,854**	**1,887**	**1,937**
REVENUE					**2015***	**2016***	**2017***	**2018***
General Fund					18	21	21	21
TOTAL REVENUE (All Funds)					**18**	**21**	**21**	**21**

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

PROGRAM DESCRIPTIONS

Ethics Hotline

The Ethics Hotline is a confidential legal research service that helps lawyers identify and analyze professional responsibility issues. Although legal advice is not provided, lawyers receive research assistance that helps them make informed decisions on issues such as: conflicts of interest; fee arrangements; advertising; and ex parte communications. Among the types of information provided are references to: Rules of Professional Conduct; State Bar Act sections; Rules of Court; bar committee advisory ethics opinions; and case law citations, including published opinions of the State Bar Court.

Board of Trustees, Ethics Opinion Committee (COPRAC), and Rules Revision Commission (RRC) Support

As needed, Professional Competence staff provides a full range of staffing support to the Board of Trustees for issues related to attorney professional responsibility. On an ongoing basis, staffing support also is provided to the Standing Committee on Professional Responsibility and Conduct (COPRAC), the State Bar Rules Revision Commission (RRC), and other special task forces and committees as directed. These support services include developing meetings agendas, attending meetings, distributing assignments, making logistical arrangements for meetings, completing legal research and writing, maintaining records of all official materials, assisting in the appointment process for members, implementing approved work product (such as distributing ethics opinions and submitting proposed amended Rules of Professional Conduct to the Supreme Court for approval, etc.), serving as liaison between groups and others, both inside and outside, the State Bar, tracking staff and volunteer meeting expenditures, facilitating policy input and legal advice, and preparing annual committee accomplishment reports.

Outreach & Education

Professional Competence staff participates in, and coordinates, outreach and educational activities that enhance attorney awareness of issues in professional conduct, including recent developments. This education and outreach also disseminates information on State Bar resources that facilitate compliance with the Rules of Professional Conduct and the State Bar Act. This helps to protect the public from violations, such as inadvertent violations of the Board of Trustees' client trust account recordkeeping standards. Professional Competence's outreach and educational activities include: preparing and presenting the State Bar's Annual Ethics Symposium; providing educational programs for MCLE credit at the State Bar Annual Meeting; preparing and making presentations to local and specialty bar associations, related legal professional associations, and law schools; making presentations and providing information to other State Bar departments; writing articles for publication in the California Bar Journal; and staffing a booth at the State Bar Annual Meeting exhibit hall. To complete delivery of these educational and outreach services, Professional Competence staff identify speakers, compile written materials, complete legal research, prepare and update slide presentations, attend programs, arrange for program publicity, produces materials, make speaker travel and other logistical arrangements, update mailing lists, and solicit and review feedback about the quality of educational programs and presentations.

Publications

Professional Competence staff produce, update and distribute publications related to attorney professional responsibility including: The California Compendium on Professional Responsibility; The Handbook on Client Trust Accounting for California Attorneys; and Publication 250 - The California Rules of Professional Conduct, The State Bar Act, and Related Statutes. The latter book also is offered as an e-Book for any device compatible with the Amazon.com Kindle reader application. Staff's publication work includes extensive online professional responsibility resources on topics such as: ethics and technology; judicial ethics; civility and professionalism; and senior lawyer resources. These online resources are continually updated by Professional Competence staff.

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

	Positions				Expenditures			
EXPENDITURES BY CATEGORY	2015	2016	2017	2018	2015*	2016*	2017*	2018*
Regular Salary & Benefits	12.0	13.0	13.0	13.0	1,451	1,572	1,605	1,654
Supplemental Staffing					3	3	3	4
Travel & Training					111	121	121	121
Supplies and Postage					19	21	21	21
Professional Services					82	84	84	84
Occupancy					0	3	3	3
Telecommunications					22	20	20	20
Other Outside Services					14	23	23	23
Buildings & Equipment					0	1	1	1
Other Expenditures					4	6	6	6
Indirect Costs					654	0	0	0
TOTAL	**12.0**	**13.0**	**13.0**	**13.0**	**2,360**	**1,854**	**1,887**	**1,937**

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

Education

The Office of Education provides opportunities for continuing legal education and professional development. It encompasses the Sections of the State Bar as well as the Bar's Annual Meeting , the California Young Lawyers Association (CYLA), and the California Solo & Small Firm Summit.

	Positions				Expenditures			
SUMMARY OF PROGRAM REQUIREMENTS	2015	2016	2017	2018	2015*	2016*	2017*	2018*
Sections	16.2	19.5	19.5	19.5	8,293	8,049	8,057	8,158
Annual Meeting	2.9	1.6	1.6	1.6	917	627	634	641
Affinity & Insurance	0.8	0.8	0.8	0.8	624	296	300	302
CYLA		0.9	0.9	0.9	232	169	170	175
Indirect Cost					418	159	161	163
TOTAL	19.8	22.8	22.8	22.8	10,484	9,300	9,322	9,439

REVENUE	2015*	2016*	2017*	2018*
Sections Funds	9,101	8,595	8,595	8,595
Legal Educ. and Dev. Fund	2,436	1,312	1,312	1,312
General Fund	16	16	16	16
Annual Meeting Fund	709	677	682	690
TOTAL REVENUE (All Funds)	12,262	10,600	10,605	10,613

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

PROGRAM DESCRIPTIONS

Sections
The Sections are voluntary organizations of attorneys and associates who share an area of interest. The Sections help their members maintain expertise in their various fields of law, expand their professional contacts, and serve the profession, the public and the legal system. The State Bar of California has 16 Sections. Each Section is governed by an executive committee of members appointed by the State Bar Board of Trustees.

Annual Meeting
In addition to its formal functions, such as the swearing in of newly elected and appointed trustees, the Annual Meeting of the State Bar offers an wide variety of continuing legal education opportunities for attorneys.

California Solo & Small Firm Summit
The Summit content is geared to California attorneys who are in a solo or small firm practice and offers a wide variety of education and networking opportunities for solo practitioners.

CYLA
CYLA is the nation's largest association of young lawyers.. A California young lawyer is defined as a member in good standing of the State Bar of California who is in his or her first five (5) years of practice in California or whose ag e is 36 or under.

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

	Positions				Expenditures			
EXPENDITURES BY CATEGORY	2015	2016	2017	2018	2015*	2016*	2017*	2018*
Regular Salary & Benefits	19.8	22.8	22.8	22.8	2,462	2,743	2,805	2,887
Supplemental Staffing					178	145	146	147
Travel & Training					3,356	2,348	2,348	2,348
Supplies and Postage					378	381	381	381
Professional Services					594	574	574	574
Occupancy					3	1	1	1
Telecommunications					79	59	59	59
Other Outside Services					1,135	984	984	984
Computers & Software					-1	-1	-1	-1
Buildings & Equipment					1	1	1	1
Retiree Medical Funding					75	42	42	42
Other Expenditures					185	123	123	123
Indirect Costs					1,689	1,708	1,726	1,752
Interfund Transfers					400	192	133	141
TOTAL	19.8	22.8	22.8	22.8	10,484	9,300	9,322	9,439

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

Legal Services

The Office of Legal Services operates several programs intended to ensure that all Californians have appropriate access to the legal system, regardless of income.

	Positions				Expenditures			
SUMMARY OF PROGRAM REQUIREMENTS	2015	2016	2017	2018	2015*	2016*	2017*	2018*
Access To Justice					15	21	21	21
Program Development	9.0	9.0	9.0	9.0	1,918	1,232	1,258	1,292
Legal Services Funding	8.0	11.0	11.0	11.0	29,647	27,722	27,749	27,787
Indirect Cost					1,098	443	451	458
TOTAL	17.0	20.0	20.0	20.0	32,678	29,418	29,479	29,558

REVENUE	2015*	2016*	2017*	2018*
Justice Gap Fund	1,023	626	626	626
General Fund	108	60	60	60
Equal Access Fund	14,534	15,165	15,165	15,165
Legal Svcs. Trust Fund	19,443	11,523	11,523	11,523
TOTAL REVENUE (All Funds)	35,108	27,374	27,374	27,374

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

PROGRAM DESCRIPTIONS

Access To Justice

This area addresses the development of policy and initiatives in collaboration with other institutions working to expand access to justice for low income Californians (e.g. Judicial Council; legal services entities; local, state and national organizations such as the American Bar Association and National Legal Aid and Defender Association). Services are provided through the Office of Legal Services and the California Commission on Access to Justice.

Program Development

This area supports and promotes the direct delivery of legal services to low and middle income Californians with an emphasis on increasing and enhancing pro bono participation by members of the bar. The services are provided through the Program Development Unit, the Standing Committee on the Delivery of Legal Services and a comprehensive, statewide legal services conference ("Pathways to Justice") held every three years. The Program Development Unit provides technical assistance and resources to legal services providers, pro bono programs and certified lawyer referral services, oversees the certification process for lawyer referral services, and administers the Pro Bono Practice program and Wiley Manuel pro bono certificate program. The Unit also coordinates a statewide Disaster Legal Services Response network, administers the Standing Committee on the Delivery of Legal Services, and presents the Pathways to Justice conference and other training programs for legal services and pro bono attorneys.

Legal Services Funding

This Service Area focuses on the administration of grants generated through Interest on Lawyer Trust Accounts (IOLTA), the state Equal Access Fund, the Justice Gap Fund, and other revenue sources to fund the provision of free legal services to low income Californians. Services are provided through the Legal Services Trust Fund Program and the Legal Services Trust Fund Commission.

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

	Positions				Expenditures			
EXPENDITURES BY CATEGORY	2015	2016	2017	2018	2015*	2016*	2017*	2018*
Regular Salary & Benefits	17.0	20.0	20.0	20.0	2,171	2,377	2,430	2,502
Supplemental Staffing					43	36	36	36
Travel & Training					122	91	91	91
Supplies and Postage					29	25	25	25
Professional Services					207	240	240	240
Telecommunications					23	21	21	21
Other Outside Services					4	2	2	2
Legal Services Grants					28,029	26,108	26,108	26,108
Computers & Software					15	75	75	75
Retiree Medical Funding					37	21	21	21
Other Expenditures					2	0	0	0
Indirect Costs					1,081	422	430	437
Interfund Transfers					915	0	0	0
TOTAL	17.0	20.0	20.0	20.0	32,678	29,418	29,479	29,558

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

Diversity & Bar Relations

Diversity & Bar Relations encompasses programs aimed at increasing diversity in the legal profession and eliminating bias in the legal system, as well as strengthening the State Bar's relationships with voluntary bar associations and related groups. Programs in this area are financed with voluntary contributions and non-mandatory dues revenues.

	Positions				Expenditures			
SUMMARY OF PROGRAM REQUIREMENTS	2015	2016	2017	2018	2015*	2016*	2017*	2018*
Elimination of Bias	2.0	2.0	2.0	2.0	792	518	525	534
Bar Relations	2.0	2.0	2.0	2.0	404	353	361	370
Indirect Cost					95	352	356	361
TOTAL	4.0	4.0	4.0	4.0	1,291	1,223	1,242	1,265

REVENUE	2015*	2016*	2017*	2018*
Grants Fund	36	40	40	40
Elimination of Bias Fund	791	785	785	785
TOTAL REVENUE (All Funds)	827	825	825	825

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

PROGRAM DESCRIPTIONS

Elimination of Bias

Elimination of Bias focuses on local and statewide programs and initiatives to diversify the legal profession and to eliminate bias in the practice of law. The activity in this area is funded solely through voluntary contributions to the State Bar, and is largely conducted by the Council on Access & Fairness (COAF). Staff also compiles and disseminates demographic information and other resource materials to inform and facilitate diversity efforts by the State Bar and other organizations. COAF is a State Bar appointed entity that serves as the Bar's diversity think tank to advise the Board of Trustees on strategies to enhance diversity opportunities and advancement in the legal profession along the full diversity pipeline (e.g. from pre-K to high school, community colleges to law school and the bar exam, to the legal profession and the judiciary).

Bar Relations

Bar Relations focuses on supporting the work of the 280 local, minority, specialty and women's voluntary bar associations in California. In addition to working with California bar associations, the Bar Relations team serves as liaison to external organizations including the American Bar Association, National Association of Bar Executives, National Conference of Bar Presidents, Executives of California Legal Associations as well as individual state and local bar associations throughout the country. Bar Relations conducts annual leadership training for bar leaders and executive directors. Bar Relations maintains a clearinghouse of program and governance information which is drawn upon to assist organizations within the state. Activity in conjunction with voluntary bar associations is funded solely through voluntary contributions to the State Bar.

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

	Positions				Expenditures			
EXPENDITURES BY CATEGORY	2015	2016	2017	2018	2015*	2016*	2017*	2018*
Regular Salary & Benefits	4.0	4.0	4.0	4.0	565	636	651	669
Travel & Training					124	126	126	126
Supplies and Postage					23	23	23	23
Professional Services					6	9	9	9
Occupancy					2	3	3	3
Telecommunications					6	6	6	6
Other Outside Services					23	23	23	23
Legal Services Grants					186	40	40	40
Computers & Software					4	5	5	5
Retiree Medical Funding					75	42	42	42
Indirect Costs					277	310	314	319
TOTAL	4.0	4.0	4.0	4.0	1,291	1,223	1,242	1,265

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

Lawyer Assistance Program

The Lawyer Assistance Program provides substance abuse and mental health support services to members of the bar.

	Positions				Expenditures			
SUMMARY OF PROGRAM REQUIREMENTS	2015	2016	2017	2018	2015*	2016*	2017*	2018*
Lawyer Assistance Program	7.0	7.0	7.0	7.0	1,512	1,080	1,099	1,126
Indirect Cost					79	544	552	559
TOTAL	7.0	7.0	7.0	7.0	1,591	1,624	1,651	1,685

REVENUE	2015*	2016*	2017*	2018*
Lawyer Assistance Program Fund	2,031	2,065	2,085	2,106
TOTAL REVENUE (All Funds)	2,031	2,065	2,085	2,106

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

PROGRAM DESCRIPTIONS

Orientation and Assessment

All members of the bar are eligible to receive a free professional mental health assessment by a LAP case manager without making a longer-term commitment to participate in the program. Members are also entitled to attend up to three free sessions of LAP group with obligation to continue further.

Monitored LAP

Monitored LAP is for attorneys who want to satisfy a specific monitoring or verification requirement imposed by an employer, the Office of the Chief Trial Counsel, State Bar Court, Committee of Bar Examiners, or another entity. It is also available to attorneys seeking help independently. The program offers long-term structure and the support of a professional case manager. Attendance at LAP group meetings and lab testing are typically required as conditions of participating in Monitored LAP. There is a fee for group participation.

Support LAP

Support LAP is for attorneys who are interested in participating in a weekly group meeting with other lawyers and would like the support of a qualified mental health professional. There is a fee for group participation.

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

	Positions				Expenditures			
EXPENDITURES BY CATEGORY	2015	2016	2017	2018	2015*	2016*	2017*	2018*
Regular Salary & Benefits	7.0	7.0	7.0	7.0	899	908	927	954
Supplemental Staffing					70	20	20	20
Travel & Training					87	71	71	71
Supplies and Postage					6	6	6	6
Professional Services					44	67	67	67
Occupancy					0	1	1	1
Telecommunications					16	16	16	16
Other Outside Services					-7	-10	-10	-10
Retiree Medical Funding					37	21	21	21
Other Expenditures					6	1	1	1
Indirect Costs					433	523	531	538
TOTAL	7.0	7.0	7.0	7.0	1,591	1,624	1,651	1,685

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

Executive Director

The Office of the Executive Director is responsible for the overall direction and administration of the day-to-day operations of the State Bar, as well as for legislative activities on behalf of the Bar. In addition, the OED is responsible for supporting the Board of Trustees and its task forces and working groups and the Judicial Nominees Evaluation (JNE) Commission.

	Positions				Expenditures			
SUMMARY OF PROGRAM REQUIREMENTS	2015	2016	2017	2018	2015*	2016*	2017*	2018*
Management, Oversight and Planning	7.0	9.0	9.0	9.0	1,438	2,224	2,253	2,309
Board Support - Secretariat	1.0	1.0	1.0	1.0	428	383	385	388
Judicial Evaluations	4.0	4.0	4.0	4.0	792	677	687	701
Governmental Affairs	2.0	2.0	2.0	2.0	519	441	447	458
Law Library & Archives	2.0	2.0	2.0	2.0	549	699	707	713
Indirect Cost					15	155	157	159
TOTAL	16.0	18.0	18.0	18.0	3,741	4,579	4,636	4,728

REVENUE	2015*	2016*	2017*	2018*
Legislative Activities Fund	763	762	762	762
TOTAL REVENUE (All Funds)	763	762	762	762

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

PROGRAM DESCRIPTIONS

Management, Oversight and Planning

OED, through the Chief Operating Officer's Office (COO) provides support and direction to all management within the State Bar regarding personnel administration, budget, facilities, and all other management related matters. In its management leadership role, OED staff leads the Senior Management Team in establishing and effectuating operational/programmatic oversight. OED establishes Bar-wide operating policies and procedures, communicates and reinforces those policies and procedures to all staff. OED leads the State Bar's efforts to ensure accountability for the use of resources and compliance with all mandated functions and/or requirements. OED takes the lead in working with the union to reach agreeable memoranda of understanding between the union and management OED in collaboration with the Senior Management Team serves as the focus for problem-solving analysis and resolution Bar-wide.

Board Support

OED provides staff support to the Board of Trustees to support its effective and efficient operation. In fulfilling the Secretariat responsibilities, OED staff sets the schedule of Board meetings, oversees production of Board agendas, travels to and attends all Board meetings, oversees production of minutes and action summaries, maintains the Board Book and all official permanent records of the State Bar, and timely processes Board member expense reports. OED staff provides expert assistance to Board members and ensures that appropriate State Bar staff timely responds to all Board member inquiries.

In addition to providing support for regular Board meetings and business, OED staff coordinates all Board appointments to commissions, committees, and special task forces, administers annual Board elections, and prepares and conducts orientations for Board candidates, Board members & Committee Chairs. OED staff ensures effective relationships are developed between Board members and State Bar staff and clearly inform board and staff about and enforce policies related to lines of authority. OED staff is responsible for ensuring that all Board directives are carried out.

Judicial Evaluations

The Commission on Judicial Nominees Evaluation, established pursuant to Government Code Section 12011.5, is the State Bar agency which evaluates all candidates who are under consideration for a judicial appointment by the Governor. The mission of the Commission is to assist the Governor in the judicial selection process and thereby to promote a California judiciary of quality and integrity by providing independent, comprehensive, accurate, and fair evaluations of candidates for judicial appointment and nomination.

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

	Positions				Expenditures			
EXPENDITURES BY CATEGORY	2015	2016	2017	2018	2015*	2016*	2017*	2018*
Regular Salary & Benefits	16.0	18.0	18.0	18.0	2,175	3,061	3,116	3,205
Supplemental Staffing					36	19	19	20
Travel & Training					618	478	478	478
Supplies and Postage					361	329	329	329
Professional Services					221	392	392	392
Occupancy					5	4	4	4
Telecommunications					28	22	22	22
Other Outside Services					32	201	201	201
Computers & Software					5	8	8	8
Other Expenditures					25	0	0	0
Indirect Costs					240	65	67	69
TOTAL	**16.0**	**18.0**	**18.0**	**18.0**	**3,741**	**4,579**	**4,636**	**4,728**

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

Finance

The Finance Department is responsible for the following areas: financial reporting, analysis and budget; the accounting functions of payroll, accounts payable, accounts receivable, and general ledger; and member billing for the State Bar.

	Positions				Expenditures			
SUMMARY OF PROGRAM REQUIREMENTS	2015	2016	2017	2018	2015*	2016*	2017*	2018*
Finance	7.6	10.6	10.6	10.6	2,945	2,936	2,965	3,005
Member Billing	6.0	7.0	7.0	7.0	1,777	2,037	2,053	2,074
Procurement & Risk	3.0	2.0	2.0	2.0	1,232	1,059	1,063	1,068
TOTAL	**16.6**	**19.6**	**19.6**	**19.6**	5,954	6,032	6,081	6,147

REVENUE	2015*	2016*	2017*	2018*
Support and Admin. Fund	4	4	4	4
TOTAL REVENUE (All Funds)	4	4	4	4

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

PROGRAM DESCRIPTIONS

Financial Reporting, Budgeting, and Analysis

This service area is responsible for the Bar's budgeting, financial planning, financial analysis and accounting, making accurate and timely payments to the State Bar's employees (payroll) and outside vendors (accounts payable), and for implementing related procedures and internal controls. It also works closely with the Bar's outside auditors and the California Bureau of State Audits to ensure the implementation of sound financial controls and public accountability.

Member Billing

Member billing is responsible for ensuring attorneys are billed appropriately for annual fees and other costs. The primary task for Member Billing staff is the collection and recording of annual membership fees, discipline costs, and CSF reimbursements. In addition to the primary task, staff responds to members' billing inquiries, calculates and tracks discipline and CSF cost assessments, assists in the annual suspension process, and reinstates members previously suspended for failure to pay annual fees upon payment of delinquent costs.

Payroll

Payroll constitutes one of the most important and sensitive areas in the Office of Finance. Payroll is responsible for processing and delivering paychecks to employees. The Payroll function includes balancing, analyzing, and reconciling payroll data and depositing and reporting taxes. The Payroll process involves calculating time cards, salaries, overtime, retroactive pay, severance pay, holiday pay and benefit time such as vacation, sick and personal days. Payroll also makes employee deductions for taxes, wage garnishment, health and life insurance, flexible spending accounts and retirement.

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

	Positions				Expenditures			
EXPENDITURES BY CATEGORY	2015	2016	2017	2018	2015*	2016*	2017*	2018*
Regular Salary & Benefits	16.6	19.6	19.6	19.6	2,532	2,187	2,236	2,301
Supplemental Staffing					314	212	212	213
Travel & Training					15	16	16	16
Supplies and Postage					140	162	162	162
Professional Services					876	1,200	1,200	1,200
Occupancy					858	849	849	849
Telecommunications					23	28	28	28
Other Outside Services					1,191	1,375	1,375	1,375
Computers & Software					3	0	0	0
Buildings & Equipment					1	2	2	2
Other Expenditures					1	1	1	1
TOTAL	**16.6**	**19.6**	**19.6**	**19.6**	**5,954**	**6,032**	**6,081**	**6,147**

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

General Counsel

The Office of the General Counsel (OGC) functions as the State Bar's lawyer, and is responsible for providing legal advice and counsel to the Board of Trustees, its working groups, taskforces, and committees, and all departments and programs of the State Bar.

	Positions				Expenditures			
SUMMARY OF PROGRAM REQUIREMENTS	2015	2016	2017	2018	2015*	2016*	2017*	2018*
General Counsel	16.0	23.0	23.0	23.0	3,750	4,847	4,932	5,046
TOTAL	16.0	23.0	23.0	23.0	3,750	4,847	4,932	5,046

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

	Positions				Expenditures			
EXPENDITURES BY CATEGORY	2015	2016	2017	2018	2015*	2016*	2017*	2018*
Regular Salary & Benefits	16.0	23.0	23.0	23.0	2,763	3,777	3,862	3,976
Supplemental Staffing					122	53	53	53
Travel & Training					58	47	47	47
Supplies and Postage					38	32	32	32
Professional Services					715	900	900	900
Telecommunications					30	29	29	29
Other Outside Services					15	9	9	9
Buildings & Equipment					4	0	0	0
Other Expenditures					5	0	0	0
TOTAL	16.0	23.0	23.0	23.0	3,750	4,847	4,932	5,046

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

Human Resources

The Human Resources Department is responsible for recruitment, classification, compensation, and performance management, labor relations, and benefits administration.

