Information about your 2020 fees

Statement of Expenditures of Mandatory Fees

The State Bar is a regulatory agency. On January 1, 2018, the former Sections of the State Bar were separated from the State Bar and became part of an independent entity, the California Lawyers Association (“CLA”).\(^1\) The State Bar no longer has membership or associational aspects and is no longer an integrated bar. Nonetheless, the State Bar continues to apply the requirements for integrated bars’ expenditures of mandatory dues set forth in *Keller v. State Bar of California*, 496 U.S. 1 (1990), to its expenditures of mandatory fees paid by licensees. *Keller* held that integrated bars may constitutionally use mandatory dues to fund activities germane to regulating the legal profession and improving the quality of legal services. They may not use mandatory dues to support activities of an ideological or political nature that are not germane to those goals. To permit attorneys to gauge the propriety under the *Keller* requirements of the annual licensing fees that they are charged and must pay, the State Bar provides the below Statement of Expenditures of Mandatory Fees and Independent Accountant’s Report for the year ended December 31, 2018 as an explanation of the programs and activities funded by mandatory fees.

Deductions

- Attorneys are not required to pay and may deduct five dollars ($5) from their annual fees if they do not wish to support lobbying and related activities of the State Bar that are outside the parameters for expenditures of mandatory dues set forth in *Keller*. Cal. Bus. & Prof. Code § 6140.05.
- Attorneys are not required to pay and may deduct two dollars ($2) from their annual fees if they do not wish to support programs that address concerns of access and bias in the legal profession and the justice system.
- Attorneys are not required to pay and may deduct forty dollars ($40) from their annual fees if they do not wish to support nonprofit organizations that provide free legal services to persons of limited means. Cal. Bus. & Prof. Code § 6140.03.

Keller challenge

After reviewing the Statement of Expenditures of Mandatory Fees and Independent Accountant’s Report for the year ended December 31, 2018 and the information provided here, an attorney may challenge the amount of mandatory fees for 2020 in a hearing before an independent decision maker. The only basis for challenging fees is a contention that mandatory fees are expended on activities that are not germane under the standard set forth in *Keller v. State Bar*, 496 U.S. 1 (1990). An attorney’s challenge must be submitted on the Challenge to Mandatory Fees Form. Instructions and procedures are set forth on the form. Submitting a challenge does not relieve an attorney of the obligation to pay

\(^1\) The CLA is not part of the State Bar. Mandatory fees paid to the State Bar may not be and are not used to support the activities of the CLA. Under California Business & Professions Code section 6031.5, the State Bar collects the voluntary dues paid by attorneys who choose to join the CLA and remits those dues to the CLA. The CLA reimburses the State Bar for the administrative cost of collecting and remitting voluntary CLA dues.
the invoiced annual mandatory fees on time. **Any challenge to the mandatory fees for 2020 must be received by the State Bar by February 3, 2020. Challenges must be submitted to:**

SECRETARY  
THE STATE BAR OF CALIFORNIA  
180 HOWARD STREET  
SAN FRANCISCO, CALIFORNIA 94105-1639

Upon receipt of a timely and proper challenge, the State Bar will place the disputed amount of the challenger’s mandatory fees in an interest-bearing escrow account. At its next regularly scheduled meeting or as soon thereafter as the matter may be considered, the Board of Trustees will decide whether to provide an additional deduction to the challenger or to submit the dispute for expeditious arbitration before an impartial arbitrator. If the dispute is submitted for arbitration, the Board may consolidate all challenges. The challenger(s) and the State Bar by agreement may select an impartial arbitrator. In consolidated challenges, the arbitrator may be selected by an agreement between the State Bar and 75 percent of the challengers. If there is no agreement on an impartial arbitrator within 30 days following the decision to arbitrate, an impartial arbitrator will be appointed by the American Arbitration Association. The arbitration will be heard at the San Francisco office of the State Bar. The proceedings are informal, and the State Bar will have the burden to show that the disputed activities are germane to the State Bar’s purposes of regulating the legal profession or improving the quality of legal services. The challenger(s) will be given an opportunity to present their own evidence and to present written arguments in support of their challenge(s). The arbitrator will issue a written decision and any award.
Independent Accountant’s Report

To the Board of Trustees
State Bar of California

We have examined the State Bar of California’s Statement of Expenditures of Mandatory Licensee Fees (the “Statement”) for the year ended December 31, 2018 and the State Bar of California’s compliance with the United States Supreme Court’s decision in Keller v. State Bar of California (1990) 496 U.S. 1, which held that the State Bar of California cannot use mandatory fees paid by its licensees for political or ideological activities not related to regulation of the legal profession or improvement of quality of legal services in California.

The Statement is the responsibility of the State Bar of California’s management. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the Statement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. However, our audit does not provide a legal determination of the State Bar of California’s compliance.

In our opinion, the Statement presents, in all material respects, chargeable program expenditures of the State Bar of California for the year ended December 31, 2018 and the State Bar of California complied with the United States Supreme Court’s decision in Keller v. State Bar of California (1990) 496 U.S. 1, which held that the State Bar of California cannot use mandatory fees paid by its licensees for political or ideological activities not related to regulation of the legal profession or improvement of quality of legal services in California, based on the criteria set forth in the note to the Statement.