	Positions				Expenditures			
SUMMARY OF PROGRAM REQUIREMENTS	2015	2016	2017	2018	2015*	2016*	2017*	2018*
Human Resources	7.0	9.0	9.0	9.0	1,508	1,531	1,556	1,590
TOTAL	7.0	9.0	9.0	9.0	1,508	1,531	1,556	1,590

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

PROGRAM DESCRIPTIONS

Compensation Administration

The Human Resources Department plays the leading role in developing, benchmarking and administering the Bar's employee compensation structure, including its salary schedules, benefit offerings and retirement alternatives. This service area also includes day-to-day operations of the Bar's payroll and benefit programs.

Recruitment and Retention

This service area encompasses recruiting new staff, institutional training, and administering the Bar's system of performance reviews for current employees. This service area also handles employee separations.

Employee Relations

Employee relations encompasses activities ranging from health and wellness promotion to collective bargaining. It includes workplace safety efforts, labor negotiations and management of the employee grievance process.

Records and Information Systems

This service area is responsible for maintaining required employment records, processing security clearances, and operating the Bar's Human Resources Information System (HRIS).

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

	Positions				Expenditures			
EXPENDITURES BY CATEGORY	2015	2016	2017	2018	2015*	2016*	2017*	2018*
Regular Salary & Benefits	7.0	9.0	9.0	9.0	1,050	1,186	1,211	1,245
Supplemental Staffing					230	153	153	153
Travel & Training					25	21	21	21
Supplies and Postage					13	10	10	10
Professional Services					127	132	132	132
Telecommunications					19	19	19	19
Other Outside Services					5	5	5	5
Computers & Software					2	1	1	1
Buildings & Equipment					35	3	3	3
Other Expenditures					2	1	1	1
TOTAL	7.0	9.0	9.0	9.0	1,508	1,531	1,556	1,590

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

Information Technology

The Information Technology (IT) Department is responsible for the Bar's IT infrastructure (including PC's, networks, servers, and mini-computers), for custom software development, for maintenance and administration of the Bar's existing software, and for the Bar's public-facing internet presence.

	Positions				Expenditures			
SUMMARY OF PROGRAM REQUIREMENTS	2015	2016	2017	2018	2015*	2016*	2017*	2018*
IT Admin and Operations	18.0	27.0	27.0	27.0	5,201	6,451	6,540	6,661
TOTAL	18.0	27.0	27.0	27.0	5,201	6,451	6,540	6,661

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

PROGRAM DESCRIPTIONS

IT Admin
Responsible for the management and oversight of the IT Department. This includes planning and organizing activities of the department, and to promote and facilitate the effective use of technology in order to improve cost effectiveness and service quality that supports the Bar's Strategic Plan and Mission.

IT Applications
Responsible for providing leadership, direction and guidance for the implementation, maintenance, enhancement, improvement, and security and integrity of the State Bar's enterprise information systems, including:

- In-house developed mid-range applications (i5/AS400)
- Oracle/JDE (HR/Finance)
- Database management systems (DB2 and Microsoft SQL)
- Web applications and portals
- Case management systems
- Enterprise content management systems

IT Operations
Responsible for providing leadership, direction and guidance for the implementation, maintenance, support, enhancement, improvement, and security and integrity of the State Bar's Enterprise Infrastructure Systems, including:

- Service Desk and Desktop Support
- Servers and Microsoft SQL database management
- Networks and Telecommunications
- Infrastructure Security
- Audio/Visual systems

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

	Positions				Expenditures			
EXPENDITURES BY CATEGORY	2015	2016	2017	2018	2015*	2016*	2017*	2018*
Regular Salary & Benefits	18.0	27.0	27.0	27.0	3,225	4,027	4,115	4,235
Supplemental Staffing					485	215	216	217
Travel & Training					85	87	87	87
Supplies and Postage					7	6	6	6
Professional Services					147	91	91	91
Occupancy					117	120	120	120
Telecommunications					35	35	35	35
Other Outside Services					3	4	4	4
Computers & Software					1,025	1,788	1,788	1,788
Buildings & Equipment					72	78	78	78
TOTAL	**18.0**	**27.0**	**27.0**	**27.0**	**5,201**	**6,451**	**6,540**	**6,661**

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

Communications

Communications is primarily responsible for communications between the Bar and both its members and the general public. Communications produces the California Bar Journal, a major channel of communication with the membership. In addition, Communications is responsible for public outreach, press relations, and the content of the Bar's website.

	Positions				Expenditures			
SUMMARY OF PROGRAM REQUIREMENTS	2015	2016	2017	2018	2015*	2016*	2017*	2018*
Media Relations	3.8	4.8	4.8	4.8	1,540	1,050	1,067	1,093
California Bar Journal	1.0	1.0	1.0	1.0	284	166	169	173
TOTAL	4.8	5.8	5.8	5.8	1,824	1,216	1,236	1,266
REVENUE					2015*	2016*	2017*	2018*
General Fund					310	231	231	231
TOTAL REVENUE (All Funds)					310	231	231	231

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

PROGRAM DESCRIPTIONS

Media Relations
Communications is the State Bar's principal day-to-day liaison with the news media. Media Relations staff are responsible for fielding inbound inquiries from the press and electronic media and for actively communicating the Bar's message via press releases and other means. Media Relations also provides support and training for other Bar staff who may have contact with the press.

California Bar Journal
Prepared and distributed monthly, the California Bar Journal is a primary communication tool between the State Bar and its members. Staff researches and writes stories, compiles monthly discipline summaries, solicits articles from outside authors, hires and oversees freelance writers, edits/rewrites submissions, identifies opportunities for and takes or obtains photographs relevant to stories, completes design and layout of stories and advertising, and solicits MCLE self-study tests. Staff in this area also obtains advertisers, oversees advertising and other contracts, and collects advertising and other revenue. In addition, a daily legal news roundup, the Daily News Digest, is compiled and sent to subscribers and posted to the website.

Public Education
Staff develop and update consumer education pamphlets, brochures and guides. These public education materials are initially researched and written by staff whose work is then reviewed by attorneys for completeness and accuracy. Staff designs, lays out, edits, and oversees the translation of the final materials in multiple languages. Staff coordinates printing and contracts for storage and fulfillment. In addition, staff also organizes and attends public education forums throughout the state and helps to market those forums to encourage attorney participation and public attendance.

Social Media
Staff maintains the Bar's official social media accounts and assist the Bar in developing best practices and policies for its use.

Website
The website is the State Bar's primary communications channel with attorneys and the public. In overseeing the content, staff works to ensure the information is accessible and assists the public in finding the information they are looking for.

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

	Positions				Expenditures			
EXPENDITURES BY CATEGORY	**2015**	**2016**	**2017**	**2018**	**2015***	**2016***	**2017***	**2018***
Regular Salary & Benefits	4.8	5.8	5.8	5.8	1,223	855	874	902
Supplemental Staffing					0	45	46	48
Travel & Training					21	20	20	20
Supplies and Postage					8	8	8	8
Professional Services					84	82	82	82
Telecommunications					7	7	7	7
Other Outside Services					175	203	203	203
Other Expenditures					-5	-4	-4	-4
Indirect Costs					311	0	0	0
TOTAL	**4.8**	**5.8**	**5.8**	**5.8**	**1,824**	**1,216**	**1,236**	**1,266**

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

General Services

The Office of General Services provides a comprehensive range of administrative and facilities services that support the work of all State Bar departments.

	Positions				Expenditures			
SUMMARY OF PROGRAM REQUIREMENTS	2015	2016	2017	2018	2015*	2016*	2017*	2018*
General Services	25.0	22.0	22.0	22.0	6,136	6,475	6,525	6,587
TOTAL	25.0	22.0	22.0	22.0	6,136	6,475	6,525	6,587

REVENUE	2015*	2016*	2017*	2018*
Building Fund	1,358	1,351	1,351	1,351
TOTAL REVENUE (All Funds)	1,358	1,351	1,351	1,351

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

PROGRAM DESCRIPTIONS

Administrative Services

As the organization's administrative support arm, the Office of General Services manages mail and courier services; reception and public inquiry; printing and copying services; fax and copier support; meeting and conference support; and travel services.

Facilities Management

The Office of General Services manages over 300,000 square feet of office space for Bar staff and tenants. It maintains the Bar's facilities and safeguards its physical assets by managing engineering and janitorial services; landlord/tenant relations; space planning and use; safety and security programs; parking; and recycling programs.

Procurement & Risk

The Office of General Services provides organizational support for the purchase of goods and services to ensure effective and appropriate use of State Bar resources. Procurement services includes developing and implementing general procurement policies and procedures; developing equipment and service standards for acquisition, purchasing specific products and services; documenting deviations from standard procedures; and maintaining and developing standardized forms and contract templates.

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

	Positions				Expenditures			
EXPENDITURES BY CATEGORY	2015	2016	2017	2018	2015*	2016*	2017*	2018*
Regular Salary & Benefits	25.0	22.0	22.0	22.0	2,013	2,119	2,169	2,230
Supplemental Staffing					46	42	42	43
Travel & Training					29	22	22	22
Supplies and Postage					-20	26	26	26
Professional Services					349	347	347	347
Occupancy					3,534	3,742	3,742	3,742
Telecommunications					52	47	47	47
Other Outside Services					120	130	130	130
Computers & Software					4	5	5	5
Buildings & Equipment					42	36	36	36
Other Expenditures					-33	-41	-41	-41
TOTAL	**25.0**	**22.0**	**22.0**	**22.0**	**6,136**	**6,475**	**6,525**	**6,587**

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

Information Technology Projects

This category includes telecommunications and IT infrastructure upgrades as well as upgrades to and replacement of software applications.

	Positions				Expenditures			
SUMMARY OF PROGRAM REQUIREMENTS	2015	2016	2017	2018	2015*	2016*	2017*	2018*
Technology Projects					963	335	18	18
TOTAL					963	335	18	18

REVENUE	2015*	2016*	2017*	2018*
Technology Fund	12	1,224	12	12
TOTAL REVENUE (All Funds)	12	1,224	12	12

PROGRAM DESCRIPTIONS

Enterprise Technology Projects

Discipline Case Management System (CMS) for the Office of the Chief Trial Counsel and State Bar Court
The CMS project will improve the level of automation, functionality, and connectivity for OCTC/SBC.

Website Redesign
Website redesign will facilitate modern and enhanced content delivery – including facilitating views on mobile/smart devices, easy navigation and searches, and supports the Bar's web communication strategy for its users.

Operational Technology Projects

Judicial Nominees Evaluation
IT is implementing a number of automation strategies to support the Evaluation process including automation of the Confidential Comment Form process.

KOALA Billing Application Rewrite
The current billing system was custom developed using a proprietary product called ASNA Visual RPG and is used by Finance to process various member fees payments. KOALA will be re-written to a Microsoft .NET web platform that can be better supported by in-house developers.

Credit Card Consolidation Services
The State Bar currently uses Wells Fargo Merchant Services, Authorize.Net and U.S. Bank to process credit cards. IT will oversee the consolidation to one credit card processor this year.

IT Security Assessment (Infrastructure)
IT will conduct a security assessment to include internal and external vulnerability assessments, IT controls review and security architecture assessment, policy procedure and gap analysis, wireless and

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

phone systems.

SF Courtroom AV
Web and video conferencing capability will be added to the SF courtrooms.

SF Boardroom AV
This project is to replace end-of-life and failing AV equipment in the SF 4th floor conference rooms.

IT Service Management System
This project is to replace an outdated software tool and process for the intake and management of IT service tickets.

	Positions				Expenditures			
EXPENDITURES BY CATEGORY	2015	2016	2017	2018	2015*	2016*	2017*	2018*
Supplemental Staffing					485	0	0	0
Travel & Training					15	0	0	0
Supplies and Postage					1	0	0	0
Professional Services					392	335	18	18
Computers & Software					70	0	0	0
TOTAL					963	335	18	18

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

Facilities Projects

This category includes capital improvement projects at the State Bar's headquarters at 180 Howard Street in San Francisco and its southern California office at 845 South Figueroa Street in Los Angeles. Capital improvement projects are undertaken, when necessary, to preserve these major physical assets and ensure that the buildings function efficiently and safely. Capital improvement projects are managed by the Office of General Services.

	Positions				Expenditures			
SUMMARY OF PROGRAM REQUIREMENTS	2015	2016	2017	2018	2015*	2016*	2017*	2018*
Facilities Projects - San Francisco					2,890	4,600	2,800	1,880
TOTAL					2,890	4,600	2,800	1,880

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

PROGRAM DESCRIPTIONS

Facilities Projects at 180 Howard Street, San Francisco
The Bar is progressing through a multi-year capital improvement plan for 180 Howard Street, focused primarily on upgrades to the building's Heating, Ventilation & Air Conditioning system. These upgrades are required due to normal aging, wear and tear and technical obsolescence of existing equipment.

Facilities Projects at 845 South Figueroa Street, Los Angeles
At this time there are no additional capital improvement projects scheduled at 845 South Figueroa Street.

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

	Positions				Expenditures			
EXPENDITURES BY CATEGORY	2015	2016	2017	2018	2015*	2016*	2017*	2018*
Buildings & Equipment					2,890	4,600	2,800	1,880
TOTAL					2,890	4,600	2,800	1,880

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

Admissions

		Positions				Expenditures			
SUMMARY OF COST CENTER REQUIREMENTS		**2015**	**2016**	**2017**	**2018**	**2015***	**2016***	**2017***	**2018***
20	Admissions Assets BU					277	4,816	4,873	4,943
20001	Admissions Overhead	3.0	3.0	3.0	3.0	829	701	667	683
20002	Admission Operations	26.0	28.0	28.0	28.0	10,897	9,250	9,338	9,428
20004	Admissions Administration	4.0	5.0	5.0	5.0	1,145	924	938	952
20007	Law School Regulation	2.0	2.0	2.0	2.0	448	332	340	350
20009	Admissions Revenue					3	0	0	0
20011	Examination Development	2.0	2.0	2.0	2.0	1,106	974	983	993
20013	Examination Grading	3.0	7.0	7.0	7.0	2,688	2,632	2,650	2,666
20019	Moral Character Determinations	12.0	13.0	13.0	13.0	2,166	1,626	1,670	1,717
20022	MCLE Provider Certification	2.0	2.0	2.0	2.0	287	176	181	186
20023	Special Admissions	2.0	2.0	2.0	2.0	312	190	195	201
24	Legal Specialization -Asset BU					39	398	404	410
24001	Legal Specialization	8.0	8.0	8.0	8.0	1,543	1,017	1,036	1,060
TOTAL		**64.0**	**72.0**	**72.0**	**72.0**	**21,740**	**23,036**	**23,275**	**23,589**

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

Chief Trial Counsel

	Positions				Expenditures			
SUMMARY OF COST CENTER REQUIREMENTS	2015	2016	2017	2018	2015*	2016*	2017*	2018*
10310 OCTC-Enforcement (Consolidated)	217.3	233.1	233.1	233.1	38,258	30,063	30,701	31,588
TOTAL	**217.3**	**233.1**	**233.1**	**233.1**	**38,258**	**30,063**	**30,701**	**31,588**

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

Probation

	Positions				Expenditures			
SUMMARY OF COST CENTER REQUIREMENTS	2015	2016	2017	2018	2015*	2016*	2017*	2018*
10601 Probation	8.0	8.0	8.0	8.0	1,332	939	959	985
TOTAL	**8.0**	**8.0**	**8.0**	**8.0**	**1,332**	**939**	**959**	**985**

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

Client Security Fund

		Positions				Expenditures			
SUMMARY OF COST CENTER REQUIREMENTS		**2015**	**2016**	**2017**	**2018**	**2015***	**2016***	**2017***	**2018***
27	Client Security -Asset BU					189	840	851	863
27001	CSF Administration	11.0	11.0	11.0	11.0	7,542	6,981	7,014	7,060
27002	CSF Commission					11	9	9	9
TOTAL		**11.0**	**11.0**	**11.0**	**11.0**	**7,742**	**7,830**	**7,874**	**7,932**

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

Mandatory Fee Arbitration

		Positions				Expenditures			
SUMMARY OF COST CENTER REQUIREMENTS		2015	2016	2017	2018	2015*	2016*	2017*	2018*
10503	Mandatory Fee Arb Committee					27	24	24	24
10504	Mandatory Fee Arbitration (Consolida	5.0	5.0	5.0	5.0	800	654	667	685
TOTAL		**5.0**	**5.0**	**5.0**	**5.0**	**827**	**678**	**691**	**709**

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

State Bar Court

		Positions				Expenditures			
SUMMARY OF COST CENTER REQUIREMENTS		**2015**	**2016**	**2017**	**2018**	**2015***	**2016***	**2017***	**2018***
10401	SBC Sr. Executive	2.9	2.9	2.9	2.9	899	589	601	616
10402	Hearing Admin.-SF	8.0	8.0	8.0	8.0	1,821	1,088	1,111	1,142
10403	Hearing Counsel LA/SF	7.0	7.0	7.0	7.0	2,081	1,346	1,375	1,416
10404	Hearing Judges	5.0	5.0	5.0	5.0	1,654	1,271	1,297	1,333
10405	Hearing/Effec./Admin.-LA	11.0	11.0	11.0	11.0	2,756	1,544	1,575	1,618
10407	Presiding/Review Judges	2.6	2.6	2.6	2.6	1,001	787	803	823
10408	Review Counsel/Clerk	6.0	6.0	6.0	6.0	1,745	943	962	989
TOTAL		**42.5**	**42.5**	**42.5**	**42.5**	**11,957**	**7,568**	**7,724**	**7,937**

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

Member Records & Compliance

		Positions				Expenditures			
SUMMARY OF COST CENTER REQUIREMENTS		**2015**	**2016**	**2017**	**2018**	**2015***	**2016***	**2017***	**2018***
10201	Child & Family Support					40	4	4	4
10251	Member Services Center	19.0	19.0	19.0	19.0	3,037	2,513	2,555	2,614
10252	Transition Assistance Services					31	28	28	28
TOTAL		**19.0**	**19.0**	**19.0**	**19.0**	**3,108**	**2,545**	**2,587**	**2,646**

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

Professional Competence

		Positions				Expenditures			
SUMMARY OF COST CENTER REQUIREMENTS		**2015**	**2016**	**2017**	**2018**	**2015***	**2016***	**2017***	**2018***
10702	COPRAC					60	46	46	46
10706	Prof. Resp. & Conduct	12.0	13.0	13.0	13.0	2,143	1,621	1,654	1,704
10708	Rules Revision Committee					144	162	162	162
10709	OPC Publications (Consolidated)					13	25	25	25
TOTAL		**12.0**	**13.0**	**13.0**	**13.0**	**2,360**	**1,854**	**1,887**	**1,937**

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

Education

SUMMARY OF COST CENTER REQUIREMENTS		Positions				Expenditures			
		2015	2016	2017	2018	2015*	2016*	2017*	2018*
10912	Calif. Young Lawyers Assoc. (Consolida		0.9	0.9	0.9	232	169	170	175
14	Annual Meeting Asset BU					0	52	51	52
14001	Annual Meeting Admin.	2.9	1.6	1.6	1.6	917	627	634	641
18	Affinity & Insurance Fund					418	107	110	111
18001	Group Insurance Programs		0.4	0.4	0.4	270	117	119	120
18002	Professional Liab Insurance	0.8	0.4	0.4	0.4	266	116	118	119
18004	Affinity Programs					88	63	63	63
70	Sections OH -Asset BU					75	1,501	1,517	1,541
70001	Sections Administration	16.2	17.2	17.2	17.2	1,387	2,529	2,574	2,637
70002	SEMS Pcard Default					4	4	4	4
71001	Antitrust Section Admin.					40	1	1	1
71200	Antitrust - Newsletter					17	20	20	20
71300	Antitrust - Publication					2	2	2	2
71400	Antitrust - GG Institute					124	19	19	19
71403	Antitrust-Online CLE					1	1	1	1
71500	Antitrust - SB Annual Mtg					2	0	0	0
71600	Antitrust - ExCom Mtg					68	65	65	65
72001	Business Law Section Admin.					274	7	7	7
72200	BusLaw Newsletter					102	101	101	101
72300	BusLaw General Publications					1	1	1	1
72400	BusLaw Section Retreat					55	24	24	24
72403	BusLaw Online CLE					3	3	3	3
72500	BusLaw Annual Meeting					21	13	13	13
72600	BusLaw Exec. Comm. Mtg.					51	39	39	39
72700	BusLaw AgriBus. Ctee. Mtgs.					12	11	11	11
72701	BusLaw Cons. Fin. Svcs. Comm.					7	7	7	7
72702	BusLaw Corp. Comm. Mtgs.					9	8	8	8
72704	BusLaw InsolvencyLaw Ctee.Mtgs					13	14	14	14
72705	BusLaw Educ. Comm. Mtg.					4	4	4	4
72706	BusLaw Fin. Inst. Comm.					4	4	4	4
72708	BusLaw Insurance Comm. Mtg.					3	3	3	3
72709	BusLaw Nonprofit Comm. Mtg.					21	21	21	21
72711	BusLaw Comm.Trans Comm. Mtg					1	1	1	1
72712	BusLaw Opinions Report Comm.					8	6	6	6
72713	BusLaw Cyberspace Law					8	3	3	3
72717	BusLaw Litigation Committee					3	4	4	4
73001	Criminal Law Section Admin.					57	5	5	5
73200	Criminal Law Journal					17	14	14	14
73400	Crim Law Stand-Alone					3	2	2	2

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

Education

		Positions				Expenditures			
SUMMARY OF COST CENTER REQUIREMENTS		2015	2016	2017	2018	2015*	2016*	2017*	2018*
73403	Crim Law Online CLE					1	1	1	1
73500	Criminal Law SB Annual Mtg					4	3	3	3
73600	Criminal Law ExCom Mtgs					53	24	24	24
74001	Enviro Law Sections Admin					100	18	18	18
74200	Enviro Law Newsletter					14	8	8	8
74400	Enviro Law One Day Edu Program					9	10	10	10
74401	Enviro Law Multi Day Edu Progr					3	4	4	4
74402	Enviro Law Out Reach Program					18	17	17	17
74403	Enviro Law Online CLE					1	1	1	1
74404	Enviro Law Student Negotiation					10	10	10	10
74405	Enviro Law Yosemite Conference					289	24	24	24
74500	EnviroLaw State Bar Annual Mtg					1	1	1	1
74600	Enviro Law ExCom Meeting					34	15	15	15
74601	Enviro Law ExCom Retreat					41	39	39	39
75001	Trust&Estate Section Admin					203	0	0	0
75200	Trust&Estate Newsletter					93	79	79	79
75300	Trust&Easte Other Publications					5	6	6	6
75400	Trust&Estate Fall Program					40	7	7	7
75401	Trust&Estate Other Programs					60	62	62	62
75402	Trust&Estate Sr. Projects					3	3	3	3
75403	Trust&Estate Online CLE					1	1	1	1
75500	Trust&Estate SBC-AM					26	21	21	21
75600	Trust&Estate ExCom Meeting					122	114	114	114
75605	Trust&Estate Retreat					19	20	20	20
76001	Family Law Section Admin.					139	12	12	12
76200	Family Law Newsletter					44	41	41	41
76403	Family Law Online CLE					2	2	2	2
76500	Family Law SB Annual Mtg					13	15	15	15
76600	Family Law ExCom Mtg					161	162	162	162
76700	Family Law Sub Committees					39	31	31	31
77001	Intel. Prop. Sections Admin.					226	10	10	10
77200	Intel. Prop-Publication					68	59	59	59
77300	Intel. Prop-Treatise					12	14	14	14
77401	Intel. Prop-Institute					79	105	105	105
77403	Intel. Prop-Online CLE					5	4	4	4
77406	Intel. Prop-Trademark					52	51	51	51
77409	Intel. Prop Federal Circuit					19	19	19	19
77410	Intel. Prop-WIPO/EPO/JPO/CPO					4	4	4	4
77411	Intel. Prop-Issue Entertainmnt					19	11	11	11

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

Education

SUMMARY OF COST CENTER REQUIREMENTS		Positions				Expenditures			
		2015	2016	2017	2018	2015*	2016*	2017*	2018*
77500	Intel. Prop. Annual Mtg					1	1	1	1
77600	Intel. Prop. ExCom Mtg					116	65	65	65
77814	Intel. Prop. Wash DC Program					9	9	9	9
78001	Intl. Law Section Admin					43	5	5	5
78200	Int'l Law Journal					18	14	14	14
78401	Int'l Law Multi-Day Program					7	7	7	7
78403	Int'l Law Online CLE					2	2	2	2
78500	Int't Law State Bar Annual Mtg					21	17	17	17
78600	Int'l Law ExCom Meeting					13	13	13	13
78603	Int'l Law ExCom Retreat					13	3	3	3
79001	Labor & Empl. Administration					283	51	51	51
79200	Labor & Empl. Newsletter					78	77	77	77
79300	Labor & Empl. Publication					20	23	23	23
79401	Labor & Empl. Section AN Mtg.					158	166	166	166
79402	Labor & Empl. Pub. Sector Conf					71	77	77	77
79403	Labor & Empl. Online CLE					1	0	0	0
79404	Labor & Empl. Wage & Hour Prog					87	0	0	0
79405	Labor & Empl. New Lawyer Prog					13	13	13	13
79500	Labor & Empl. SB Annual Mtg.					1	0	0	0
79600	Labor & Empl. ExCom Mtg.					85	57	57	57
80001	LPMT - Section Admin.					34	0	0	0
80600	LPMT - ExCom Mtg					28	27	27	27
81001	Lit.-Administration					297	4	4	4
81200	Lit.- CA Litigation Journal					113	96	96	96
81201	Lit.-Litigation update E-newsl					3	3	3	3
81300	Lit.-Litigation Review					25	29	29	29
81400	Lit.-Week in Legal London					142	153	153	153
81401	Lit.-Insurance Staff Counsel					1	1	1	1
81402	Lit.-Best Practices Program					8	9	9	9
81403	Lit.-Online CLE Programs					2	2	2	2
81500	Lit.-SB Annual Mtg					1	0	0	0
81600	Lit.-ExCom Mtg					42	30	30	30
81700	Lit.-SubCommittees					1	1	1	1
81800	Lit.-Trial Lawyer Hall of Fame					1	0	0	0
82001	Public Law Section Admin					56	2	2	2
82200	Public Law Journal					9	8	8	8
82400	Public Law Programs					59	45	45	45
82403	Public Law Online CLE					1	1	1	1
82500	Public Law SB Annual Meeting					1	1	1	1

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

Education

		Positions				Expenditures			
SUMMARY OF COST CENTER REQUIREMENTS		2015	2016	2017	2018	2015*	2016*	2017*	2018*
82600	Public Law ExCom Meeting					44	38	38	38
82700	PLOY					11	8	8	8
83001	Real Property - Sec Admin					213	7	7	7
83200	Real Property - Journal					65	51	51	51
83400	Real Property - Retreat					140	143	143	143
83401	Real Property - Boot Camp					16	8	8	8
83402	Real Property - Subsection CLE					9	9	9	9
83403	Real Property - Online CLE					8	10	10	10
83404	Real Property - REAL Symposium					42	40	40	40
83405	Real Property - Education					1	1	1	1
83500	Real Property - Annual Mtgs					14	4	4	4
83600	Real Property - ExCom Mtgs					123	96	96	96
83700	Real Property - Subscetion					15	4	4	4
84001	Solo-Section Admin					46	0	0	0
84300	Solo - Big News					22	21	21	21
84400	Solo - Programs					2	2	2	2
84500	Solo-SB Annual Mtg					7	5	5	5
84600	Solo-ExCom Mtg					34	35	35	35
85001	Taxation Law- Sec Admin					112	2	2	2
85200	California Tax Lawyer Journal					36	33	33	33
85400	Tax AM & Cal Tax Policy Conf					87	46	46	46
85401	Tax - Estate & Gift Tax Conf					40	43	43	43
85402	Income & "Other" Tax Program					12	13	13	13
85403	Tax - Online CLE Programs					2	1	1	1
85404	Young Tax Lawyers Program					153	4	4	4
85600	Tax-ExCom Mtgs					81	80	80	80
85700	Wash D.C. Delegation					17	18	18	18
85701	Eagle Ldge W-State Tax Cte Con					14	15	15	15
85706	Tax Procedure&Litigation Comm					1	1	1	1
85710	Young Tax Lawyers LA Chapter					1	0	0	0
85720	Sacramento Delegation					2	2	2	2
86001	Workers' Comp - Sec Admin					97	2	2	2
86200	Workers' Comp Newsletter					31	22	22	22
86400	Workers' Comp Spring Programs					61	63	63	63
86401	Workers' Comp Central Coast					13	13	13	13
86402	Workers' Comp Summer Programs					46	49	49	49
86403	Workers' Comp Online CLE					2	2	2	2
86404	Workers' Comp Education					25	27	27	27
86405	Workers' Comp Fall Programs					25	12	12	12

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

Education

		Positions				Expenditures			
SUMMARY OF COST CENTER REQUIREMENTS		2015	2016	2017	2018	2015*	2016*	2017*	2018*
86500	Workers' Comp - SB Ann. Mtg					28	8	8	8
86600	Workers' Comp - Exec. Comm Mtg					45	18	18	18
87001	Council of SB Sections					52	-2	-2	-2
88	Education Fund					0	192	133	141
88001	Officewide Education		2.4	2.4	2.4	79	291	297	303
88002	Solo Summit (Even Years)					126	135	135	135
TOTAL		**19.8**	**22.8**	**22.8**	**22.8**	**10,484**	**9,300**	**9,322**	**9,439**

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

Legal Services

		Positions				Expenditures			
SUMMARY OF COST CENTER REQUIREMENTS		**2015**	**2016**	**2017**	**2018**	**2015***	**2016***	**2017***	**2018***
10901	Commission on Access to Justic					15	21	21	21
10905	Comm. on Delivery of Legal Svc	9.0	9.0	9.0	9.0	1,884	1,232	1,258	1,292
11947	Pgrm. Dev.-Project					34	0	0	0
28	LSTF Asset BU					163	443	451	458
28002	LSTF Grants					10,064	11,108	11,108	11,108
28005	LSTF Administration (Consolidated)	8.0	11.0	11.0	11.0	1,184	1,422	1,449	1,487
29001	Equal Access -Admin					434	192	192	192
29002	Equal Access -Grants					17,965	15,000	15,000	15,000
32	Justice Gap Fund - BU					935	0	0	0
TOTAL		**17.0**	**20.0**	**20.0**	**20.0**	**32,678**	**29,418**	**29,479**	**29,558**

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

Diversity & Bar Relations

		Positions				Expenditures			
SUMMARY OF COST CENTER REQUIREMENTS		2015	2016	2017	2018	2015*	2016*	2017*	2018*
12441	10th Anniversary Programs					19	18	18	18
12445	Incubator/Modest Means Project					197	51	51	51
17	Elim. of Bias Assets BU					95	352	356	361
17001	Voluntary Bar Support	2.0	2.0	2.0	2.0	376	328	336	345
17007	Center for Access & Fairness	2.0	2.0	2.0	2.0	473	358	365	374
17008	Spring Summit					30	28	28	28
17009	Bar Leaders Conference					28	25	25	25
17012	Council on Access & Fairness					31	23	23	23
17020	Bar-Wide Charges					42	40	40	40
TOTAL		**4.0**	**4.0**	**4.0**	**4.0**	**1,291**	**1,223**	**1,242**	**1,265**

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

Lawyer Assistance Program

		Positions				Expenditures			
SUMMARY OF COST CENTER REQUIREMENTS		2015	2016	2017	2018	2015*	2016*	2017*	2018*
21	Lawyer Assist Program-Asset BU					79	544	552	559
21000	Lawyer Assist Program (Consolidated)	7.0	7.0	7.0	7.0	1,512	1,080	1,099	1,126
TOTAL		**7.0**	**7.0**	**7.0**	**7.0**	**1,591**	**1,624**	**1,651**	**1,685**

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

Executive Director

		Positions				Expenditures			
SUMMARY OF COST CENTER REQUIREMENTS		2015	2016	2017	2018	2015*	2016*	2017*	2018*
10001	Executive Director	7.0	9.0	9.0	9.0	1,438	2,224	2,253	2,309
10002	Appointments Administration	1.0	1.0	1.0	1.0	121	101	103	106
10003	Board of Trustees					252	181	181	181
10005	Elections					55	55	55	55
10010	Public Interest Task Force					0	46	46	46
10101	Judicial Evaluation	4.0	4.0	4.0	4.0	792	677	687	701
16	Leg. Activities -Assets BU					15	155	157	159
16001	Legal Activities Assistance	2.0	2.0	2.0	2.0	436	338	344	355
16002	Leg. Affairs & Activities					36	79	79	79
16003	Comm. on Admin. of Justice					6	5	5	5
16004	Comm. on Appellate Courts					19	8	8	8
16005	Comm. on Federal Courts					6	4	4	4
16006	Comm. on Alt. Dispute Resol.					16	7	7	7
23602	Library/Archives-SF&LA	2.0	2.0	2.0	2.0	546	696	704	710
23604	Library-LA					3	3	3	3
TOTAL		**16.0**	**18.0**	**18.0**	**18.0**	**3,741**	**4,579**	**4,636**	**4,728**

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

Finance

SUMMARY OF COST CENTER REQUIREMENTS		Positions				Expenditures			
		2015	2016	2017	2018	2015*	2016*	2017*	2018*
23101	Finance	7.6	10.6	10.6	10.6	2,945	2,936	2,965	3,005
23103	Member Billing	6.0	7.0	7.0	7.0	1,777	2,037	2,053	2,074
23105	Procurement	3.0	2.0	2.0	2.0	374	210	214	219
23321	Risk Management/Insurance					858	849	849	849
TOTAL		**16.6**	**19.6**	**19.6**	**19.6**	**5,954**	**6,032**	**6,081**	**6,147**

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

General Counsel

	Positions				Expenditures			
SUMMARY OF COST CENTER REQUIREMENTS	2015	2016	2017	2018	2015*	2016*	2017*	2018*
23001 General Counsel	16.0	23.0	23.0	23.0	3,750	4,847	4,932	5,046
TOTAL	**16.0**	**23.0**	**23.0**	**23.0**	**3,750**	**4,847**	**4,932**	**5,046**

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

Human Resources

	Positions				Expenditures			
SUMMARY OF COST CENTER REQUIREMENTS	2015	2016	2017	2018	2015*	2016*	2017*	2018*
23206 Human Resources (Consolidated)	7.0	9.0	9.0	9.0	1,508	1,531	1,556	1,590
TOTAL	**7.0**	**9.0**	**9.0**	**9.0**	**1,508**	**1,531**	**1,556**	**1,590**

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

Information Technology

	Positions				Expenditures			
SUMMARY OF COST CENTER REQUIREMENTS	2015	2016	2017	2018	2015*	2016*	2017*	2018*
23600 IT (Consolidated)	18.0	27.0	27.0	27.0	5,201	6,451	6,540	6,661
TOTAL	**18.0**	**27.0**	**27.0**	**27.0**	**5,201**	**6,451**	**6,540**	**6,661**

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

Communications

SUMMARY OF COST CENTER REQUIREMENTS		Positions				Expenditures			
		2015	2016	2017	2018	2015*	2016*	2017*	2018*
10801	Media & Info. Svcs.	3.8	4.8	4.8	4.8	1,540	1,050	1,067	1,093
10802	Calif. Bar Journal	1.0	1.0	1.0	1.0	284	166	169	173
TOTAL		**4.8**	**5.8**	**5.8**	**5.8**	**1,824**	**1,216**	**1,236**	**1,266**

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

General Services

		Positions				Expenditures			
SUMMARY OF COST CENTER REQUIREMENTS		2015	2016	2017	2018	2015*	2016*	2017*	2018*
23310	General Services LA	8.0	8.0	8.0	8.0	2,301	2,309	2,330	2,351
23350	General Services SF	14.0	11.0	11.0	11.0	3,645	3,979	3,999	4,032
23358	SF Print Shop	3.0	3.0	3.0	3.0	190	187	196	204
TOTAL		**25.0**	**22.0**	**22.0**	**22.0**	**6,136**	**6,475**	**6,525**	**6,587**

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

Technology Projects

		Positions				Expenditures			
SUMMARY OF COST CENTER REQUIREMENTS		2015	2016	2017	2018	2015*	2016*	2017*	2018*
19009	OCTC System Replacement					498	317	0	0
19010	SBC System Replacement					29	0	0	0
19016	Enterprise Cont Mgt					27	0	0	0
19018	Admission System					173	0	0	0
19022	IT Hardware					15	18	18	18
19024	SF Courtroom Upgrade					70	0	0	0
19025	JNE Commission					151	0	0	0
TOTAL						**963**	**335**	**18**	**18**

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

Facilities Projects

		Positions				Expenditures			
SUMMARY OF COST CENTER REQUIREMENTS		2015	2016	2017	2018	2015*	2016*	2017*	2018*
26	Building -Asset BU					2,890	4,600	2,800	1,880
TOTAL						**2,890**	**4,600**	**2,800**	**1,880**

** 2015 Pre-Close Actual, 2016-18 Budget, $ thousands*

2016 Indirect Cost Allocation Budget

Fund Description	Indirect Cost Transfer Out	Indirect Cost Allocated	Net Allocation
Consolidated General Fund			
General Fund (10)	(2,776,600)	22,431,100	19,654,500
Building Fund (26)	-	-	-
Legal Educ. And Dev. Fund (18)	-	106,900	106,900
LA Facility Fund (35)	(2,300,000)	-	(2,300,000)
Public Protection Fund (25)	-	-	-
Support & Adm (23)	(26,269,300)	-	(26,269,300)
Technology Fund (19)	-	-	-
Fixed Asset Fund (15)	-	-	-
Benefit Reserve Fund (34)	-	-	-
Total Consolidated General Fund:	**(31,345,900)**	**22,538,000**	**(8,807,900)**
Special Revenue Fund Group:			
Admissions Fund (20)	-	4,690,300	4,690,300
Annual Mtg Fund (14)	-	51,800	51,800
Grant Fund (12)	-	-	-
Sections (70-89)	-	1,458,700	1,458,700
Total Special Revenue Fund Group:	-	**6,200,800**	**6,200,800**
Restricted Fund Group:			
Legislative Activities Fund (16)	-	155,000	155,000
Elimination of Bias/Bar Relations Fund (17)	-	310,100	310,100
Lawyer Assistance Program (21)	-	523,200	523,200
Legal Specialization Fund (24)	-	376,900	376,900
Client Security Fund (27)	-	819,500	819,500
Info. Tech Special Assessment Fund (31)	-	-	-
Legal Service Trust Fund (28)	-	414,200	414,200
Equal Access Fund (29)	-	8,200	8,200
Justice Gap Fund (32)	-	-	-
Total Restricted Fund Group:	-	**2,607,100**	**2,607,100**
Grand Total:	**(31,345,900)**	**31,345,900**	-

Wages and Salary Supplement

	Budgeted FTE			Expenditures		
	2016	2017	2018	2016 Budget	2017 Budget	2018 Budget
Admissions						
Admissions Administration						
Sr Director, Admissions	1.00	1.00	1.00	207,700	214,000	220,400
Admin Specialist II	1.00	1.00	1.00	77,200	79,500	81,900
Section Chief	1.00	1.00	1.00	92,500	95,300	98,100
Administrative Assistant II	2.00	2.00	2.00	120,600	124,200	128,000
Admissions Analyst III	1.00	1.00	1.00	72,100	74,300	76,500
Administrative Assistant I	2.00	2.00	2.00	112,600	116,000	119,500
Admissions Administration Total	8.00	8.00	8.00	682,700	703,300	724,400
Examination Development						
Director, Examinations	1.00	1.00	1.00	151,600	156,200	160,800
Examinations Technician	1.00	1.00	1.00	95,900	98,800	101,700
Examination Development Total	2.00	2.00	2.00	247,500	255,000	262,500
Admissions Operations and Processing						
Director, Operations & Mgmt	1.00	1.00	1.00	151,600	156,200	160,800
Deputy Dir, Operations & Mgmt	1.00	1.00	1.00	139,800	144,000	148,300
Section Chief	4.00	4.00	4.00	388,100	399,700	411,700
Technology Svce Analyst Techn	1.00	1.00	1.00	95,900	98,800	101,700
Sr Administrative Assistant	2.00	2.00	2.00	166,900	171,900	177,100
Senior Admin Assistant	1.00	1.00	1.00	81,200	83,600	86,100
Admis Eligibility Analyst III	1.00	1.00	1.00	76,400	78,700	81,000
Eligibility Analyst II	1.00	1.00	1.00	56,300	58,000	59,700
Admissions Analyst III	1.00	1.00	1.00	72,100	74,300	76,500
Administrative Assistant II	2.00	2.00	2.00	137,000	141,100	145,400
Admis Eligibility Analyst II	2.00	2.00	2.00	133,700	137,700	141,900
Accounting Technician	1.00	1.00	1.00	59,500	61,300	63,100
Administrative Assistant I	2.00	2.00	2.00	124,500	128,200	132,000
Admissions Analyst II	1.00	1.00	1.00	59,200	60,900	62,800
Coordinator Of Records	4.00	4.00	4.00	236,200	243,300	250,600
Admissions Analyst I	1.00	1.00	1.00	53,600	55,200	56,900
Admissions Analyst I / General Cler	1.00	1.00	1.00	35,100	36,100	37,200
Coordinator Of Records	1.00	1.00	1.00	35,200	36,200	37,300
Admissions Operations and Processing Total	28.00	28.00	28.00	2,102,300	2,165,200	2,230,100
Examination Grading						
Director, Admissions Admin	1.00	1.00	1.00	128,900	132,800	136,800
Sr Administrative Assistant	1.00	1.00	1.00	68,700	70,800	72,900
Administrative Secretary	1.00	1.00	1.00	47,200	48,700	50,100
Admissions Coordinator	1.00	1.00	1.00	45,500	46,900	48,300
Pending - General Clerk	2.00	2.00	2.00	70,300	72,500	74,600

	Budgeted FTE			Expenditures		
	2016	2017	2018	2016 Budget	2017 Budget	2018 Budget
Admissions Processing Clerk II	1.00	1.00	1.00	48,500	49,900	51,400
Examination Grading Total	7.00	7.00	7.00	409,100	421,600	434,100
Moral Character Determinations						
Dir, Moral Char Determinations	1.00	1.00	1.00	143,200	147,500	151,900
Section Chief	2.00	2.00	2.00	196,400	202,300	208,300
Moral Character Analyst	9.00	9.00	9.00	701,900	722,900	744,600
Administrative Assistant II	1.00	1.00	1.00	72,100	74,300	76,500
Moral Character Determinations Total	13.00	13.00	13.00	1,113,600	1,147,000	1,181,300
Law School Regulation						
Director,Educational Standards	1.00	1.00	1.00	150,500	155,000	159,700
Sr Administrative Assistant	1.00	1.00	1.00	70,800	72,900	75,100
Law School Regulation Total	2.00	2.00	2.00	221,300	227,900	234,800
Special Admissions						
Administrative Assistant II	1.00	1.00	1.00	72,100	74,300	76,500
Administrative Assistant I	1.00	1.00	1.00	58,800	60,600	62,400
Special Admissions Total	2.00	2.00	2.00	130,900	134,900	138,900
Specialization						
Director, Legal Specialization	1.00	1.00	1.00	151,600	156,200	160,800
Section Chief, Specialization	1.00	1.00	1.00	91,900	94,600	97,400
Sr Administrative Assistant	1.00	1.00	1.00	68,400	70,400	72,500
Administrative Assistant II	3.00	3.00	3.00	177,800	183,100	188,600
Administrative Assistant I	2.00	2.00	2.00	100,600	103,600	106,700
Specialization Total	8.00	8.00	8.00	590,300	607,900	626,000
MCLE Providers						
Administrative Assistant II	1.00	1.00	1.00	65,700	67,700	69,700
Administrative Assistant I	1.00	1.00	1.00	53,500	55,100	56,800
MCLE Providers Total	2.00	2.00	2.00	119,200	122,800	126,500
Admissions Total	**72.00**	**72.00**	**72.00**	**5,616,900**	**5,785,600**	**5,958,600**

	Budgeted FTE			Expenditures		
	2016	2017	2018	2016 Budget	2017 Budget	2018 Budget
Chief Trial Counsel						
Chief Trial Counsel						
Chief Trial Counsel	1.00	1.00	1.00	228,500	235,400	242,400
Deputy Chief Trial Counsel	1.00	1.00	1.00	187,800	193,400	199,200
Special Asst. Chief Trial Cnsl	1.00	1.00	1.00	96,300	99,200	102,200
Assistant Chief Trial Counsel	5.00	5.00	5.00	775,900	799,200	823,100
Director, Central Admin, CTC	1.00	1.00	1.00	152,700	157,300	162,000
Director Of Administration	1.00	1.00	1.00	86,800	89,400	92,100
Executive Secretary Conf	2.00	2.00	2.00	168,400	173,400	178,600
Senior Attorney	32.30	32.30	32.30	4,568,400	4,705,500	4,846,600
Attorney	34.80	34.80	34.80	3,608,100	3,716,300	3,827,800
Investigator Supervisor	6.00	6.00	6.00	522,500	538,200	554,300
Sr Administrative Supervisor	1.00	1.00	1.00	94,100	97,000	99,900
Sr. Administrative Supervisor	1.00	1.00	1.00	83,700	86,200	88,800
Lead Data Analyst	1.00	1.00	1.00	55,900	57,600	59,300
Investigator II	40.00	40.00	40.00	3,555,300	3,662,000	3,771,800
Sr Administrative Assistant	3.00	3.00	3.00	254,400	262,000	269,900
Program/Court Sys Anlst	2.00	2.00	2.00	160,700	165,600	170,500
Paralegal	15.00	15.00	15.00	1,233,200	1,270,200	1,308,300
Complaint Analyst II	15.00	15.00	15.00	1,209,000	1,245,200	1,282,600
Investigator I	2.00	2.00	2.00	140,900	145,100	149,400
Complaint Analyst I	6.00	6.00	6.00	423,400	436,100	449,200
Administrative Assistant II	1.00	1.00	1.00	72,100	74,300	76,500
Admin Secretary	1.00	1.00	1.00	55,700	57,400	59,100
Legal Secretary	16.00	16.00	16.00	1,024,000	1,054,700	1,086,400
Administrative Secretary	7.00	7.00	7.00	454,400	468,000	482,000
Secretary II	12.00	12.00	12.00	728,700	750,600	773,100
Coordinator Of Records	18.00	18.00	18.00	1,061,600	1,093,500	1,126,300
Administrative Assistant I	2.00	2.00	2.00	130,600	134,500	138,500
General Clerk III	5.00	5.00	5.00	238,600	245,800	253,200
Chief Trial Counsel Total	233.10	233.10	233.10	21,371,700	22,013,100	22,673,100
Chief Trial Counsel Total	**233.10**	**233.10**	**233.10**	**21,371,700**	**22,013,100**	**22,673,100**