This report is intended solely for the information and use of the Board of Trustees and Management of the State Bar of California, and it is not intended to be, and should not be, used by anyone other than these specified parties.

Macias Gini & O’Connell LLP
San Francisco, California
April 29, 2019
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## THE STATE BAR OF CALIFORNIA
### Statement of Expenditures of Mandatory Fees
#### Year Ended December 31, 2018

See accompanying notes to the statement of expenditures of mandatory licensee fees.

<table>
<thead>
<tr>
<th>CHARGEABLE EXPENSES AND RELATED PROGRAM REVENUES:</th>
<th>Dollar Amount</th>
<th>Percentage of Total Program Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Trial Counsel</td>
<td>$44,895,235</td>
<td>58.36%</td>
</tr>
<tr>
<td>State Bar Court</td>
<td>11,893,784</td>
<td>15.46%</td>
</tr>
<tr>
<td>Client Security Fund</td>
<td>10,904,222</td>
<td>14.17%</td>
</tr>
<tr>
<td>Attorney Regulations and Consumer Resources</td>
<td>4,883,781</td>
<td>6.35%</td>
</tr>
<tr>
<td>Professional Competence</td>
<td>2,485,557</td>
<td>3.23%</td>
</tr>
<tr>
<td>Lawyer Assistance Program</td>
<td>1,830,540</td>
<td>2.38%</td>
</tr>
<tr>
<td>Probation</td>
<td>1,396,083</td>
<td>1.81%</td>
</tr>
<tr>
<td>Access and Inclusion</td>
<td>1,302,377</td>
<td>1.69%</td>
</tr>
<tr>
<td>Communications</td>
<td>769,496</td>
<td>1.00%</td>
</tr>
<tr>
<td>Judicial Evaluation</td>
<td>721,208</td>
<td>0.94%</td>
</tr>
<tr>
<td>Mandatory Fee Arbitration</td>
<td>182,408</td>
<td>0.24%</td>
</tr>
<tr>
<td>Commission on Access to Justice</td>
<td>24,136</td>
<td>0.03%</td>
</tr>
<tr>
<td>California Young Lawyers Association</td>
<td>672</td>
<td>0.00%</td>
</tr>
<tr>
<td>Program Revenues (4,358,093)</td>
<td>(4,358,093)</td>
<td>-5.66%</td>
</tr>
<tr>
<td><strong>Total Chargeable Program Expenses</strong></td>
<td><strong>$76,931,406</strong></td>
<td>100.0%</td>
</tr>
</tbody>
</table>
1. **SIGNIFICANT ACCOUNTING POLICIES**

   **Description of Entity** – The State Bar of California (“State Bar”) was first formed as a public corporation by the California State Legislature’s passage of the State Bar Act on July 29, 1927. On November 8, 1960, voters amended the California Constitution to add the State Bar as a constitutional agency in the judicial branch of government. A licensee from the State Bar and payment of an annual fees are required as a condition of the practice of law in the State of California.

   **Basis of Accounting** – To ensure observance of limitations and restrictions placed on the use of resources available to the State Bar, the accounts of the State Bar are maintained in accordance with the accrual basis of accounting using principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose.

   Accounting principles generally accepted in the United States of America are applied by the State Bar in conformance with pronouncements of the Governmental Accounting Standards Board. Amounts in the Statement of Expenditures of Mandatory Fees (“Statement”) were derived from the State Bar’s audited 2018 financial statements.

   **Use of Estimates** – The preparation of the Statement requires management to make estimates and assumptions related to the amounts of chargeable expenditures during year. Actual results could differ from those estimates.

2. **BASIS OF PRESENTATION**

   The accompanying Statement was prepared for the purpose of showing the allocation of certain expenditures into chargeable and non-chargeable categories. Although derived from the State Bar’s audited 2018 financial statements, the Statement is not a substitute for the financial statements, nor is it intended to be a complete presentation of the State Bar’s revenues and expenses in conformity with accounting principles generally accepted in the United States of America. Amounts reported in the Statement can be agreed to amounts reported in the State Bar’s financial statements.

   The State Bar Act sets the amount of the annual fees that the State Bar may charge lawyers for the license to practice law in California. The amount of the annual fee, however, is subject to certain adjustments. The United States Supreme Court in *Keller v. State Bar of California*, 496 U.S. 1 (1990) (“*Keller*”) held that the State Bar could not require California lawyers to pay, as mandatory fees, the expense of the State Bar’s political or ideological activity that was not necessarily or reasonably related to the State Bar’s purpose of regulating the legal profession or improving the quality of legal services. The Statement provides a basis of determination for the mandatory fees that each licensee must pay in order to practice law in California. It describes and separates programs and activities that are “chargeable” and “non-chargeable” to licensees under the *Keller* standard. In calculating the chargeable and non-chargeable expenditures, absolute precision is not expected nor required pursuant to *Keller*, at 16, citing to procedural requirements outlined in *Chicago Teachers v. Hudson*, 475 U.S. 292, 310 (1986). Expenditures included in the Statement are derived from expenses included in the General Fund (except program costs funded by filing fees or other fees), Client Security Fund, the Lawyers Assistance Program Fund, and the Support and Administration Fund of the State Bar.
2. BASIS OF PRESENTATION (Continued)