	Budgeted FTE			Expenditures		
	2016	2017	2018	2016 Budget	2017 Budget	2018 Budget
Probation						
Probation						
Senior Attorney	1.00	1.00	1.00	157,500	162,200	167,100
Probation Deputy	6.00	6.00	6.00	443,600	456,900	470,600
Administrative Assistant II	1.00	1.00	1.00	66,800	68,800	70,900
Probation Total	8.00	8.00	8.00	667,900	687,900	708,600
Probation Total	**8.00**	**8.00**	**8.00**	**667,900**	**687,900**	**708,600**

	Budgeted FTE			Expenditures		
	2016	2017	2018	2016 Budget	2017 Budget	2018 Budget
Client Security Fund						
Client Security Fund						
Director, Client Security Fund	1.00	1.00	1.00	171,600	176,700	182,000
Senior Attorney	2.00	2.00	2.00	315,000	324,400	334,200
Sr Administrative Supervisor	1.00	1.00	1.00	105,200	108,400	111,600
Paralegal	2.00	2.00	2.00	166,300	171,300	176,500
Legal Secretary	1.00	1.00	1.00	65,600	67,500	69,600
Administrative Secretary	1.00	1.00	1.00	72,100	74,300	76,500
Administrative Assistant II	2.00	2.00	2.00	139,700	143,900	148,200
Coordinator Of Records	1.00	1.00	1.00	65,300	67,300	69,300
Client Security Fund Total	11.00	11.00	11.00	1,100,800	1,133,800	1,167,900
Client Security Fund Total	**11.00**	**11.00**	**11.00**	**1,100,800**	**1,133,800**	**1,167,900**

	Budgeted FTE			Expenditures		
	2016	2017	2018	2016 Budget	2017 Budget	2018 Budget
Mandatory Fee Arbitration						
Mandatory Fee Arbitration						
Director, Fee Arbitration	1.00	1.00	1.00	125,200	129,000	132,900
Sr Administrative Assistant	3.00	3.00	3.00	227,400	234,200	241,200
Administrative Assistant II	1.00	1.00	1.00	70,300	72,400	74,500
Mandatory Fee Arbitration Total	5.00	5.00	5.00	422,900	435,600	448,600
Mandatory Fee Arbitration Total	**5.00**	**5.00**	**5.00**	**422,900**	**435,600**	**448,600**

	Budgeted FTE			Expenditures		
	2016	2017	2018	2016 Budget	2017 Budget	2018 Budget
State Bar Court						
Administration						
Senior Dir State Bar Court	1.00	1.00	1.00	203,200	209,300	215,600
Admin Specialist III (Conf)	1.00	1.00	1.00	101,800	104,800	108,000
Sr Administrative Secretary	0.90	0.90	0.90	71,400	73,500	75,700
Administration Total	2.90	2.90	2.90	376,400	387,600	399,300
Hearing Department & Effectuations Unit						
Chief Assistant Court Counsel	1.00	1.00	1.00	171,600	176,700	182,000
Court Administrator	2.00	2.00	2.00	307,500	316,700	326,200
Senior Attorney	5.00	5.00	5.00	730,300	752,200	774,800
Hearing Judge	5.00	5.00	5.00	874,000	900,200	927,200
Case Administrator	10.00	10.00	10.00	927,600	955,500	984,100
Lead Data Analyst	1.00	1.00	1.00	91,900	94,700	97,500
Court Services Analyst/Tech	1.00	1.00	1.00	95,900	98,800	101,700
Program/Court Sys Anlst	2.00	2.00	2.00	145,600	149,900	154,400
Deputy Court Clerk IV	2.00	2.00	2.00	154,800	159,500	164,300
Administrative Assistant II	1.00	1.00	1.00	63,100	65,000	66,900
Legal Secretary	1.00	1.00	1.00	72,100	74,300	76,500
Hearing Department & Effectuations Unit To	31.00	31.00	31.00	3,634,400	3,743,500	3,855,600
Review Department						
Chief Assistant Court Counsel	1.00	1.00	1.00	161,100	165,900	170,900
Senior Attorney	3.00	3.00	3.00	323,800	333,500	343,500
Review Judge	1.60	1.60	1.60	314,000	323,400	333,100
Presiding Judge	1.00	1.00	1.00	191,400	197,100	203,100
Case Administrator	2.00	2.00	2.00	176,900	182,200	187,600
Review Department Total	8.60	8.60	8.60	1,167,200	1,202,100	1,238,200
State Bar Court Total	**42.50**	**42.50**	**42.50**	**5,178,000**	**5,333,200**	**5,493,100**

	Budgeted FTE			Expenditures		
	2016	2017	2018	2016 Budget	2017 Budget	2018 Budget
Member Records & Compliance						
Member Service Center						
Mging Dir Memb Rec & Comp	1.00	1.00	1.00	124,600	128,300	132,200
Sr Administrative Supervisor	2.00	2.00	2.00	201,600	207,700	213,900
Lead Data Analyst	1.00	1.00	1.00	75,300	77,600	79,900
Sr Administrative Assistant	1.00	1.00	1.00	77,000	79,300	81,700
Membership Services Rep	2.00	2.00	2.00	150,700	155,200	159,900
Member Services Representative	1.00	1.00	1.00	68,000	70,000	72,100
Member Services Associate	6.00	6.00	6.00	402,800	414,900	427,400
Administrative Assistant II	1.00	1.00	1.00	72,100	74,300	76,500
Administrative Assistant I	4.00	4.00	4.00	231,000	238,000	245,100
Member Service Center Total	19.00	19.00	19.00	1,403,100	1,445,300	1,488,700
Member Records & Compliance Total	**19.00**	**19.00**	**19.00**	**1,403,100**	**1,445,300**	**1,488,700**

	Budgeted FTE			Expenditures		
	2016	2017	2018	2016 Budget	2017 Budget	2018 Budget
Professional Competence						
Outreach & Education						
Director, Professnl Competnce	1.00	1.00	1.00	171,600	176,700	182,000
Sr Administrative Specialist	1.00	1.00	1.00	111,200	114,500	117,900
Attorney	1.00	1.00	1.00	104,100	107,200	110,400
Sr Administrative Assistant	1.00	1.00	1.00	87,300	89,900	92,600
Paralegal	7.00	7.00	7.00	551,700	568,300	585,300
Administrative Secretary	1.00	1.00	1.00	70,100	72,300	74,400
Data Analyst II	1.00	1.00	1.00	58,900	60,700	62,500
Outreach & Education Total	13.00	13.00	13.00	1,154,900	1,189,600	1,225,100
Professional Competence Total	**13.00**	**13.00**	**13.00**	**1,154,900**	**1,189,600**	**1,225,100**

	Budgeted FTE			Expenditures		
	2016	2017	2018	2016 Budget	2017 Budget	2018 Budget
Education						
Sections						
Senior Director Education	0.80	0.80	0.80	152,200	156,800	161,500
Dir, Section Educ & Mtg Svcs	0.80	0.80	0.80	106,600	109,800	113,100
Meeting & Event Administrator	1.70	1.70	1.70	163,400	168,300	173,400
Section Coordinator	6.70	6.70	6.70	663,700	683,600	704,100
Web Administrator	1.90	1.90	1.90	130,500	134,400	138,400
Sr Administrative Assistant	0.85	0.85	0.85	63,300	65,200	67,200
Administrative Assistant II	5.75	5.75	5.75	354,800	365,500	376,400
Admin Assistant I	1.00	1.00	1.00	42,700	44,000	45,300
Sections Total	19.50	19.50	19.50	1,677,200	1,727,600	1,779,400
Annual Meeting						
Senior Director Education	0.10	0.10	0.10	19,000	19,600	20,200
Dir, Section Educ & Mtg Svcs	0.15	0.15	0.15	20,000	20,600	21,200
Meeting & Event Administrator	0.30	0.30	0.30	28,800	29,700	30,600
Sr Administrative Assistant	0.15	0.15	0.15	11,200	11,500	11,900
Administrative Assistant II	0.90	0.90	0.90	110,300	113,600	117,000
Annual Meeting Total	1.60	1.60	1.60	189,300	195,000	200,900
Affinity & Insurance						
Sr Administrative Assistant	0.80	0.80	0.80	67,500	69,500	71,600
Affinity & Insurance Total	0.80	0.80	0.80	67,500	69,500	71,600
CYLA						
Senior Director Education	0.10	0.10	0.10	19,000	19,600	20,200
Dir, Section Educ & Mtg Svcs	0.05	0.05	0.05	6,700	6,900	7,100
Section Coordinator	0.30	0.30	0.30	29,300	30,200	31,100
Web Administrator	0.10	0.10	0.10	7,500	7,700	8,000
Administrative Assistant II	0.35	0.35	0.35	20,300	20,900	21,500
CYLA Total	0.90	0.90	0.90	82,800	85,300	87,900
Education Total	**22.80**	**22.80**	**22.80**	**2,016,800**	**2,077,400**	**2,139,800**

	Budgeted FTE			Expenditures		
	2016	2017	2018	2016 Budget	2017 Budget	2018 Budget
Legal Services						
Program Development						
Sr Director Admin Of Justice	1.00	1.00	1.00	190,300	196,000	201,900
Program Developer	3.00	3.00	3.00	315,700	325,200	334,900
Sr Administrative Assistant	1.00	1.00	1.00	71,300	73,400	75,600
Program Coordinator	1.00	1.00	1.00	60,100	61,900	63,800
Administrative Assistant II	2.00	2.00	2.00	143,800	148,100	152,500
Admin Assistant II	1.00	1.00	1.00	57,800	59,500	61,300
Program Development Total	9.00	9.00	9.00	839,000	864,100	890,000
Legal Services Funding						
Mangng Dir, Lgl Svcs Trust Fnd	1.00	1.00	1.00	139,800	144,000	148,300
Senior Accountant/Auditor	2.00	2.00	2.00	199,600	205,600	211,700
Senior Grants Administrator	1.00	1.00	1.00	105,200	108,400	111,600
Sr Administrative Assistant	2.00	2.00	2.00	156,600	161,300	166,100
Senior Admin Assistant	1.00	1.00	1.00	68,400	70,400	72,500
Program Coordinator	1.00	1.00	1.00	51,900	53,500	55,100
Compliance Auditor I	3.00	3.00	3.00	188,100	193,800	199,600
Legal Services Funding Total	11.00	11.00	11.00	909,600	937,000	964,900
Legal Services Total	**20.00**	**20.00**	**20.00**	**1,748,600**	**1,801,100**	**1,854,900**

	Budgeted FTE			Expenditures		
	2016	2017	2018	2016 Budget	2017 Budget	2018 Budget
Diversity & Bar Relations						
Elimination of Bias						
Managing Dir Diversity Outreac	1.00	1.00	1.00	139,800	144,000	148,300
Sr Administrative Assistant	1.00	1.00	1.00	77,100	79,400	81,800
Elimination of Bias Total	2.00	2.00	2.00	216,900	223,400	230,100
Bar Relations						
Managing Director Bar Relation	1.00	1.00	1.00	139,800	144,000	148,300
Program/Court Sys Anist	1.00	1.00	1.00	87,300	89,900	92,600
Bar Relations Total	2.00	2.00	2.00	227,100	233,900	240,900
Diversity & Bar Relations Total	**4.00**	**4.00**	**4.00**	**444,000**	**457,300**	**471,000**

	Budgeted FTE			Expenditures		
	2016	2017	2018	2016 Budget	2017 Budget	2018 Budget
Lawyer Assistance Program						
Lawyer Assistance Program						
	1.00	1.00	1.00	134,200	138,200	142,400
Case Manager	4.00	4.00	4.00	383,000	394,500	406,300
Program/Court Sys Anlst	1.00	1.00	1.00	78,700	81,000	83,500
Administrative Assistant II	1.00	1.00	1.00	65,100	67,100	69,100
Lawyer Assistance Program Total	7.00	7.00	7.00	661,000	680,800	701,300
Lawyer Assistance Program Total	**7.00**	**7.00**	**7.00**	**661,000**	**680,800**	**701,300**

	Budgeted FTE			Expenditures		
	2016	2017	2018	2016 Budget	2017 Budget	2018 Budget
Executive Director						
Management, Oversight and Planning						
Exec Dir/Chief Exec Officer	1.00	1.00	1.00	273,600	281,800	290,200
Chief Operating Officer	1.00	1.00	1.00	244,900	252,300	259,800
Managing Dir Planning Admin	1.00	1.00	1.00	150,000	154,500	159,100
Special Assistant Exec Dir	1.00	1.00	1.00	133,300	137,300	141,500
Dir.Procurement & Risk Mgmt	1.00	1.00	1.00	163,900	168,800	173,900
Sr Administrative Specialist	1.00	1.00	1.00	111,200	114,500	117,900
Senior Admin Specialist	1.00	1.00	1.00	105,800	108,900	112,200
Budget & Perf Analyst	1.00	1.00	1.00	90,300	93,000	95,800
Administrative Specialist I	1.00	1.00	1.00	81,000	83,500	86,000
Management, Oversight and Planning Total	9.00	9.00	9.00	1,354,000	1,394,600	1,436,400
Board Support - Secretariat						
Administrative Assistant II	1.00	1.00	1.00	72,100	74,300	76,500
Board Support - Secretariat Total	1.00	1.00	1.00	72,100	74,300	76,500
Judicial Evaluations						
Sr Administrative Specialist	1.00	1.00	1.00	110,800	114,100	117,500
Executive Secretary Conf	1.00	1.00	1.00	84,200	86,700	89,300
Administrative Assistant II	2.00	2.00	2.00	132,400	136,400	140,500
Judicial Evaluations Total	4.00	4.00	4.00	327,400	337,200	347,300
Governmental Affairs						
Attorney III Conf	1.00	1.00	1.00	161,400	166,200	171,200
Sr Administrative Assistant	1.00	1.00	1.00	87,300	89,900	92,600
Governmental Affairs Total	2.00	2.00	2.00	248,700	256,100	263,800
Law Library & Archives						
Senior Librarian/Archivist	1.00	1.00	1.00	91,600	94,300	97,200
Administrative Assistant II	1.00	1.00	1.00	70,900	73,100	75,300
Law Library & Archives Total	2.00	2.00	2.00	162,500	167,400	172,500
Executive Director Total	**18.00**	**18.00**	**18.00**	**2,164,700**	**2,229,600**	**2,296,500**

	Budgeted FTE			Expenditures		
	2016	2017	2018	2016 Budget	2017 Budget	2018 Budget
Finance						
Finance						
Director, Finance/Controller	1.00	1.00	1.00	193,600	199,400	205,400
Senior Financial Analyst	3.00	3.00	3.00	306,300	315,400	324,900
Payroll Specialist Conf	1.00	1.00	1.00	97,600	100,500	103,500
Administrative Specialist Conf	1.00	1.00	1.00	54,900	56,600	58,300
FSS/Accounting Technician	1.00	1.00	1.00	66,600	68,600	70,600
Auditor/Accountant	1.00	1.00	1.00	66,000	67,900	70,000
FSS/Accounting Technician	2.55	2.55	2.55	148,400	152,800	157,400
Finance Total	10.55	10.55	10.55	933,400	961,200	990,100
Member Billing						
Finance Manager	1.00	1.00	1.00	120,300	123,900	127,600
Sr Administrative Supervisor	1.00	1.00	1.00	92,200	94,900	97,800
FSS/Membership Billing Technicia	5.00	5.00	5.00	318,300	327,800	337,700
Member Billing Total	7.00	7.00	7.00	530,800	546,600	563,100
Procurement & Risk						
Administrative Assistant II	1.00	1.00	1.00	64,900	66,900	68,900
Purchasing Assistant	1.00	1.00	1.00	79,300	81,700	84,200
Procurement & Risk Total	2.00	2.00	2.00	144,200	148,600	153,100
Finance Total	**19.55**	**19.55**	**19.55**	**1,608,400**	**1,656,400**	**1,706,300**

	Budgeted FTE			Expenditures		
	2016	2017	2018	2016 Budget	2017 Budget	2018 Budget
General Counsel						
General Counsel						
Chief Legal Officer	1.00	1.00	1.00	227,500	234,300	241,300
Deputy General Counsel	1.00	1.00	1.00	207,700	214,000	220,400
Chief Assist. General Counsel	2.00	2.00	2.00	344,600	354,900	365,600
Attorney III Conf	7.00	7.00	7.00	1,104,600	1,137,700	1,171,900
Attorney I - Confidential	3.00	3.00	3.00	283,200	291,700	300,400
Admin Specialist III (Conf)	1.00	1.00	1.00	101,800	104,800	108,000
Legal Assistant (Confidential)	1.00	1.00	1.00	71,500	73,700	75,900
Program/Court Sys Anlst (Conf)	1.00	1.00	1.00	88,700	91,400	94,100
Admin Specialist II - Conf	1.00	1.00	1.00	74,700	76,900	79,300
Admin Assistant II (Conf)	1.00	1.00	1.00	49,900	51,400	53,000
Administrative Secretary (Conf)	1.00	1.00	1.00	49,900	51,400	53,000
Legal Secretary (Confidential)	2.00	2.00	2.00	127,000	130,800	134,800
Coordinator Of Records	1.00	1.00	1.00	60,700	62,500	64,400
General Counsel Total	23.00	23.00	23.00	2,791,800	2,875,500	2,962,100
General Counsel Total	**23.00**	**23.00**	**23.00**	**2,791,800**	**2,875,500**	**2,962,100**

	Budgeted FTE			Expenditures		
	2016	2017	2018	2016 Budget	2017 Budget	2018 Budget
Human Resources						
Human Resources						
Director HR & Labor Relations	1.00	1.00	1.00	184,500	190,000	195,700
Sr Human Resources Specialist	1.00	1.00	1.00	97,600	100,500	103,500
Human Resources Specialist	1.00	1.00	1.00	105,000	108,200	111,400
Human Resources Specialist	1.00	1.00	1.00	92,600	95,400	98,200
Human Resources Administrator	1.00	1.00	1.00	79,500	81,900	84,300
Human Resources Coordinator	3.00	3.00	3.00	198,200	204,100	210,200
Administrative Assistant II	1.00	1.00	1.00	63,000	64,900	66,800
Human Resources Total	9.00	9.00	9.00	820,400	845,000	870,100
Human Resources Total	**9.00**	**9.00**	**9.00**	**820,400**	**845,000**	**870,100**

	Budgeted FTE			Expenditures		
	2016	2017	2018	2016 Budget	2017 Budget	2018 Budget
Information Technology						
IT Admin and Operations						
Sr Director Info Technology	1.00	1.00	1.00	197,900	203,800	209,900
Director IS & Bus Solutions	1.00	1.00	1.00	153,700	158,400	163,100
Director Of Applications	1.00	1.00	1.00	153,700	158,400	163,100
Director, Technology Systems	1.00	1.00	1.00	150,500	155,000	159,700
Managing Dir Telecommunication	1.00	1.00	1.00	87,900	90,600	93,300
Program/Court Sys Anist (Conf)	1.00	1.00	1.00	84,800	87,400	90,000
Computer Analyst/Programmer	10.00	10.00	10.00	1,043,000	1,074,300	1,106,500
Technical Support Administratr	2.00	2.00	2.00	175,200	180,400	185,900
Webmaster	2.00	2.00	2.00	227,800	234,700	241,700
Technical Support Administratr	4.00	4.00	4.00	411,400	423,800	436,500
Technology Svce Analyst Techn	3.00	3.00	3.00	281,700	290,200	298,900
IT Admin and Operations Total	27.00	27.00	27.00	2,967,600	3,057,000	3,148,600
Information Technology Total	**27.00**	**27.00**	**27.00**	**2,967,600**	**3,057,000**	**3,148,600**

	Budgeted FTE			Expenditures		
	2016	2017	2018	2016 Budget	2017 Budget	2018 Budget
Communications						
Media Relations						
Chief Executive Communications	1.00	1.00	1.00	156,200	160,900	165,700
Director Communications	1.00	1.00	1.00	139,900	144,000	148,400
Web Editor	1.00	1.00	1.00	93,500	96,300	99,200
Public Information Officer	0.80	0.80	0.80	66,300	68,300	70,400
Web Administrator	1.00	1.00	1.00	79,400	81,800	84,200
Media Relations Total	4.80	4.80	4.80	535,300	551,300	567,900
California Bar Journal						
Program/Court Sys Anlst	1.00	1.00	1.00	87,300	89,900	92,600
California Bar Journal Total	1.00	1.00	1.00	87,300	89,900	92,600
Communications Total	**5.80**	**5.80**	**5.80**	**622,600**	**641,200**	**660,500**

	Budgeted FTE			Expenditures		
	2016	2017	2018	2016 Budget	2017 Budget	2018 Budget
General Services						
General Services						
Director, General Services	1.00	1.00	1.00	187,300	193,000	198,800
Deputy Dir, General Services	1.00	1.00	1.00	113,300	116,700	120,200
Admin Specialist III (Conf)	1.00	1.00	1.00	92,500	95,300	98,100
Supervisor, Off. & Recep. Svcs	2.00	2.00	2.00	191,800	197,500	203,400
Administrative Assistant II	1.00	1.00	1.00	72,100	74,300	76,500
Printing Technician II	2.00	2.00	2.00	144,200	148,500	153,000
Travel & Info Svcs Coordinator	2.00	2.00	2.00	124,800	128,500	132,400
Printing Technician I	2.00	2.00	2.00	115,100	118,600	122,100
Maintenance Technician	1.00	1.00	1.00	58,100	59,900	61,600
Sr Office Services Coordinator	1.00	1.00	1.00	58,900	60,700	62,500
Sr Office Services Clerk	5.00	5.00	5.00	240,200	247,400	254,800
Receptionist/Reservation Coord	3.00	3.00	3.00	129,900	133,800	137,800
General Services Total	22.00	22.00	22.00	1,528,200	1,574,200	1,621,200
General Services Total	**22.00**	**22.00**	**22.00**	**1,528,200**	**1,574,200**	**1,621,200**

APPENDIX E

THE STATE BAR OF CALIFORNIA

180 Howard Street, San Francisco, California 94105-1617
1-888-800-3400; billing@calbar.ca.gov; 415-538-2361 (fax)
calbar.ca.gov/feestatement

DATE ISSUED: December 1, 2015
MEMBER NUMBER: 400058
STATUS: Active
ACCESS CODE: AB013Z7Z
MCLE GROUP: 1
MCLE DUE(SEE INSERT): 02/01/2016

AA

0000013 01 SP 0.485 **5NCLP T1 1 1133 94105-615125 -C02-P00013+1123

#4000 58A #
A Sample Member
A Sample Law Firm
The State Bar of California
180 Howard St. Fifth Floor MBS
San Francisco CA 94105-6151

2016

FEES & COSTS

OPTIONAL DONATIONS

See reverse

SECTIONS AND LEGAL SPECIALISTS

Provide an opportunity for attorneys to learn about new developments in the law, participate in educational programs and network with colleagues

OPTIONAL DEDUCTIONS

TOTAL PAYMENT

MEMBER FEES & MCLE COMPLIANCE DUE FEB. 1, 2016. PENALTIES ATTACH FEB. 2, 2016.

Detach this portion of the statement and return with payment. No copies accepted.

1.	**2016 Membership Fee** Active	1.	$430.00
2.	**Late Payment Penalty** ($100 for active lawyers. $30 for inactive lawyers. Attaches Feb. 2)	2.	
3.	**MCLE Non-Compliance Fee** ($75 attaches Feb. 2 to MCLE Group 1) and/or **Reinstatement Fee** ($200 for prior non-compliance)	3.	
4.			
5.			
6.	**Lines 4 - 8 do not apply to this statement**		
7.			
8.			
9.	**SUBTOTAL** lines 1-8	9.	$430.00
10.	**Access to Justice.** Help close the justice gap for low income Californians through a voluntary donation to legal aid (see B&P §6033). Visit **caforjustice.org.** Recommended donation: $100	10.	$100.00
11.	**SUBTOTAL with recommended Voluntary Access to Justice Donation**	11.	$530.00
12.	If you wish to enter a different amount from line 10 or make no donation, write that amount here.	12.	
13.	If line 12 completed, **SUBTOTAL with different or no Voluntary Access to Justice Donation.** Add lines 9 and 12 and enter that value here.	13.	
14.	**California Bar Foundation.** Visit **calbarfoundation.org.** Recommended donation: $75	14.	$75.00
15.	**Conference of California Bar Associations (CCBA).** Visit **calconference.org.** Recommended donation: $35	15.	$35.00
16.	**California Supreme Court Historical Society (CSCHS).** Visit **cschs.org.** Recommended donation: $25	16.	$25.00
17.	**Certified Legal Specialist Fee** Estate	17.	$360.00
18.	**Current Section Membership** Visit **calbar.ca.gov/sections.** A, B, H	18.	$285.00

A.	Antitrust, UCL & Privacy	$95	I.	Law Practice Management & Technology	$85
B.	Business Law	$95	J.	Litigation	$95
C.	Criminal Law	$95	K.	Public Law	$85
D.	Environmental Law	$85	L.	Real Property Law	$95
E.	Family Law	$95	M.	Solo Practice & Small Firm	$95
F.	Intellectual Property Law	$95	N.	Taxation	$95
G.	International Law	$95	O.	Trusts & Estates	$95
H.	Labor & Employment Law	$95	P.	Workers' Compensation	$95

19.	**Add a Section** Shade the bubble(s) and add the increased amount		19.	
20.	**Drop a Section** Shade the bubble(s) and subtract the reduced amount	$ ( )	20.	
21.	**Legislative Activity** Members who do not want to fund the State Bar's lobbying and other legislative activity may deduct $5. (see B&P §6140.05)	$ ( )	21.	
22.	**Bar Relations & Elimination of Bias** Members who do not want to fund programs that support voluntary bar associations or address bias in the legal profession may deduct $5. (see *Keller v. State Bar of California* (1990) 496 U.S. 1)	$ ( )	22.	
23.	**Legal Services Assistance** Members who do not want to support nonprofit organizations that provide free legal services to persons of limited means may deduct $40. (see B&P §6140.03)	$ ( )	23.	
24.	**Fee Scaling** Declaration on reverse must accompany payment (active members only). Deadline to scale is Feb. 1, 2016. Eligible members may deduct $95.	$ ( )	24.	
25.	**TOTAL PAYMENT. Choose line 11 or line 13 as subtotal and add to it the sum of lines 14-24.** Pay online, with no bank fee, at **calbar.ca.gov** or make checks payable to the State Bar of California and mail in the enclosed envelope by Feb. 1, 2016 to avoid penalty. U.S. dollars only	$	25.	

400058 AA
A Sample Member

STATE BAR OF CALIFORNIA
P.O. BOX 842142
LOS ANGELES, CA 90084-2142

Use for sections Only (lines 19 & 20)

Add		Drop
0	A	0
0	B	0
0	C	0
0	D	0
0	E	0
0	F	0
0	G	0
0	H	0
0	I	0
0	J	0
0	K	0
0	L	0
0	M	0
0	N	0
0	O	0
0	P	0

ENCLOSED TOTAL (blue or black ink only) $

1 0400058 2016 204615 00107500 00000000 0000000 0000000000 8

calbar.ca.gov/feestatement 1-888-800-3400

2016 Annual Fee Statement

1. 2016 Membership Fee Must be paid online or postmarked by Feb. 1, 2016 (Bus. & Prof. Code §§6140, 6141). Failure to pay will lead to penalties and suspension (§6143). A detailed explanation of the Bar's annual fees, including amounts that members are mandated to pay, is available online at **calbar.ca.gov**.

Active Membership Fee $430. To transfer from inactive to active status, submit the required form **(calbar.ca.gov/active)** by fax or mail. 2016 Active Fee: General Fund, $315 (B&P §6140); Client Security Fund, $40 (§6140.55); Discipline, $25 (§6140.6); LAP, $10 (§6140.9); and Legal Services Assistance, $40 (§6140.03).

Inactive Membership Fee $155. For current active members to change status and qualify for the 2016 inactive fee, the required status change form **(calbar.ca.gov/inactive)** must be completed and postmarked by Feb. 1, 2016. For attorneys 70 years of age by Feb. 1, 2016, and inactive by Feb. 1, 2016, the membership fee is waived. 2016 Inactive Fee: General Fund, $75 (B&P §6141); Client Security Fund, $10 (§6140.55); Discipline, $25 (§6140.6); LAP, $5 (§6140.9); and Legal Services Assistance, $40 (§6140.03).

Multijurisdictional Practice (MJP) Fee $430. Applies to out-of-state attorneys registered with the State Bar as legal services attorneys or in-house counsel.

2. Late Payment Penalty If fees are not paid online or postmarked by Feb. 1, 2016, members will be subject to a penalty ($100 for active members/$30 for inactive members).

3. MCLE Non-Compliance Fee Members of Group 1 (last names A-G) whose MCLE compliance is not submitted online or postmarked by Feb. 1, 2016, will be subject to a $75 non-compliance fee. Those who fail to comply will be placed on administrative inactive status and assessed a $200 reinstatement fee.

4. Client Security Fund Reimbursement Amount owed to Client Security Fund (Bus. & Prof. Code §6140.5(c)).

5. Discipline Costs The cost of disciplinary proceedings against a member awarded to the State Bar (Bus. & Prof. Code §§6086.10, 6140.7).

6. Mandatory Fee Arbitration Administrative Penalties Members who do not pay an arbitration award may be assessed administrative penalties (Bus. & Prof. Code §6203(d)(3)).

7. Prior Year(s) and/or Reinstatement Fee Amount from prior year(s). A reinstatement fee of $100 will be assessed to any member suspended for non-payment.

8. Payments/Credits/Adjustments Adjustments from changes in status, overpayments from previous years, or payments made and applied in current year.

9. SUBTOTAL Lines 1-8. Must be paid by Feb. 1, 2016.

10. Voluntary Access to Justice Donation Contributions will be distributed to eligible legal services programs through the Justice Gap Fund (Bus. & Prof. Code §6033). Members may adjust the recommended donation up or down to any level including none. Contributions will be distributed to 501(c)(3) organizations and are deductible as charitable contributions to the extent provided by law. Visit **caforjustice.org**.

11. SUBTOTAL with Voluntary Access to Justice Donation Your annual fees plus the $100 recommended donation to the Justice Gap Fund.

12. If you want to change the amount of the Voluntary Access to Justice Donation or make no donation, write in the appropriate amount.

13. SUBTOTAL with different or no Voluntary Access to Justice Donation If you entered an amount on line 12, please add lines 9 and 12 and enter the amount of your subtotal.

14. California Bar Foundation Contributions are tax deductible as charitable contributions to the extent provided by law. Visit **calbarfoundation.org.**

15. Conference of California Bar Associations (CCBA) Contributions are not tax deductible as charitable contributions, but any portion of the contribution not allocated by CCBA for lobbying expenditures may be deductible as an ordinary and necessary business expense (IRC §162(e)). CCBA estimates that approximately 50 percent of any contribution will be spent on lobbying. Visit **calconference.org.**

16. California Supreme Court Historical Society (CSCHS) Contributions are tax deductible to the extent provided by law. Visit **cschs.org.**

17. Certified Legal Specialist Fee Certified Specialists pay this fee to cover the costs of the Legal Specialization Program. Fees paid after Feb. 1 will be subject to a $75 penalty.

18. Current Section Membership For information on sections, visit **calbar.ca.gov/sections.**

19-20. Renew Section Membership Add or drop a section.

21. Legislative Activity Members who do not want to fund lobbying and other legislative activity may deduct $5 (Bus. & Prof. Code §6140.05).

22. Bar Relations & Elimination of Bias Members who do not want to fund activities with voluntary bar associations or programs that address concerns of access and bias in the legal profession and the justice system may deduct $5 (*Keller v. State Bar of California* (1990) 496 U.S.1).

23. Legal Services Assistance Members who do not want to support nonprofit organizations that provide free legal services to persons of limited means may deduct $40 (Bus. & Prof. Code §6140.03).

24. Scaling Active members with qualifying income only. See Fee Scaling Criteria and Scaling Declaration (right). If eligible, deduct $95.00. If the State Bar determines you are ineligible, you will be responsible for the full fee and any applicable late payment penalty.

25. TOTAL PAYMENT Choose line 11 or line 13 as subtotal and add to it the sum of lines 14-24 (U.S. dollars only).

OVERPAYMENT/UNDERPAYMENT

Overpayment If a member pays too much, the bar may either return the overpayment or contact the member to determine its allocation.

Underpayment Payments received will be used to first satisfy the annual membership fees, costs and penalties, regardless of any other optional designations made, such as section membership or donations.

OPT OUT

The State Bar may provide members' names and addresses to outside entities that offer programs, services, benefits and other information to members. Members may choose to remove their names and addresses from these lists. Those opting out will not receive information about special programs, services and benefits. The State Bar will continue to maintain certain membership information as public record, and opting out will not affect the use of such information for regulatory purposes.

Members may opt out by signing on to **"My State Bar Profile"** at **calbar.ca.gov**. Go to the Membership Record section to change your "opt-out preference".

FEE SCALING CRITERIA

An active member who can demonstrate total gross annual individual income from all sources of less than $40,000 presumptively qualifies for a waiver of 25 percent of the annual membership fee, calculated excluding all other optional deductions. Deadline is Feb. 1, 2016.

In general, gross annual income is based on the **total income** (not adjusted gross income) as listed on your federal income tax form. **For 2016, gross annual income should be based on your earnings for 2015.** For joint return filers, exclude wages and salary earned by your spouse. For other income jointly earned (i.e., interest, dividends, business income, rents and royalties), include 50 percent of joint earnings in the calculation of individual gross income.

Members who scale may be audited and required to submit recent tax returns or other proof of eligibility. Members found to be ineligible must pay full fees and applicable late payment penalty.

Scaling does not apply to new admittees admitted on June 1, 2016, and after.

For additional information regarding the fee scaling criteria, refer to the State Bar's website at **calbar.ca.gov.**

OFFICIAL ADDRESS & E-MAIL REQUIREMENTS

Under Bus. & Prof. Code §6002.1, members have 30 days to notify the State Bar of a change of address. California Rule of Court 9.7 now requires members to report such changes through the State Bar's online self-service feature, **"My State Bar Profile."** The rule also requires members to provide and maintain an e-mail address for receiving State Bar communications. First-time users of **"My State Bar Profile"** will need the personal Access Code printed on the front of this statement. Returning users should use their personal password. Please call the Member Services Center at 1-888-800-3400 with any questions.

calbar.ca.gov/feestatement **1-888-800-3400**

SCALING DECLARATION

Active members with qualifying income levels are eligible for a 25 percent reduction ($95.00) in their annual membership fee and may pay an adjusted fee of $335.00 (Business & Professions Code §6141.1(b)). For members who qualify, make the deduction on line 24. (See lines 21-23 for all other optional deductions.)

I am an active member of The State Bar of California. To the best of my information and belief, in tax year 2015 my total gross annual individual income from all sources was less than $40,000. I will maintain financial records for a minimum of two years supporting my declaration and will provide them to the State Bar in the event of an audit (Business & Professions Code §6141.1(a)). If I am found ineligible, I will pay full fees and any applicable late payment penalty.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Name: A Sample Member

Bar Number: 400058

Signature _____ Date (deadline is Feb. 1, 2016) _____

DO NOT WRITE BELOW THIS LINE

APPENDIX F

Declaration of Leah Wilson

I, Leah Wilson, declare as follows:

1. I am over the age of 18 years and not a party to this action. I have personal knowledge of the matters stated herein and if called as a witness, I can competently testify thereto.
2. I am employed as the Chief Operations Officer for The State Bar of California ("State Bar"). My duties include overseeing the budget, personnel, facilities, information technology, and operations of the State Bar. I have been employed in this position since September 2015.
3. I performed or supervised the performance of the financial analysis contained in the State Bar Request for a Special Regulatory Assessment ("Request"), including the detailed financial analysis attached to this Declaration. All financial analyses presented in the Request are true and correct to the best of my knowledge.

I declare that the foregoing is true and correct under penalty of perjury under the laws of the State of California.

Executed this September 25th, 2016 in San Francisco, California.

Leah Wilson

APPENDIX F: METHODOLOGY FOR OPTIONS FOR A SPECIAL REGULATORY ASSESSMENT TO FUND THE STATE BAR IN 2017

I. STATE BAR BUDGET OVERVIEW

The State Bar's 2016 operating budget is $146.1 million.[1] This funding is allocated across 23 Funds.

Of the 23 Funds, only the General Fund, which comprises $74.8 million (51.2 percent) of the State Bar's $146.1 million budget, supports the public protection functions dependent on the mandatory fee.[2]

The State Bar's General Fund itself consists of nine sub-funds. The largest of these is the Unconsolidated General Fund (UGF), which specifically supports State Bar public protection functions. The present analysis is thus focused on the UGF, which is budgeted at approximately $69.5 million of the $74.8 million of the General Fund budget.

A description of all 23 Funds is provided as State Bar Appendix G.

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[1] The State Bar's 2016 adopted budget is contained in the State Bar of California, *2017 Proposed Final Budget* (Feb. 12, 2016) <http://www.calbar.ca.gov/AboutUs/Reports.aspx> [as of Sept. 26, 2016] (State Bar Appendix D.) The State Bar's 2016 adopted budget and *Spending Plan* (State Bar Appendix C) serve as the source documents for the figures included in this section. Of the $146.1 million 2016 budget, approximately $32 million is disbursed outside the State Bar in grants and Client Security Fund reimbursements.

[2] In this appendix, numbers are rounded for readability where it is possible to do so without affecting the financial analysis.

A. Unconsolidated General Fund Revenue

UGF revenue is comprised of the following sources:

Table 1: Unconsolidated General Fund Revenue

Revenue Sources	**2016 Budgeted**
Mandatory Revenues (§ 6140; $305)[3]	$56.4 million
Discipline Assessment (§ 6140.6; $25)	$5.6 million
Inactive Member Fees (§ 6141; $65)	$2.5 million
Penalties and Late Fees	$2.1 million
Other Revenue[4]	$3.2 million
Total	**$69.8 million**

[3] All further section references in this appendix are to the California Business and Professions Code, unless otherwise specified.

[4] For Other Revenue detail see State Bar Appendix C, specifically, Appendix A of the *Spending Plan*.

B. Unconsolidated General Fund Expenses

Expenditures against UGF revenue as reflected in the State Bar's 2016 budget are provided in Table 2:

Table 2: Unconsolidated General Fund Expenses[5]

Office of Chief Trial Counsel	$42,467,700
State Bar Court	$11,938,500
Office of Member Records and Compliance	$3,604,200
Executive Director and Board of Trustees[6]	$2,564,600
Office of Professional Competence	$2,482,400
Standing Committee on the Delivery of Legal Services	$1,786,900
The Office of Communications	$1,569,800
Office of Probation	$1,379,000
Commission on Judicial Nominees Evaluation	$933,400
Fee Arbitration	$907,400
California Young Lawyers Association	$213,500
Rules Revision Commission	$172,800
Governance in Public Interest Task Force	$51,300
California Commission on Access to Justice	$28,600
Residuals from Indirect Allocation[7]	-$600,000
Total	$69,500,100

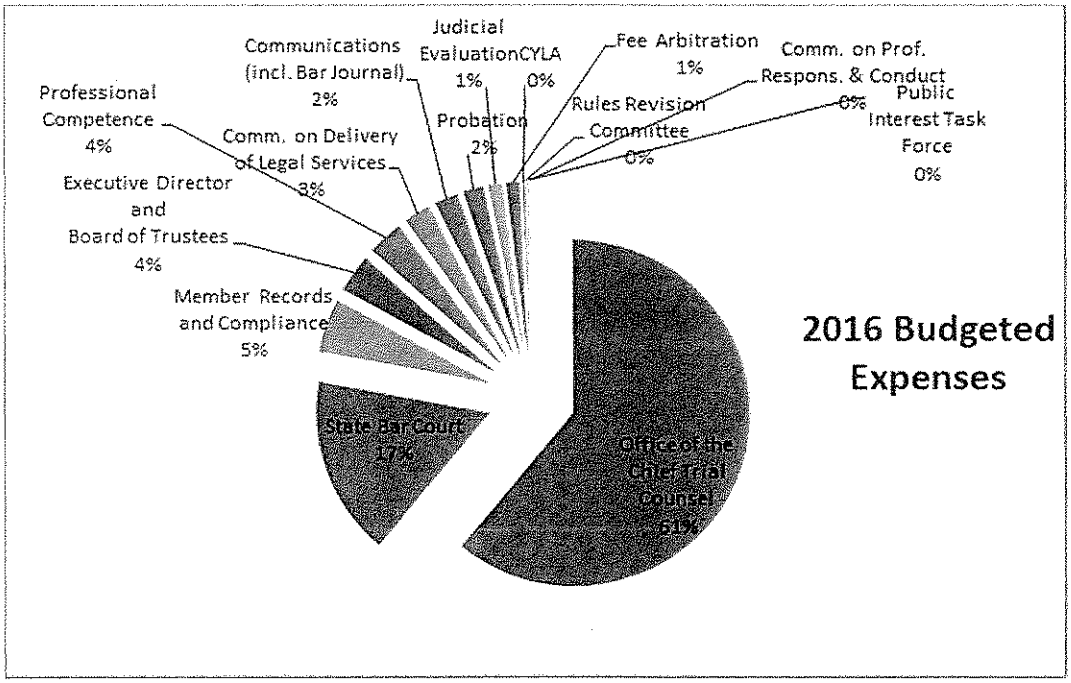
[5] Each expense category includes corresponding Indirect Costs.

[6] Unlike other Indirect Cost programs – which are housed in the Administration and Support Fund – expenses for the Executive Director and the Board of Trustees are captured in the General Fund. These costs are allocated in part to funds outside of the General Fund.

[7] This expense category represents technical adjustments made to the UGF and Indirect Cost allocation that were needed to reconcile the UGF operating budget in the State Bar's accounting system.

As the chart below shows, 90 percent of UGF budgeted expenses reflects the cost of discipline-related functions including the Office of Chief Trial Counsel, State Bar Court, Office of Probation, Office of Member Records and Compliance, Office of Professional Competence and Fee Arbitration. Nearly 70 percent of these costs comprise salary and benefits expenditures.

UGF Budgeted Expenses



C. Indirect Cost Allocation

A cost allocation methodology identifies indirect operating costs to be distributed to direct cost programs or functional areas. Typically, such a methodology uses a standard formula to determine the proportion of indirect costs to assign to different program areas in lieu of tracking

individualized transactions. For example, building costs are normally allocated to operating units on the basis of square footage of occupancy by program. Other indirect costs may be allocated based on the number of employees in a particular department. These indirect costs support the infrastructure upon which any organization relies to operate.

The State Bar's indirect cost allocation methodology was updated by Board of Trustees' action on March 11, 2016, based on recommendations made by an independent consultant hired to review the approach that had been in place for a number of years; that review and corresponding recommendations are provided as State Bar Appendix H.[8]

The costs associated with the following State Bar functions are allocated across direct cost programs using the cost allocation methodology adopted by the Board of Trustees in March:

- Member Billing
- Human Resources
- Finance
- Office of the General Counsel[9]

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[8] Statler, *The State Bar of California Cost Allocations Plan Review* (Jan. 2016), at pp. 3-4. (State Bar Appendix H.)

[9] In *In re Attorney Discipline System* (1998) 19 Cal.4th 522, Indirect Costs appear to have been handled in two ways. First, Indirect Costs were included in the respective Discipline Departments. (See Request of the State Bar for a Special Regulatory Assessment, filed September 30, 1998.) Second, a portion of the costs of the Office of the General Counsel was

- Information Technology
- General Services
- Executive Director/Board of Trustees[10]

Together these State Bar programs are referred to as Indirect Programs, and their corresponding costs Indirect Costs.

State Bar Appendix I shows the application of the cost allocation methodology to the State Bar's 2016 budget. That budget includes a total of $31.3 million in Indirect Costs; of that amount, $22 million was borne by UGF programs. In other words, of the $69,500,100 UGF expenses outlined in Table 2 above, $22 million consists of Indirect Costs.[11]

II. THE CURRENT REQUEST FOR FUNDING

The current request provides a rationale for support of the State Bar's public protection functions; the scope of the current request is broader than the State Bar's 1998 request as outlined below.

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identified as direct Discipline Department costs. Records reflecting the specific components of the indirect allocation at the time of *In re Attorney Discipline System* are not available. The presentation of costs in that manner suggests that Office of the General Counsel expenses were not included at that time. Currently, Office of the General Counsel costs are captured entirely through cost allocation.

[10] This program also includes Appointments, Elections, Library, Governance in the Public Interest Taskforce, and non-departmental charges.

[11] Subsequent budget amendments increased General Fund Indirect Costs by $1.6 million to reflect the allocation of Board-approved capital improvements for the Howard Street location. The present request reflects *adopted* rather than amended budget figures.

A. The 1998 Request: *In re Attorney Discipline System* Functions

In re Attorney Discipline System cost categories included:[12]

- Office of Chief Trial Counsel
- State Bar Court
- Office of Professional Competence
- Office of Probation[13]
- Fee Arbitration
- Office of Member Records and Compliance

The State Bar's 2016 comparable budgeted expenses for the above set of Discipline Functions are shown in Table 3. The costs are shown as a total for each department and as a cost per active member (CPM) for each department using the current active member count of 186,580. Sixty six percent of these costs constitute salary and benefit expenditures.

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[12] See footnote 9 for an explanation of Office of the General Counsel costs, which were included in part as a direct cost category in *In re Attorney Discipline System*.

[13] Office of Probation was part of Office of Chief Trial Counsel at the time of *In re Attorney Discipline System* and associated costs were included therein.

Table 3: Discipline Functions

Program	2016 Budgeted	CPM
Office of Chief Trial Counsel	$30,063,100	$161.13
Office of Probation	$939,900	$5.04
Fee Arbitration	$679,400	$3.64
State Bar Court	$7,571,900	$40.58
Office of Professional Competence	$1,857,500	$9.96
Office of Member Records and Compliance	$2,546,500	$13.65
Indirect Costs	$20,779,700	$111.37
Total	**$64,438,000**	**$345.37**

B. The 2017 Request: Statutory Public Protection Functions

Costs associated with the functions that support the State Bar's fulfillment of its statutory public protection mission are provided in Table 4:

Table 4: Public Protection Functions

Program	2016 Budgeted	CPM
Commission on Judicial Nominees Evaluation	$678,700	$3.64
Office of Member Records and Compliance	$2,546,500	$13.65
Office of Chief Trial Counsel	$30,063,100	$161.13
State Bar Court	$7,571,900	$40.58
Fee Arbitration	$679,400	$3.64
Office of Probation	$939,900	$5.04
Office of Professional Competence	$1,857,500	$9.96
The Office of Communications	$1,217,700	$6.53
California Commission on Access to Justice	$21,800	$0.12
Center on Access to Justice	$1,233,100	$6.61
California Young Lawyers Association	$173,200	$0.93
Indirect Costs	$21,987,400	$117.84
Total	**$68,970,200**	**$369.67**

C. Non-Mandatory Member Fees Available to Support Public Protection Functions

The State Bar's 2016 budget includes approximately $13.4 million in UGF revenue comprised of non-mandatory member fees that is available to support its core public protection functions as shown in Table 5:

Table 5: Non-Mandatory UGF Revenue

Program	**2016 Budgeted**
~~Mandatory Revenues (§ 6140; $305)~~	~~$56.4 million~~
Discipline Assessment (§ 6140.6; $25)	$5.6 million
Inactive Member Fees (§6141; $65)	$2.5 million
Penalties and Late Fees	$2.1 million
Other Revenue[14]	$3.2 million
Total	**$13.4 million**

Application of the $13.4 million to offset the costs of Discipline Functions is shown below in Table 6.

Table 6: Discipline Functions – Non Mandatory UGF Revenue Offset

Program	**2016 Budgeted**	**CPM**
Office of Chief Trial Counsel	$30,063,100	
Office of Probation	$939,900	
Fee Arbitration	$679,400	
State Bar Court	$7,571,900	
Office of Professional Competence	$1,857,500	
Office of Member Records and Compliance	$2,546,500	
Indirect Costs	$20,779,700	
Total	$64,438,000	
Revenue Offset	-$13,400,000	
Revised Total	**$51,038,000**	**$273.54**

[14] For Other Revenue detail see State Bar Appendix C, specifically Appendix A of the *Spending Plan*.

Table 7 applies the $13.4 million offset to the broader array of expenses associated with Public Protection Functions:

Table 7: Public Protection Functions – Non Mandatory UGF Revenue Offset

Program	2016 Budgeted	CPM
Commission on Judicial Nominees Evaluation	$678,700	
Office of Member Records and Compliance	$2,546,500	
Office of Chief Trial Counsel	$30,063,100	
State Bar Court	$7,571,900	
Fee Arbitration	$679,400	
Office of Probation	$939,900	
Office of Professional Competence	$1,857,500	
Office of Communications	$1,217,700	
California Commission on Access to Justice	$21,800	
Center on Access to Justice	$1,233,100	
California Young Lawyers Association	$173,200	
Indirect Costs	$21,987,400	
Total	$68,970,200	
Revenue Offset	-$13,400,000	
Revised Total	**$55,570,200**	**$297.84**

D. Other Revenue Potentially Available to Support Public Protection Functions

As noted above, the General Fund consists of nine sub-funds. Of these, the LA Facility, Building Fund, and Legal Education and Development Fund receive external revenue which might be used to offset public protection related expenses. The remaining sub-funds are used to

account for previous specially designated, and now expired, mandatory fees or Indirect Cost allocations.

Together, the LA Facility and Building Funds account for $1.7 million in annual revenue: $400,000 in Los Angeles rental income; and $1.3 million in San Francisco rental income. Historically, this income has been used to support capital improvements. In 2016, budgeted UGF capital improvement expenses total $1.6 million.

In addition, the Affinity and Insurance programs generate approximately $2 million in annual revenue, which is housed in the Legal Education and Development Fund. Approximately $500,000 in direct expenses are charged to this Fund, freeing up $1.5 million annually to offset public protection expenses.

The impact of these additional resources, $1.7 million in rental income and $1.5 million in insurance program income, together labeled "Other Revenue Offset," on the CPM analysis is shown in Table 8:

Table 8: Impact of All Revenue Offsets

	DISCIPLINE FUNCTIONS	PUBLIC PROTECTION FUNCTIONS
Original Total	$64,438,000	$68,970,200
Original CPM	$345.37	$369.67
UGF Revenue Offset	-$13,400,000	-$13,400,000
Other Revenue Offset	-$3,200,000	-$3,200,000
Revised Total	$47,838,000	$52,370,200
Revised CPM	$256.40	$280.68

While the State Bar recommends that non-mandatory UGF revenue be used to offset total public protection expenses, it does not recommend that Other Revenue be used for that purpose. Over half of the available Other Revenue is generated from rental income. These funds are needed to support ongoing capital maintenance needs. In 2016, for example, the State Bar has undertaken approximately $2.6 million in capital improvement projects. While such projects may be delayed for the Los Angeles location, the State Bar has several tenants at the Howard Street location who expect the building to be maintained according to a market standard of care. Diversion of funds used historically for such purposes may negatively impact the State Bar's ability to attract and retain tenants. The remainder of Other Revenue derives from the Affinity and Insurance Programs. Revenue from these programs is inconsistent, and several programs and contracts are up for renewal, leading to uncertainty regarding the projected revenue stream. As such, a corresponding offset from Other Revenue is not recommended.

E. General Fund Balance Potentially Available to Support Public Protection Functions

The State Bar's December 31, 2016, General Fund balance is projected to total $20.4 million,[15] including $5.7 million in UGF reserves.

[15] The final General Fund balance will be impacted by current capital improvement efforts at the Howard Street location, which have been put on

Of this total estimated balance, $8.2 million is restricted; the Los Angeles building loan is secured by a two-year debt service reserve fund totaling $4.6 million, and an additional $3.6 million is restricted to Information Technology projects based on the source of funding from which it derived.[16] Adjusting for these restrictions, the projected available unrestricted General Fund balance totals $12.2 million.

Application of this fund balance to the Discipline Functions and Public Protection Functions is shown in the Table 9.

Table 9: Impact of Fund Balance and Revenue Offsets

	DISCIPLINE FUNCTIONS	PUBLIC PROTECTION FUNCTIONS
Original Total	$64,438,000	$68,970,200
Original CPM	$345.37	$369.67
UGF Revenue Offset	-$13,400,000	-$13,400,000
Other Revenue Offset	-$3,200,000	-$3,200,000
General Fund Balance Offset	-$12,200,000	-$12,200,000
Revised Total	$35,638,000	$40,170,200
Revised CPM	$191.00	$215.30

With respect to the use of the General Fund balance to support public protection functions, the State Bar does not recommend such action.

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hold pending resolution of the 2017 fee assessment; significant costs have been incurred and the contractor is providing updated figures regarding the portion of the work that can be suspended without impacting overall project integrity.

[16] Annual debt service on the Los Angeles building loan totals $2.3 million. The loan is due to be repaid in November 2027.

Pursuant to the State Auditor recommendation, the Board of Trustees adopted a 2-month, or 17 percent, reserve policy earlier this year. With respect to the UGF alone, a 2-month reserve totals approximately $11.5 million. Further, effective January 1, 2017, the outstanding balance on the Los Angeles building loan is estimated to total approximately $20 million. Should the current uncertainty regarding the State Bar's 2017 funding continue, that loan may go into default status; at that time, the entire loan balance could be due in full. Under such a circumstance, the debt service reserve fund totaling $4.6 million could be used to satisfy a portion of the obligation, but the remaining $15.4 million would have to come from the State Bar's General Fund balance.

Elimination of the modest $12.2 million in available General Fund balance would thus jeopardize the State Bar's financial position and negatively impact its ability to meet even its basic obligations should any unforeseen event occur.

F. Adjustment to Support Workforce Planning and Backlog Reduction Efforts

In May 2016, the State Bar delivered four reports to the State Legislature, as required by section 6140.16: *Workforce Planning* and *Classification and Compensation* analyses, a *State Bar Backlog* report, and a *Spending Plan*. The *Workforce Planning* report (State Bar Appendix A), prepared by the National Center for State Courts, contains over 60

recommendations, many of which focus on the Office of Chief Trial Counsel, and reflects the need to add a number of new positions to effectuate a significant restructuring of that Office. These recommendations must be implemented by December 31, 2016, pursuant to section 6140.16, subdivision (d). The *State Bar Backlog* report (State Bar Appendix B) identifies two alternatives to the current statutory six month measure against which the performance of the Office of Chief Trial Counsel would be measured, in addition to defining complex cases and articulating the appropriate extended case processing timelines for these cases. The *Spending Plan* (State Bar Appendix C) provides estimates of the amount of additional funding that would be required to implement *Workforce Planning* recommendations and proposed backlog measures.

Estimates of the additional staff required to reduce the backlog are based on a model of current Office of Chief Trial Counsel staffing and case processing timelines as detailed in the *Spending Plan*. The additional funding that would be required to reduce the backlog depends on the specific backlog reduction target, and ranges from $9.9 million in additional funding to reach the statutory target of 180 days from complaint initiation to filing in State Bar Court, to $4.9 million to reach a "feasible" backlog target of 243 days.

An additional calculation was made to evaluate the cost of the reconfiguration of the Office of Chief Trial Counsel into the team structure

contemplated by *Workforce Planning*. These calculations range from an additional $457,486 to $1,649,859 above the amount of funding needed for backlog reduction.

Using the most recent active membership numbers of 186,580, the funding needed to implement these reforms can be calculated as an additional CPM ranging from $9 to $56 per active member:

Table 10 – Additional Funding and Cost Per Member to Reach Backlog Reduction Targets and Implement Workforce Planning

	Backlog Targets			
	180 Days Statutory	197 Days Enhanced	243 Days Feasible	305 Days Status Quo
Additional Funding Needed – Backlog Reduction	$9,946,128	$8,582,058	$4,904,993	
Net Additional Funding Needed – Workforce Planning	$457,486	$439,399	$390,193	$1,649,859
Current Active Members - 186,580				
CPM – Backlog Reduction	$54	$46	$26	
CPM – Workforce Planning (Net Addition)	$2	$2	$2	$9
CMP Totals	$56	$48	$28	$9

In sum, implementing *Workforce Planning* recommendations for the Office of Chief Trial Counsel alone will require an additional $9 per active member; compliance with the current statutory 180 day backlog measure

along with implementation of *Workforce Planning* recommendations will require an additional $56 per active member.[17]

G. Appointment of a Monitor

Should the Court choose to appoint a monitor, corresponding costs are estimated at $450,000. These costs include a contract for a full-time monitor at $250,000, a contract for a full-time administrative staff person at $125,000, consultant and expert fees at $50,000, and a travel and other expense budget at $25,000. Assuming an active member base of 186,580, this amounts to a $2.50 CPM increase.[18]

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[17] Note that the amount of additional funding needed for implementation of the *Workforce Planning* recommendations declines from $9 per member to $2 per member when moving from the Status Quo model to any of the other backlog reduction models. This reduction is caused by the fact that the *Workforce Planning* recommendations include a large investment in supervisory staff to lead work teams in the Office of Chief Trial Counsel. When the two objectives of decreasing backlog reduction and implementing workforce planning models are combined, however, a large portion of the cost for added supervisory staff - $7 of the $9 dollars – is absorbed by the cost of additional staff needed for backlog reduction. Thus, while the *contribution* to the total cost for implementing the *Workforce Planning* recommendations declines from $9 to $2, the *total* cost of implementing *Workforce Planning* recommendations and backlog reduction goals rises from $9 to $28 per member while moving from the Status Quo model to the Feasible model, for example.

[18] This assessment is in line with that authorized by section 6140.9 (Assembly Bill No. 4391 (1987-1988 Reg. Sess.) § 5.3), which imposed a fee of $2 per active member per year to pay for a discipline monitor during the time of *In re Attorney Discipline System*.

H. Adjustment to Assessment to Account for Opt-Outs

Section 6140.05 provides for a $5 deduction from the mandatory fee established by section 6140, known as the "Legislative Activities" deduction. In 2001,[19] the Board of Trustees established an additional $5 deduction as related to the State Bar's work to increase diversity in the legal profession and judiciary, and ensure strong connections with local and affinity bar associations, known as the "Elimination of Bias/Bar Relations" deduction. The State Bar seeks authority to add $10 for these purposes to the assessment authorized by the Court.

I. Conclusion and Summary

For 2016, the statutory mandatory fee totaled $315 per active member. After accounting for $10 in possible deductions (Legislative Activities and Elimination of Bias/Bar Relations), this totals $305 in public protection *mandatory* fee revenue. Table 7 above, which reflects the impact of non-mandatory UGF revenue on the CPM, provides the appropriate comparative figures; the $305 in mandatory fees authorized in 2016 is comparable to the $297.84 CPM in that table.[20]

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[19] Note that the Board history here is unclear; the first instance of such a deduction being allowed appears to have been in 2000. However, at that time, the deduction was only authorized for members on a case-by-case basis. 2001 appears to be the first year that the deduction was broadly implemented.

[20] The variance between the $297.84 and $305 is likely due to the percentage of active members who fail to pay their fees annually or pay

Table 11 below outlines assessment options under two broad categories: Discipline Functions, with a base CPM of $280 (see Table 6), and Public Protection Functions, with a base CPM of $305.

Table 11: Assessment Options

	Discipline Functions			**Public Protection Functions**		
Base Cost Per Member			$280			$305
Possible Add-Ons						
Implement Workforce Planning Only			$9			$9
Implement Backlog Reduction *Only*	to 180 days	to 197 days	to 243 days	to 180 days	to 197 days	to 243 days
	$53	$46	$26	$53	$46	$26
Implement Workforce Planning **AND** Backlog Reduction	To 180 Days	to 197 days	to 243 days	to 180 days	to 197 days	to 243 days
	$56	$48	$28	$56	$48	$28
Appoint Discipline Monitor			$2.50			$2.50
Adjustments for Deductions						
Legislative Activities			$5			$5
Elimination of Bias and Bar Relations			$5			$5
CPM Range			**$280-$348.50**			**$305-$373.50**

scaled, or reduced, fees. Thus, though $305 is billed, as reflected in Table 8 above, the calculated cost per member based on the 2016 adopted budget reflects a figure of $297.84. To account for an expected continuation of current patterns of failure to pay and fee scaling, the Bar identifies $305 as the base level of mandatory fee for its Public Protection Functions. A similar adjustment is made to the Discipline Functions CPM, resulting in a revised CPM of $280, as compared to the $273.54 outlined in Table 6. This adjustment is based on the assumption that failure to pay and fee scaling rates will be similar under both Discipline Functions and Public Protection Functions mandatory fee scenarios.

APPENDIX G

Fund Title	Fund Description
Unconsolidated General Fund	B&P code 6140: The Unconsolidated General Fund accounts for mandatory membership fees and resources of the State Bar. This GF accounts for the revenues and expenses of maintaining, operating and supporting the attorney discipline system.
Building	The Building Fund is used to account for all activities related to the State Bar's physical facilities in San Francisco, including purchasing, constructing and equipping furnishings, land and buildings. Its initial funding sources were provided through a $10 of membership fees assessment which sunsetted in 2007. Its current source of revenues are rental incomes from tenants under various lease agreements.
Legal Education & Development	Monies deposited into this fund is designated for competency based education programs whose major purpose shall be to reduce the severity and frequency of professional liability claims. Funding sources are commission and royalty fees from vendors and insurance providers.
LA Facility Fund	B&P code 6140.3, AB3049: Original Funding source is from the Building Special Assessment Fund #33 beginning in 2009-2013. AB3049 authorized a $10 special assessment for both active and non-active members to finance the purchase of the Bar's facility in LA upon the expiration of the State Bar's lease of the LA facility in Jan 2014. In November 2012, the State Bar purchased a real property located at 845 South Figueroa Street in LA. This Fund was set up to account for all the activities realted to this property.
Public Protection	Funds are designated for use in assuring the continuity of the State Bar's disciplinary system and its other essential public protection programs. In 2012, $4.6M was reclassified as restricted cash for the security of a loan with BOA during the acquisition of the LA facility.
Support & Admininistration	The Support and Admin Fund was created to account for all operating expenses/indirect costs incurred in the service units. Indirect costs are those expenses that benefit multiple programs or that cannot be matched with a single responsible program, such as Executive Director, General Counsel, Finance, Human Resources, General Services and Information Technology.
Technology Improvement	Majority of the funding source is from the General Fund. Funds were previously used for the implementation of our Oracle system. Remaining funds are being spent down for the CMS project and other technology related projects.
Fixed Asset Fund	Net assets represent capital assets for which related debt or capital lease obligations have been paid off.
Benefit Reserve	The Benefit Reserve Fund accounts for resources set aside by the State Bar to fund the future costs of post-employment benefits other than pension for executive staff. Resources in this fund are provided by other program funds in proportion to their salary expenditures.
Admissions	B&P Code 6063: Examination application fees are collected for the administration of the Bar examinations. This Admissions Fund accounts for fees and expenses related to administering the Bar examination and other requirements for the admission to the practice of law in the State of California.
Annual Meeting	Funds are provided by Annul Meeting registration fees and voluntary fees from members. The Annual Meeting Fund accounts for Annual Meeting registration fees and expenses for the State Bar's Annual Meeting.
Grants	The Grants Fund is used to account for various grants received by the State Bar.
Sections	B&P sec. 6031.5(b): Voluntary funds collected or other funds raised by or through the activities of the Sections are for support or operation of the Sections. The Sections Fund accounts for the activities of sixteen sections, which consist of specific practice areas or areas of proecssional interest and provides members with a vehicle for communicating with each other, educating themselves, and commenting on relevant legislation. Resources are provided through assessments of the Sections' membership and revenues from seminars and workshops.
Client Security	Governed by B&P sec. 6140.5 and 6140.55: Amounts collected are used only for the purposes of the Client Security Fund and the costs of its administration, including, but not limited to , the costs of processing, determining, defending, or insuring claims against the fund.
Elimination of Bias and Bar Relations	Supports the Bar's diversity and bar relations activities with voluntary bar associations and programs that address concerns of access and bias in the legal profession. This fund is supported by a fee of $5 and is part of the annual membership fees; however, members who do not wish to fund these activities have the option to not remit this fee.
Equal Access	AB145: Since 1999, the California Budget Act has included funds to provide free legal services in civil matters for indigent Californians. The funds are in the budget of the State Judicial Council for grants to be administered by the State Bar's Legal Services Trust Fund Commission through the Equal Access Fund. In addition, in 2005, the California Budget Act and the Uniform Civil Fees and Standard Fee Schedule Act (aka AB145) was approved by the Legislature and the Governor to established a new distribution of $4.8 per filing to the Equal Access Fund to provide free legal services for indigent persons. The Administrative Office of the Courts contracts with the State Bar for the administration of this funds, which currently consist of grants to approimately 100 nonprofit legal aid organizations, and reimburses the State Bar for its administrative expenses.
Information Technology Special Assessment	B&P sec. 6140.3: The Board assessed an additional $10 in the membership fees to all active members, which sunsetted in December 2013. This fund is used to upgrade the information technology systems, including the CMS project, purchasing and maintenance costs on both computer hardware and software.
Justice Gap Fund	B&P sec. 6033 and AB 2301: The State Bar is authorized to collect voluntary fees to generate financial support and participation from members. This Fund is used to help close the justice gap for needy Californians by voluntary donations to legal aid. Members may contribute more or less than the recommended donation or elect to make no donation.
Lawyers Assistance Program	B&P sec. 6140.9: The Lawyer Assistance Fund was established for the protection of the public, the courts and the legal profession by providing education, remedial, and rehabilitative programs to those members of the State Bar who are in need of assistance as a result of disability related to substance abuse or mental illness. This fund is replenished through annual assessments of $10 per active member and $5 per inactive member.
Legislative Activities	B&P 6140.05: Members may deduct $5 from the annual fee if the member elects not to support lobbying and related activities by the State Bar outside of the parameters established by the United States Supreme Court in Keller v. State Bar of California (1990) 496 U.S. 1.
Legal Services Trust	B&P sec. 6211: This Fund is used to expand the availability and improve the quality of existing free legal services in civil matters to indigent persons and to initiate new programs that would provide such services. Under this program, interest earned on certain client trust accounts held by California attorneys is legally required to be forwarded to the State Bar and, after deduction of the State Bar's administrative costs, the remainder is to be distrbuted as grants. In addition, this Fund is supplemented by an increase in the annual fee mandated by Section 6140.03 of the B&P code. In 2015, section 6140.3 allocated $40 of the membership fee to this Fund. Under the legislation, members may elect to reduce their fees by this amount if they choose not to support the activities authorized under this bill.
Legal Specialization	The Legal Specialization Program is self-funded by fees collected from applicants, specialists, education providers and accredited organizations. Fees are collected from specialization exams, recertification fees, annual membership fees and certification fees.
Bank Settlement Fund	A new fund established to house bank settlement funds to be used to support legal services programs.

APPENDIX H

The State Bar of California

COST ALLOCATION PLAN REVIEW

January 2016

William C. Statler

Fiscal Policy ■ Financial Planning ■ Analysis ■ Training ■ Organizational Review

The State Bar of California

COST ALLOCATION PLAN REVIEW

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124 Cerro Romauldo Avenue
San Luis Obispo, CA 93405
805.544.5838 ■ Cell: 805.459.6326
bstatler@pacbell.net
www.bstatler.com

William C. Statler

Fiscal Policy ■ Financial Planning ■ Analysis ■ Training ■ Organizational Review

January 25, 2016

The State Bar of California
COST ALLOCATION PLAN REVIEW

REPORT PURPOSE

The purpose of this report is to review the State Bar's current Cost Allocation Plan, which includes the following tasks:

- Assessing the reasonableness of the existing cost allocation methodology in spreading "overhead" administrative costs among the programs that benefit from such costs.
- Analyzing cost and allocation base data sources.
- Reviewing the current model for allocation methodology.
- Recommending changes as appropriate.

As reflected above, the workscope for this review includes an assessment of the current methodology and recommended changes, if any. It does not include actually making revisions to the Cost Allocation Plan or otherwise implementing any of the recommended changes: that would be a separate step following decisions to adopt some or all of the report's recommendations.

SUMMARY OF FINDINGS AND RECOMMENDATIONS

The Short Story. As detailed later in this report, there are ten key findings and recommendations:

- **Technically Sound Methodology.** The methodology for preparing the State Bar indirect cost allocations is technically sound and documented via an extensive Excel spreadsheet. It is based on a model initially developed in 1999 by Deloitte & Touche (now Deloitte, currently one of the "Big Four" accounting firms) and updated in 2001. The State Bar has made some changes to the model since then. As discussed below, in some cases those changes should remain in place; and in others, the State Bar should go "back to the future" and reinstate the 2001 approach.

- **Not All Indirect Costs Allocated.** The current model does not allocate all indirect costs. While this is consistent with the 2001 methodology, all indirect costs should be allocated in achieving the goal of cost allocation plans of identifying the total cost of delivering services. However, as discussed in a separate finding regarding cost recovery policies, after determining total program costs, the State Bar has the discretionary option (subject to statutory limitations) of not requiring full cost recovery.

- **Limited Allocation Bases.** As described later in this report, the State Bar currently uses a limited number of allocation bases. While this could be expanded, it would require additional work in developing the costs and data bases, for which there may not be commensurate value in significantly improving indirect cost allocations. Accordingly, no additional allocation bases are recommended.

- **Allocation Level: Too Many Cost Centers.** The model allocates indirect cost to 118 cost centers. This is a change from the 2001 update, which recommended allocating indirect costs to nineteen major programs (primarily based on departments/funds). In discussions with State Bar staff, there are no readily identifiable benefits to allocating indirect costs to such a detailed level. On the other hand, doing so makes the results more complicated and less intuitively understandable. Accordingly, the State Bar should return to allocating indirect costs to major programs areas based on departments/funds.

- **One-Step versus Sequential Allocation Process.** In performing the indirect cost allocations, the current approach only allocates indirect costs to direct cost programs rather than using a more complex sequential allocation system. Although there are some conceptual difficulties with this "one-step" process, the difference in the end result is insignificant, but the cost of preparation and review is significantly reduced.

  For example, the cost of the Finance program is allocated solely to direct cost programs based on their operating costs. However, as the Finance program also benefits other indirect cost programs such as the Executive Director's office, General Counsel and Human Resources (and in fact Finance itself: they all receive payroll checks), the cost allocations could appear to be distorted since no allocations are made to them.

  Under a more sophisticated sequential system, the cost of the Finance program would be allocated to the other indirect costs programs (as well as the direct cost ones) and iterative allocations then made to direct cost programs until all indirect costs are distributed. However, this process is extremely time consuming (and places far more reliance on the underlying significance of the allocation bases than may be appropriate) and results in the same basic cost allocations as the simpler method since all indirect costs are allocated in the final product.

  Accordingly, while the 2001 Deloitte report recommends the more complex, sequential approach, the State Bar should continue using the simpler, "one-step" approach. It is a more transparent methodology and easier to prepare; and as

discussed below, the cost allocation plan's goal is a reasonable allocation of costs, not a "perfect" one.

- **Timing: Monthly Preparation and Posting Unusual.** The State Bar prepares and posts indirect allocations monthly. This is unusual. Most public agencies prepare an annual cost allocation plan as a freestanding policy document based on the adopted budget. As discussed later in this report, this serves three purposes: treats the allocation of resources as a policy matter; provides transparency in how allocations are determined; and improves predictability. Where significant variances between budget and actual are likely, this can be accounted for via annual true-ups that are reflected in the following year's cost allocation plan.

  Annual preparation and true-up is the recommended approach in the 2001 Deloitte report. The State Bar should return to annual preparation of the Cost Allocation Plan; and it should be published as a separate policy document that describes its purpose, methodology, key assumptions, any significant changes in methodology from the prior year and results at a summary and detailed level.

- **Technical Versus Policy Document.** The current Cost Allocation Plan is a large spreadsheet that requires 11x17 paper to print-out (in very small print); has no narrative regarding assumptions; and has deeply imbedded formulas that make following the allocations difficult. While this works as a technical document that only has to be understandable to the staff preparers, it does not work well as a policy document.

  The Cost Allocation Plan makes significant resource allocations whose purpose and methodology should be clear and understandable to governing bodies, senior managers, program managers and others affected by the allocations ("stakeholders") as well as Finance staff. Accordingly, as noted above, the State Bar should prepare the Cost Allocation Plan as a separate policy document.

- **Capital Projects and Debt Service.** As discussed below, cost allocation plans typically focus on direct and indirect operating costs; and exclude from the direct cost base capital project and debt service expenditures. Accordingly, decisions regarding funding capital projects and indirect cost debt service obligations should be made on a case-by-case basis depending on circumstances at the time when capital projects and debt service are approved. This has generally been the State Bar's past practice and no changes are recommended.

- **Plan Approval.** As a "technical document" that closely follows the 2001 Deloitte report recommendations (albeit with modifications since then), the Cost Allocation Plan is currently approved and implemented by Finance staff. However, assuming it is prepared annually as a freestanding policy document, it should be formally approved by the Board of Trustees.

- **Cost Recovery Policy.** While the Cost Allocation Plan identifies total program costs, setting rates and fees at levels that fully recover these costs is a policy decision. Full cost recovery where possible may be implicit. However, in accordance with "best practices" (and subject to any statutory limitations), the Board should formally adopt a cost recovery policy that sets forth programs where it expects full cost recovery; and for any programs where full cost recovery is not expected, the reason for this and the cost recovery goal.

COST ALLOCATION PLAN CONCEPTS AND PRINCIPLES

The following provides background information on cost allocation plan concepts and principles along with an overview of the State Bar's practices regarding them.

Purpose of Cost Allocation Plans

The purpose of cost allocation plans is to identify the total costs of providing specific services. Why is a separate cost accounting analysis required to do this? Because in almost all organizations—whether in the private or the public sector—the cost of producing goods or delivering services can be classified into two basic categories: direct and indirect costs. "Direct costs" by their nature are usually easy to identify and relate to a specific service. However, this is not the case for "indirect costs." As such, if we want to know the "total cost" of providing a specific service, then we need to develop an approach—a plan—for reasonably allocating indirect costs to direct cost programs.

What Are Direct and Indirect Costs? Direct costs are those that can be specifically identified with a particular cost objective. For the State Bar, this includes services such as Admissions, Client Security, Education, Lawyer Assistance and Legal Services.

On the other hand, indirect costs are not readily identifiable with a specific direct operating program, but rather, are incurred for a joint purpose that benefits more than one cost objective. Common examples of indirect costs include finance, human resources, information technology, insurance and building maintenance. Although indirect costs are generally not readily identifiable with direct cost programs, their cost should be included if we want to know the total cost of delivering specific services.

Budgeting and Accounting for Indirect Costs. Theoretically, all indirect costs could be directly charged to specific cost objectives; however, practical difficulties generally preclude such an approach for organizational and accounting reasons. As such, almost all organizations, whether in the private or public sector, separately budget and account for direct and indirect costs at some level depending on their financial reporting needs and the complexity of their operations.

Distributing Indirect Costs. However, in order to determine the total cost of delivering specific services, some methodology for determining and distributing indirect costs must be developed, and that is the purpose of cost allocation plans: to identify indirect costs and to allocate them to benefiting direct cost programs in a logical, consistent and reasonable manner.

COST ALLOCATION PLAN REVIEW

Plan Goal: Reasonable Allocation of Costs

It is important to stress that the goal of cost allocation plans is a reasonable allocation of indirect costs, not a "perfect" one. By their very nature, indirect costs are difficult to link with direct costs. As such, in developing an allocation approach, it is important to keep this goal in mind balancing the cost and effort of complicated allocation methods with the likely benefits from the end results.

Essential Features. Effective cost allocation plans have two key components: technical and policy.

- Technical: Indirect cost allocations should be logical, reasonable and consistent.

- Policy: Indirect cost allocations should be clear, transparent, understandable and reasonably predictable.

As discussed below, the State Bar's current Cost Allocation Plan meets the "technical" criteria; however, this report recommends improvements in meeting the "policy" criteria.

Determining Direct and Indirect Costs

The first step in preparing cost allocation plans is determining direct and indirect costs. For the State Bar, program costs that primarily provide services to members or the public should be identified as direct costs, whereas the cost of programs that primarily provide services to the organization should be identified as indirect costs. Typically, only operating costs are considered in preparing cost allocation plans. As such, capital outlay, debt service costs related to direct cost programs, interfund transfers, offsetting rental income related to space costs and "pass-through" costs should be excluded from the calculations.

Allocating Indirect Costs

Organization-Wide Indirect Cost Rate. For general purposes (and smaller agencies in both the private and public sectors), the organization-wide indirect cost rate can be used as the basis for allocating indirect costs. The indirect cost rate is simply the ratio between indirect and direct costs, which can be easily computed for the organization as a whole once the direct and indirect cost base has been determined. Provided in Table 1 below is a sample of direct and indirect costs for the State Bar based on the 2016 Budget along with the resulting organization-wide indirect cost rate.

Table 1. State Bar Direct and Indirect Cost Sample

DIRECT COSTS *		INDIRECT COSTS *	
Admissions	19,504	Executive Director	3,419
Chief Trial Counsel	32,081	Finance	5,213
Probation	985	Budget & Performance Analysis	856
Client Security Fund	7,262	General Counsel	5,107
Mandatory Fee Arbitration	782	Human Resources	2,237
State Bar Court	7,858	Information Technology	6,518
Member Records & Compliance	2,642	General Services	7,342
Professional Competence	1,936	Communications	1,746
Education	9,766	Non-Departmental	5,930
Diversity & Bar Relations	744		
Lawyer Assistance Program	1,410		
Legal Services	28,084		
TOTAL DIRECT COSTS	**$113,054**	**TOTAL INDIRECT COSTS**	**$38,368**

* In Thousands

Total Costs	$151,422
Indirect Cost Rate	33.9%

By applying the overall indirect cost rate to any specific direct cost program, the total cost of the program can be determined. For example, with a sample overall indirect cost rate of 33.9%, the total cost for a direct program cost of $100,000 in the State Bar would be $133,900.

Bases of Allocation. Using the "organization-wide" rate for indirect cost allocations assumes that all indirect costs are incurred proportionately to the direct cost of the program. However, this may not be a reasonable assumption in all cases, as the benefit received from certain types of support service programs may be more closely related to another indicator of activity than cost.

For example, if a program service is primarily delivered through contract and does not have any staffing directly associated with it, distributing human resources costs to it may result in an inequitable allocation of costs. Because of this, separate bases for allocating major indirect cost areas are used by many agencies. Common allocation bases include:

- Full-time equivalent employees for human resources and payroll
- Assigned space for building maintenance and utilities
- Assigned computers for information technology
- Operating costs for accounting

In accordance with "best practices," the State Bar's Cost Allocation Plan establishes separate *bases of allocation* for each major indirect cost category. With this approach, indirect costs can be allocated to each direct cost program in a fair, convenient, logical and consistent manner. The State Bar's bases of allocation are discussed in more detail later in this report.

One-Step vs Sequential Allocation of Indirect Costs

There are two approaches in allocating indirect costs when using allocation bases:

- "One-step" allocation under which indirect costs are allocated solely to direct cost programs.

- More complex sequential allocation system under which indirect costs are first allocated to both indirect and direct costs programs; and then iterative allocations are made to direct cost programs until all indirect costs are distributed.

Although there are some conceptual difficulties with the "one-step" approach, the difference in the end result is insignificant, but the cost of preparation, review and audit is significantly reduced. As discussed below, the State Bar uses a "one-step" approach in preparing its Cost Allocation Plan and should continue using this approach.

Cost Allocation Plan Uses

By identifying total program costs, cost allocation plans can be used as an analytical tool in many financial decision-making situations, including:

- ***Reimbursement Transfers.*** Cost allocation plans identify the costs incurred by the General Fund in providing administrative support services to the agency's other funds. For example, although administrative, legal services, accounting, human resources and building maintenance programs are commonly budgeted and accounted for in the General Fund, these programs provide support services to other funds. Cost allocation plans provide a clear methodology for determining this level of support to the various funds. Allocating indirect costs between funds is a major use of the State Bar's Cost Allocation Plan.

- ***User Charges and Labor Rates.*** Cost allocation plans can also be used in setting service charges (such as disciplinary proceeding cost recovery) and other "time materials" cost recovery by ensuring that the full cost of services – direct and indirect – are considered in setting rates.

- ***Contracting-Out for Services.*** By identifying total costs, cost allocation plans can also be helpful in analyzing the costs of contracting for services versus performing services in-house.

- ***Grant Administration.*** Under federal cost accounting policies (Circular A-87), it is permissible to include indirect costs in accounting for grant programs. By establishing indirect cost rates, cost allocation plans can be used in recovering the total costs (direct and indirect) associated with implementing grant programs. While this may not be a significant use by many agencies, the indirect cost allocation principles set forth by the federal government have become the standard for preparing state and local government cost allocation plans.

Plan Preparation

For virtually all government agencies, frequent updating (such as monthly or quarterly) of their cost allocation plans would not serve any specific purpose—such as unit price control in a manufacturing company. However, it would consume significant accounting resources. As such, most local agencies prepared their cost allocation plans on annual basis based on the adopted budget (or biennially if they prepare two-year budgets). This approach works well when significant variances are not expected between budget and actual. However, where large variances are possible, then at the end of the fiscal year, many agencies prepare a "true-up" based on actual costs. Any variances (either over or under cost allocation plan amounts) are applied to the following year's cost allocation plan.

As discussed below, the State Bar currently prepares and posts indirect cost allocations monthly. Instead, the State Bar should prepare the Cost Allocation Plan annually as a freestanding policy document, with an annual true-up in the following year.

Summary

Cost allocation plans make determining total program costs possible by establishing a reasonable methodology for identifying and allocating indirect costs to direct cost programs. Because of this, cost allocation plans can be a valuable analytical tool in a number of situations, including establishing fees designed for full cost recovery, allocating support service costs to all funds and recovering indirect costs associated with grant programs.

FINDINGS AND RECOMMENDATIONS

The following findings and recommendations are based on:

- Detailed reviews of the current Cost Allocation Methodology and spreadsheet calculations.
- 2001 report prepared by Deloitte & Touche.
- Reviews of other policy documents, including the 2016 Budget.
- "Kick-off briefings" with Section representatives, senior managers, other stakeholders and Finance staff.
- Follow-up interviews and discussions with State Bar staff.

❶ Technically Sound Methodology. The methodology for preparing the State Bar indirect cost allocations is technically sound and documented via an extensive Excel spreadsheet. It is based on a model initially developed in 1999 by Deloitte & Touche (now Deloitte, currently one of the "Big Four" accounting firms) and updated in 2001. (This report, which was prepared in November 2001 and presented to the Board and Planning, Program Development and Budget Committee in January 2002, is provided in Appendix A).

Since then, the State Bar has made some changes to the 2001 model. While several of these are discussed in greater detail below with individual findings and recommendations, Table 2 below summarizes key assumptions where the State Bar's current practices are different than those recommended in 2001, along with my recommendations as to whether the State Bar should continue with its current practice, return to the recommendations in the 2001 report or do something else.

Table 2. Summary of Assumptions: 2001 Deloitte Report, Current Practice and Recommendation

2001 Deloitte Report	Current State Bar Practice	Recommendation
Allocate only portions of some indirect costs	Allocate only portions of some indirect costs	Allocate all indirect costs
Treat some Communications costs as indirect costs, allocated based on time records	Treat some Communications costs as indirect costs (currently 7%), allocated based on operating costs	Consider all Communications costs as *direct costs*
Separately allocate Board and Appointment indirect costs	Separately allocate Board, Appointment and Elections indirect costs	Do not separately allocate these costs (very small component of indirect costs does not warrant added work)
Allocate Executive Director and General Counsel based on time records	Allocate Executive Director and General Counsel based on operating costs	Continue current practice
Allocate Finance payroll costs based on full-time equivalent employees	Allocate all Finance costs based on operating costs	Continue current practice (Finance payroll costs are minor part of total Finance costs and do not warrant added work)
Allocate indirect costs via sequential process	Allocate indirect costs via one-step process	Continue current practice (One-step allocation provides similar results with greater transparency and reduced effort)
Allocate indirect costs to major program areas (19 proposed in 2001 report), not to cost centers	Allocate indirect costs to 118 cost centers	Return to 2001 Report recommended approach: allocate indirect costs to major program areas (fund level, perhaps at the Department level in the General Fund)

2001 Deloitte Report	Current State Bar Practice	Recommendation
Prepare Cost Allocation Plan annually, with true-up in the following year	No formal plan preparation; allocate indirect costs monthly	Return to 2001 Report recommended approach: prepare formal cost allocation plan annually, with Board approval and true-up in the following year

❷ **Not All Indirect Costs Allocated.** The current model does not allocate all indirect costs. In three cases – allocating only 50% of Executive Director, 25% of Board and a portion of Communication costs – this is consistent with the recommendations of the 2001 Deloitte report.

However, the 2001 Deloitte report provides very lean justification for allocating only a portion of these costs. For example, in the case of the Executive Director, the report says that: "Considering only a portion of the Executive Director as an Administrative Cost Pool is consistent with the federal and state guidelines for Cost Allocation Plans." While this may be the case as a discretionary reduction in indirect costs that will be recovered by from federal or state grant programs, it is not required under federal or state grant guidelines. Moreover, there is no justification for excluding 50% of the cost, versus 25%, 33% or 75%.

Setting aside this methodological issue, as reflected below in Table 3, the current practice is to exclude significant portions of other indirect costs as well:

Table 3: Indirect Cost Allocation Portions

Indirect Cost Program	Percent
Executive Director	50%
Appointments	50%
Board of Directors	25%
Deputy Director (COO)	25%
Elections	25%
Communications	7%

Recommendation. Unless there is a compelling methodological reason for doing otherwise, all indirect costs should be allocated in the Cost Allocation Plan in achieving the goal of identifying the total cost of delivering services. An example of where exclusion might make sense is where the Executive Director's office provides direct oversight and supervision to direct programs. In that case, this cost should be allocated directly to the direct cost program, not excluded from the indirect cost allocations. However, as discussed in a separate finding regarding cost recovery policies, after determining total program costs, the State Bar has the discretionary option (subject to any statutory limitations) of not requiring full cost recovery.

Limited Allocation Bases. As summarized below, the State Bar currently uses a limited number (six) of allocation bases.

Table 4. Current Indirect Cost Allocation Bases

Allocation Bases	Indirect Cost Program
Revenues	Member Fee Billings
Full-Time Equivalent Staffing (FTE's)	Human Resources General Counsel Information Technology
Attorney FTE's	Library
Assigned Space	Building Maintenance Utilities LA Facility Debt Service
Number of Appointments	Appointments
Operating Costs	Board Elections Communications Executive Director Finance

Some of these indirect cost allocation bases lend themselves to an easily justified, rational approach of distribution. For example, human resources are related to the number of employees serviced; and building maintenance and utility costs are related to the amount of space occupied. Other costs may not be as intuitive; however, the allocation bases are consistent with industry "best practices" and recognize the concept that the cost of developing the information necessary to perform the cost allocations should not exceed the benefits likely to be gained.

Sections Indirect Cost Allocations

As recommended in the 2001 Deloitte report, indirect costs are allocated to the Sections Fund as a major cost center. The resulting indirect cost allocations are then allocated between Sections based on the number of members in each Section.

Where there is not a clear relationship to an allocation base (like staffing or assigned space), allocating indirect costs based on direct program operating costs is the common industry practice, and as such, this approach is used by the State Bar.

These allocation bases could be expanded. For example:

Table 5. Possible Allocation Bases

Indirect Cost Programs	Possible Allocation Bases
Board/Committees	Agenda Items
Payroll	FTE's
Purchasing	Purchase Orders
Telecommunications	Assigned Telephones
Information Technology	Assigned Computers

However, this would require additional work in developing the costs and data bases, for which it is unlikely that there will be commensurate value in significantly improving indirect cost allocations.

Moreover, in a predominately office environment like the State Bar, there is likely to be a very close relationship between services like telecommunications and information technology with FTE's. On the other hand, there may not be commensurate value in separately allocating Board, Appointment and Election Costs.

Recommendations. As noted above, the goal in allocating indirect costs is "reasonable," not perfect. This means balancing added work effort and understandability with more detail and complexity in trying to achieve a "better" allocation of indirect costs. Based on this, it is recommended that the State Bar retain its current bases of allocation, with two exceptions where the bases should be reduced:

- Board, Appointment and Election costs should no longer be broken out as separate indirect cost areas from the Executive Director's office. This will improve transparency and reduce preparation costs with no significant impact on results. For example, in the case of Board and Election costs, these are already allocated on the same basis as the Executive Director's office (operating costs); and Appointment costs are very minor, representing only 0.5% of all indirect costs allocated in 2014.

- All Communications costs should be considered as direct costs. This follows the concept discussed above that program costs that primarily provide services to members or the public should be identified as direct costs. This appears to be the case for all Communications costs.

  The 2001 Deloitte report recommended considering some Communications costs as indirect since they "support various program activities, specifically the management of the State Bar Web page on the Internet." Since the purpose of the State Bar's web site is to provide information to members and the public, it is not clear why the report viewed this function as different from other Communications functions.

  The 2001 Deloitte report also recommended that this cost be identified and "allocated based on time records." However, the current practice is to consider 7% of Communications costs as indirect and to allocate them based on operating costs (other than history, there is no documentation for the percentage or the allocation basis). In short, making this change will result in a closer alignment with the underlying foundation for determining direct versus indirect costs, greater consistency in allocating costs and improved understandability and transparency.

This will result in the following ten indirect cost program areas and related bases of allocation:

Table 6. Recommended Indirect Cost Programs and Allocation Bases

Allocation Bases	Indirect Cost Program
Revenues	Member Fee Billings
Full-Time Equivalent Staffing (FTE's)	Human Resources General Counsel Information Technology
Attorney FTE's	Library
Assigned Space	Building Maintenance Utilities LA Facility Debt Service
Operating Costs	Executive Director Finance

❹ **Allocation Level: Too Many Cost Centers.** The current model allocates indirect costs to 118 cost centers. This is a change from the 2001 Deloitte report, which recommended allocating indirect costs to nineteen major programs (primarily based on departments/funds). In discussions with State Bar staff, there are no readily identifiable benefits to allocating indirect costs to such a detailed level. On the other hand, doing so makes the results more complicated and less intuitively understandable.

Recommendation. The State Bar should return to allocating indirect costs to major programs areas based on departments/funds. This will reduce preparation efforts while improving understandability and transparency. Similar to those in the 2001 Deloitte report, suggested "major program areas" are:

General Fund (See Discussion Below)

- Chief Trial Counsel
- State Bar Court
- Member Records & Compliance
- Other General Fund Programs

Restricted Funds

- Client Security Fund
- Elimination of Bias and Bar Relations Fund
- Equal Access Fund
- Justice Gap Fund
- Lawyer's Assistance Fund
- Legislative Activities Fund
- Legal Services Trust Fund
- Legal Specialization Fund

Special Revenue Funds

- Admissions Fund
- Annual Meeting Fund
- Grants Fund
- Sections Fund

Breaking-out major cost areas within the General Fund is solely for the purpose of establishing indirect cost rates for special cost recovery purposes, such as setting disciplinary proceedings fees. After further review by State Bar staff, this may not be needed and setting indirect cost rates at the General Fund level may be sufficient.

However, even if indirect costs are allocated to major program areas within the General Fund, I do not recommend actually posting indirect cost allocations to them within the General Fund, since the total allocated to the General Fund remains the same.

On the other hand, reimbursements from the other funds for indirect costs initially accounted for in the General Fund should be posted as expenditures in the other funds, and recorded as a reduction to expenditures in the General Fund. Examples of how to record and display these reimbursements are available upon request.

❺ **One-Step versus Sequential Allocation Process.** In performing the indirect cost allocations, the current "one-step" process only allocates indirect costs to direct cost programs rather than using a more complex sequential allocation system. As discussed above, there are some conceptual difficulties with this approach. However, the difference in the end result is insignificant, but the cost of preparation, review and audit is significantly reduced.

For example, the cost of the Finance program is allocated solely to direct cost programs based on their operating costs. However, as the Finance program also benefits other indirect cost programs such as the Executive Director's office, General Counsel and Human Resources (they all receive paychecks), the cost allocations could appear to be distorted since no allocations are made to them.

Under a more sophisticated sequential system, the cost of the Finance program would be allocated to the other indirect costs programs (as well as the direct cost ones) and iterative allocations then made to direct cost programs until all indirect costs are distributed. However, this process is extremely time consuming (and places far more reliance on the underlying significance of the allocation bases than may be appropriate) and results in the same basic cost allocations as the simpler method since all indirect costs are allocated in the final product.

The 2001 Deloitte report recommends the more complex, sequential approach. Table 7 below is an example from the report illustrating the sequential model.

Table 7. Sample Sequential Allocation Process: 2001 Deloitte Report

1	2	3	4	5	6	7	8	9	10
	Allocation	Administrative Cost Pools			Program Areas				Allocation
	Method	Area 1	Area 2	Area 3	Program 1	Program 2	Program 3	Program 4	Totals
Administrative Cost Pools									
Area 1		$5,000							$5,000
	FTEs	(5,000)	$500	$250	$1,000	$250	$2,000	$1,000	(5,000)
Area 2			6,000						6,000
	Square Feet		(6,500)	525	525	550	3,300	1,500	(6,000)
Area 3				5,000					5,000
	Hours			(5,775)	1,750	1,225	1,950	850	(5,000)
Program Areas									
Program Area 1					5,000				5,000
Program Area 2						4,000			4,000
Program Area 3							10,000		10,000
Program Area 4								20,000	20,000
Total Budget		$0	$0	$0	$8,275	$6,025	$17,250	$23,450	$39,000

Even for someone familiar with cost allocation models, this can be difficult to follow – and this example is based on just three indirect cost programs and four direct cost program areas (and without showing the allocation calculations). For the State Bar, this becomes even more difficult to display and understand when there are likely to be ten indirect cost programs and sixteen direct cost programs.

Recommendation. The State Bar should continue with the simpler, "one-step" approach. It is a more transparent methodology and easier to prepare; and as discussed previously, the Cost Allocation Plan goal is a reasonable allocation of costs, not a "perfect" one. That said, a possible refinement is to allocate the costs of space used by direct programs based on assigned space; and the cost of space used by indirect cost programs based on operating costs. (An example of this is provided in Appendix B).

Timing: Monthly Preparation and Posting Unusual. The State Bar prepares and posts indirect allocations monthly. This is unusual. Most public agencies prepare an annual cost allocation plan as a freestanding policy document based on the adopted budget. This serves three purposes:

- Treats the allocation of resources as a policy matter.
- Provides transparency in how allocations are determined.
- Improves predictability.

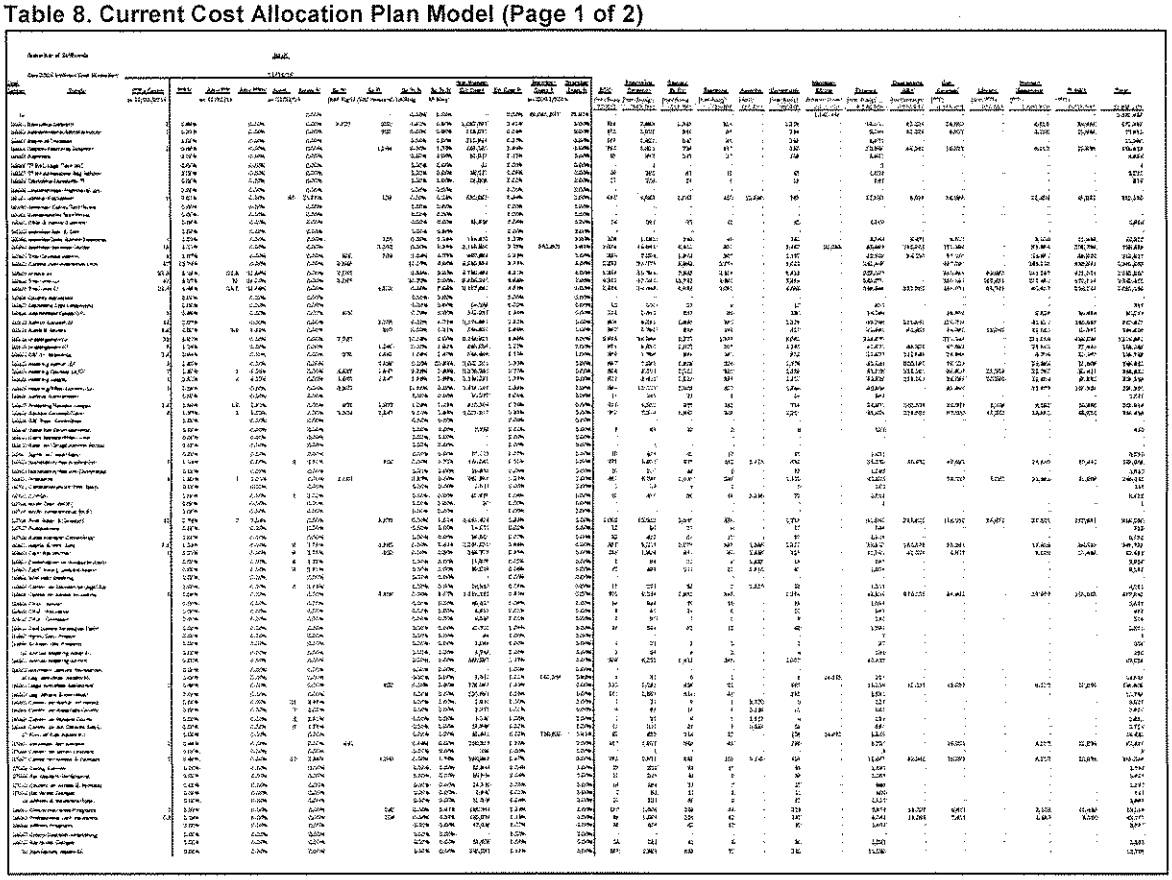
Where significant variances between budget and actual are likely, this can be accounted for via annual true-ups that are reflected in the following year's cost allocation plan. ("True-up" examples are available upon request.)

Recommendation. Annual preparation and true-up is the recommended approach in the 2001 Deloitte report. Consistent with industry practice, the State Bar should return to annual preparation of the Cost Allocation Plan; and it should be published as a separate

policy document that describes its purpose, methodology, key assumptions any significant changes in methodology from the prior year and results at a summary and detailed level. Along with reducing preparation efforts and improving transparency and predictability, it will also strengthen the Cost Allocation Plan as a policy document (which is discussed next).

❼ **Technical Versus Policy Document.** The current Cost Allocation Plan is a large spreadsheet that requires 11x17 paper to print-out (in very small print: see Table 8 below); has no narrative regarding assumptions; and has deeply imbedded formulas that make following the allocations difficult.

Table 8. Current Cost Allocation Plan Model (Page 1 of 2)



While this works as a technical document that only has to be understandable to the staff preparers (and even then, this can be a difficult spreadsheet to follow in ensuring that all calculations are made correctly), it does not work well as a policy document. The Cost Allocation Plan makes significant resource allocations whose purpose and methodology should be clear and understandable to governing bodies, senior managers, program managers and others affected by the allocations ("stakeholders") as well as Finance staff.

Recommendation. The Cost Allocation Plan should be prepared as a separate policy document that describes its purpose, methodology, key assumptions, any significant changes in methodology from the prior year and results at a summary and detailed level.

Appendix B provides examples of a Cost Allocation Plan as a policy document that reflects these features:

- Introduction describing the Plan's purpose, methodology, key assumptions and any significant changes in methodology from the prior year (Appendix B.1).
- Summary of direct and indirect costs (Appendix B.2)
- Summary of excluded costs and reconciliation to the Budget (Appendix B.3)
- Indirect cost allocation bases (Appendix B.4)
- Indirect cost summary by fund type (Appendix B.5)
- Indirect cost summary by fund (Appendix B.6: totals roll-up to Appendix B.5)
- Individual indirect cost allocations (Appendix B.7: totals roll-up to Appendix B.6)
  - General administration costs allocated based on operating costs (Appendix B.7a)
  - Human resources costs allocated based on FTE's (Appendix B.7b)
  - Utilities allocated based on assigned space and operating costs (Appendix B.7c)
- Fund indirect cost allocations: budget versus actual (Appendix B.8).
- Allocation base data (sample): Full-Time Equivalent Employees (Appendix B.9).
- Labor rates for billing and cost recovery purposes including salary, benefits and indirect costs (Appendix B.10: sample for Police labor rates)

❸ Capital Projects and Debt Service. As discussed above, cost allocation plans typically focus on direct and indirect operating costs; and exclude from the direct cost base capital project and debt service expenditures. Accordingly, decisions regarding funding capital projects and indirect cost debt service obligations should be made on a case-by-case basis depending on circumstances at the time when capital projects and debt service obligations are approved. This has been the State Bar's past practice.

Capital projects. In the case of major capital projects, such as building and technology improvements, special fee assessments were put in place that largely funded these improvements. Where direct supplemental funding is not available, or will not fully fund project costs, project costs should be allocated on a case-by case basis, taking into account the circumstances at the time, using a methodology based on benefit similar to that used in the Cost Allocation Plan.

Debt service. Where debt service is an indirect cost, it should also be allocated based on benefit. In the current case of debt service related to the Los Angeles facility, there two equally appropriate approaches:

- Debt service costs could be allocated based on all space used by the State Bar, on the assumption that the use of space between the San Francisco and Los Angeles offices is not largely driven by unique program needs that could not be conceptually accommodated at either location. With this assumption, all programs benefit from the availability of space, and as such, facility debt service costs could be allocated based on all assigned space and related total costs.

- On the other hand, in the interest of transparency and understandability, it may be more intuitive to allocate the debt service costs for the Los Angeles facility only to the programs that are located there. This is the State Bar's current approach.

Recommendation. No changes are recommended to the current case-by-case approach. However, in the case of capital projects, the basis for allocating project costs between funds should be clearly articulated when the Board approves the project budget (or makes subsequent amendments to it). Similarly, in the case of debt service for facilities, either of the options discussed above can be appropriate. However, the assumption and its basis should be clearly stated. Preparing the Cost Allocation Plan on an annual basis as a freestanding policy document (as recommended above) will provide the opportunity to do so.

⑨ **Plan Approval.** As a "technical document" that closely follows the 2001 Deloitte report recommendations (albeit with modifications since then), the Cost Allocation Plan is currently approved and implemented by Finance staff. However, as noted above, the Cost Allocation Plan allocates significant resources between funds. As such, either implicitly or explicitly, it is a major policy document, similar to the Budget, which are typically approved by the Board.

Recommendation. Assuming it is prepared annually as a freestanding policy document, the Cost Allocation Plan should be formally approved by the Board. (If the Cost Application Plan is prepared concurrently with the Budget, formal Board approval of the Plan may not be required if the budgeted allocations are based on the Plan. However, in this case the Plan should be provided to the Board for its review).

⑩ **Cost Recovery Policy.** While the Cost Allocation Plan identifies total program costs, setting rates and fees at levels that fully recover these costs is a policy decision (although there may be statutory requirements for full indirect cost recovery or limits on full cost recovery).

Recommendation. Full cost recovery where possible may be an implicit understanding (and as noted above, there may be statutory provisions regarding indirect cost recovery). However, in accordance with "best practices" (and following a review for possible statutory limitations), the Board should formally adopt a cost recovery policy that sets forth programs where it expects full cost recovery; and for any programs where full cost recovery is not expected, the reason for this and the cost recovery goal.

FISCAL IMPACT ON INDIRECT COST ALLOCATIONS

Without actually performing the calculations and updating the model, it is not possible to fully assess the fiscal impact of implementing the recommended changes. That said, most the proposed changes are modest and as such should have modest impacts.

However, there are two areas where there are likely to be reductions and increases in allocated indirect costs in the restricted and special revenue funds:

- Identifying all Communications costs as direct costs will reduce indirect cost allocations. Since only 7% of Communications costs are currently being allocated as indirect costs, this impact should be modest.

- Allocating all indirect costs (and not just portions of Executive Director, Board, Appointment and Elections costs) will increase indirect cost allocations. This impact is likely to be significant.

"FAIRNESS" OF CURRENT ALLOCATIONS AND PROPOSED CHANGES

Are the current allocations and proposed changes "fair?"

As some pundit once noted: fairness is in the eye of the beholder. In the case of cost allocations, fairness can best be determined by the key technical and policy criteria discussed above:

- Are the allocations logical, consistent and reasonable (albeit not perfect)?

- Are the allocation assumptions and calculations clear, transparent and understandable?

If the answer to these questions is "yes," the resulting allocations most likely will be "fair," recognizing that regardless of methodology, allocating indirect costs is a "zero sum game." At the end of the day, all indirect costs have to be allocated to direct cost programs. Accordingly, a basis of allocation that lowers indirect costs for one program will result in higher costs for another (and thus why "fairness" in the context of cost allocation plan is likely to be in the eye of the stakeholder).

That said, there are three "acid tests" for fairness based on the overall indirect cost rate:

Is the overall indirect cost rate significantly higher than 35%?

All organizations account for direct and indirect costs differently, and as such, there can be significant variances in overall indirect cost ratios. However, if this ratio is significantly higher than 35%, there should clear, compelling and reasonable basis for this. In the State Bar's case, the overall ratio of indirect to direct costs for 2014 was 28.0%, based on allocated indirect costs of $21.6 million and direct costs of $77.1 million.

How does the overall indirect cost rate change over time?

If it changes significantly, there should be a clear, compelling and reasonable basis for this. For example:

- The 2001 Deloitte report shows an overall indirect cost rate for 2002 of 29.3% (Table 9) based on direct program costs of $58.3 million and indirect costs of $17.1 million.

- This compares favorably with the 2014 ratio of 28.0% for 2014.

- It also compares favorably with the with the very "high level" sample estimate for 2016 presented earlier in Table 1 of 33.9%, which is based on allocating all indirect costs and doesn't make adjustments for excluded costs.

Table 9. 2001 Deloitte Report Indirect Cost Allocations

Program Area	Direct Costs ($000)	Allocated Costs ($000)	Total Costs ($000)	Allocated as Percent of Direct
Discipline	$31,986	$9,354	$41,340	22.6%
Administration of Justice	747	202	949	21.3%
Governance	1,322	2,276	3,598	63.3%
Legal Services Access	1,240	290	1,530	19.0%
Admin. of the Profession	682	281	963	29.2%
Communicaitons	2,517	327	2,844	11.5%
Admissions	8,702	2,002	10,705	18.7%
Client Security Fund	962	515	1,477	34.8%
Legal Services Trust	827	208	1,035	20.1%
Equal Access Fund	330	10	340	3.0%
Certifications Fund	1,341	317	1,659	19.1%
Legal Specialization	1,178	198	1,376	14.4%
Sections	3,544	549	4,093	13.4%
Annual Meeting	555	84	639	13.1%
Conference of Delegates	116	14	132	10.5%
Legislative Activities	603	124	727	17.0%
Elimination of Bias	385	74	459	16.1%
Attorney Diversion	750	65	815	7.9%
Legal Education	586	196	782	25.1%
Program Area Total	$58,375	$17,087	$75,462	22.6%
Exempt Costs	1,943	22,631	24,574	
Total Budget	$60,318	$39,718	$100,036	
Note: Totals may not sum do to rounding				

How do major program indirect cost rates compare with the overall indirect cost rate?

There should be variances, since indirect costs are allocated to each major cost area under separate allocation bases. That said, where there are significant variances, again there should be a clear, compelling and reasonable basis for this.

For example, the Sections have expressed concern in the past that the indirect cost allocations to them are "too high." To place this in context, indirect cost allocations to the Sections Fund in 2014 were $1.365 million compared with direct costs of $6.739 million. The resulting indirect cost rate of 20.2% compares very favorably with the organization-wide cost rate of 28.0%.

CONCLUSION

The State Bar's current Cost Allocation Plan is technically sound and largely follows the methodology set forth in the 2001 Deloitte report. However, there are recommended changes that will reduce preparation efforts while improving transparency and understandability. In many cases, this is done by following Albert Einstein's advice:

"Make everything as simple as possible, but not simpler. Any idiot can make things more complicated."

APPENDIX

Appendix A: 2001 Deloitte Report

- Board and Committee Agenda Report
- Deloitte & Touche Report

Appendix B: Examples of Cost Allocation Plan as Policy Document

- Introduction describing the Plan's purpose, methodology, key assumptions and any significant changes in methodology from the prior year (Appendix B.1).
- Summary of direct and indirect costs (Appendix B.2)
- Summary of excluded costs and reconciliation to the Budget (Appendix B.3)
- Indirect cost allocation bases (Appendix B.4)
- Indirect cost summary by fund type (Appendix B.5)
- Indirect cost summary by fund (Appendix B.6)
- Individual indirect cost allocations (Appendix B.7)
  - General administration costs allocated based on operating costs (Appendix B.7a)
  - Human resources costs allocated based on FTE's (Appendix B.7b)
  - Utilities allocated based on assigned space and operating costs (Appendix B.7c)
- Fund indirect cost allocations: budget versus actual (Appendix B.8).
- Allocation base data (sample): Full-Time Equivalent Employees (Appendix B.9).
- Labor rates for billing and cost recovery purposes including salary, benefits and indirect costs (Appendix B.10: sample for Police labor rates)

AGENDA ITEM

Appendix A
JANUARY 54-141
Update to Indirect Cost Allocation Methodology

DATE: January 10, 2002

TO: Members, Board Planning, Program Development and Budget Committee
Members, Board of Governors

FROM: David Jensen, Manager of Budget and Planning

SUBJECT: Update to Indirect Cost Allocation Methodology

Executive Summary

In 1999, the State Bar engaged the consulting firm of Deloitte and Touche, LLP, to study and recommend an appropriate methodology for allocating Administration and Support costs to the various State Bar program areas. The consultants recommended a step-down methodology originally developed by the federal government to allow state and local governments to recover the costs of administering federal grants without placing an undue burden on the grant recipient to track all related administrative costs. This is also the same methodology used by the State of California. In August of 1999, the Board of Governors adopted the step-down methodology recommended by Deloitte and Touche and the utilization of their model to calculate allocations. Subsequently the State Bar has incurred organizational changes that needed to be incorporated into the model. Following the adoption of the 2002 State Bar Budget, Deloitte and Touche reviewed the methodology as applied to the State Bar and updated the model accordingly. As the methodology remains the same, the Board needs to take no action. The model results for 2002 are presented for the Board's information.

When the Board of Governors adopted the 2002 State Bar budget in October 2001, they also adopted some changes in the State Bar organizational structure. The most notable of these changes are the creation of the Attorney Diversion and Assistance Fund and the transfer of Certification activities from the General Fund to the newly created Certification Fund. These organizational changes necessitated an update to the State Bar's Indirect Cost Allocation Model as the new programs needed to be assessed their share of Administration and Support costs (i.e., indirect costs) for 2002.

The State Bar engaged the consulting firm of Deloitte and Touche, LLP, to review the State Bar's organizational structure and update the model for 2002. Attached is the Draft Final Report reflecting the Revised Indirect Cost Allocation Methodology for 2002 as prepared by Deloitte and Touche, November 2001. The model results are presented on page 3 of this report.

The report is being presented as an information item to the Board Committee on Planning, Development and Budget.

State Bar of California

Revised Indirect Cost Allocation Methodology

Draft Final Report

November, 2001

Deloitte & Touche

Deloitte Touche Tohmatsu

APPENDIX I

Cost Allocation Plan - 2016 Budget

Attachment C-1

Administrative Area	Allocation Basis	2016 Indirect Costs Allocated													
		General Fund (10)	Annual Mtg Fund (14)	Legislative Activities Fund (16)	Elimination of Bias / Bar Relations Fund (17)	Legal Educ and Dev Fund (18)	Admissions Fund (20)	Lawyer Assistance Program Fund (21)	Legal Spec Fund (24)	Client Security Fund (27)	Legal Service Trust Fund (28)	Equal Access Fund (29)	Justice Gap Fund (32)	Sections Funds (70-89)	Total Indirect Cost Pool
Membership Billing	Revenues	1,488,065	-	16,959	17,418	-	-	45,138	-	171,662	141,467	-	22,783	131,308	2,034,800
Board of Trustees/ Election	Actual Direct Costs as % of Total State Bar Direct Costs	148,014	1,667	1,281	2,474	876	49,360	3,345	3,028	4,622	4,208	562	-	18,964	238,400
Appointments	Actual Direct Costs as % of Total State Bar Direct Costs	62,645	706	542	1,047	371	20,891	1,416	1,281	1,956	1,781	238	-	8,026	100,900
Property Related-SF	Square Footage	3,097,242	-	43,319	86,638	35,380	984,986	22,008	169,794	-	180,520	-	-	393,214	5,013,100
Property Related-LA	Square Footage	3,685,083	-	-	26,546	-	661,404	106,186	-	132,281	-	-	-	-	4,611,500
General Counsel	FTE	3,544,375	16,189	20,236	40,472	8,094	647,559	70,827	80,945	111,299	111,299	-	-	197,303	4,848,600
Executive Director	Actual Direct Costs as % of Total State Bar Direct Costs	1,381,613	15,563	11,955	23,092	8,176	460,739	31,227	28,263	43,140	39,275	5,246	-	177,012	2,225,300
Library	# of Attorneys	673,079	-	-	-	-	-	-	-	26,421	-	-	-	-	699,500
Human Resources	FTE	1,121,077	5,121	6,401	12,801	2,560	204,821	22,402	25,603	35,204	35,204	-	-	62,407	1,533,600
Information Technology	FTE	4,717,792	21,549	26,936	53,871	10,774	861,943	94,275	107,743	148,146	148,146	-	-	262,623	6,453,800
Finance	Actual Direct Costs as % of Total State Bar Direct Costs	1,950,575	21,972	16,879	32,601	11,543	650,475	44,086	39,902	60,906	55,449	7,406	-	249,907	3,141,700
Non-Departmental		276,099	3,110	2,389	4,615	1,634	92,073	6,240	5,648	8,621	7,849	1,048	-	35,374	444,700
Total Cost Allocated		**22,145,660**	**85,876**	**146,897**	**301,576**	**79,408**	**4,634,251**	**447,150**	**462,206**	**744,258**	**725,197**	**14,500**	**22,783**	**1,536,136**	**31,345,900**
Total Direct Costs:	**80,768,659**														
% of Total Direct Costs:		**27.4%**	**0.1%**	**0.2%**	**0.4%**	**0.1%**	**5.7%**	**0.6%**	**0.6%**	**0.9%**	**0.9%**	**0.0%**	**0.0%**	**1.9%**	

Allocation bases

Membership Billing – Fund Membership Dues received as a percentage of total State Bar Membership Dues.
Actual Direct Costs as % of Total State Bar Direct Costs – Fund Direct Costs as a percentage of total State Bar Direct Costs
Square Footage – Fund Square Footage Occupancy as a percentage of total building square footage.
FTEs – Fund FTEs as a percentage of total direct cost center FTEs