Since January 1, 2000, amendments to the State Bar Act have provided each licensee with the option of deducting $5 from the annual licensing fee for lobbying and related activities outside of the parameters established in Keller (Cal. Bus. & Prof. Code §6140.05). In addition to these changes, in 2001, the Board of Trustees provided licensees the option of an additional $5 deduction from annual fees for certain other programs under Elimination of Bias program since reduced to $2 deduction. Although reasonable persons may disagree whether some of these programs and activities may be chargeable under the criteria in Keller, the Board of Trustees has elected to make them optional in their entirety.

Since January 1, 2000, the amount of expenses that the State Bar may incur for legislative activity outside of the parameters of Keller was restricted by statute to the total revenue collected from those licensees electing to pay the $5 and not take the deduction from the annual fee under Cal. Bus. & Prof. Code §6140.05. Instead of categorizing its programs as within or outside of Keller, the State Bar has elected to restrict the expenses of all of its legislative activity to voluntary funds. Similarly, the State Bar had a $2 deduction for activities under the State Bar’s Elimination of Bias program and limited its funding to voluntary fees paid by licensees not taking this deduction. The Bar Relations program was discontinued in 2017. In 2018, the deduction for the remaining Elimination of Bias program was reset to $2 by the Board of Trustees. Licensees who do not wish to support either the State Bar’s Legislative Activities or its Elimination of Bias program can deduct the amounts from their annual fees. As a result, no part of the mandatory annual fees that a lawyer must pay as a condition of practicing law are used to fund non-chargeable expenses. Therefore, for purposes of the Statement, there are no non-chargeable expenditures for mandatory licensing fees for the year ended December 31, 2018.

3. DESCRIPTION OF CHARGEABLE PROGRAMS

The following is a listing of the major expenses that the State Bar has categorized as chargeable, including a description of the programs or activities performed by category. The classification of a program expense as chargeable was based on the standards in Keller that have been applied to determine whether an expense was necessarily or reasonably incurred for the purpose of regulating the legal profession or improving the quality of legal services available to the people of the State of California. Non-chargeable expenditures, as stated above, were funded by voluntary fees paid at the option of licensees. Determining which State Bar programs and activities are chargeable and non-chargeable requires that judgments be made by the State Bar.

a. Chief Trial Counsel

The Office of the Chief Trial Counsel receives, reviews, and analyzes incoming communications which relate to disciplinary inquiries and complaints against attorneys. It investigates allegations of unethical and unprofessional conduct against attorneys who may have violated provisions of the State Bar Act, Rules of Professional Conduct, or other standards of professional conduct. Prosecute attorneys in formal disciplinary hearings in the State Bar Court for violations of the State Bar Act or Rules of Professional Conduct. Activities include, as appropriate, the preparation of formal disciplinary pleadings, conduct of formal and informal discovery, and representation of the State Bar as Trial Examiners in the actual hearings and subsequent review proceedings. (Bus. & Prof. Code §6043, 6044, 6049, 6077, 6078, 6092.5 et seq.)
3. DESCRIPTION OF CHARGEABLE PROGRAMS (Continued)

b. State Bar Court

The State Bar Court adjudicates formal disciplinary matters resulting in the final imposition of discipline or, in certain instances involving suspension or disbarment, the recommendation of discipline to the California Supreme Court. (Bus. & Prof. Code §6086.5, 6086.65; Cal. Rules of Court, rules 9.13, 9.16, 9.18)

c. Client Security Fund

The Client Security Fund receives, evaluates, and processes applications made by persons who have suffered monetary losses due to dishonest conduct of lawyers, and authorizes recovery to eligible clients out of funds collected for this purpose. (Bus. & Prof. Code §6140.5.)

d. Attorney Regulations and Consumer Resources

The Office of Attorney Regulations and Consumer Resources maintains the Court’s roll of attorneys admitted to the practice of law by the court. It also bills and collects fees, costs, and penalties imposed on licensed attorneys, including reimbursements to the Client Security Fund and disciplinary costs. It also keeps track of all licensees of the Bar, including any record of discipline, and answers inquiries from courts, other governmental agencies, other states, and the public.

e. Professional Competence

The Office of Professional Competence maintains and improves the standards of the legal profession to enhance attorney competence through: (1) promulgating and strengthening professional standards to protect the public; (2) assisting licensees to comply voluntarily with such standards (e.g., Ethics Hotline, California Compendium on Professional Responsibility, Lawyers Personal Assistance Program); and (3) planning and development of programs to enhance attorney competence. (Bus. & Prof. Code §6076, 6077.)

f. Lawyer Assistance Program

The Lawyer Assistance Program provides an alternative to the traditional State Bar disciplinary mechanism, with the goal of the program being the identification and rehabilitation of attorneys with impairment due to abuse of drugs or alcohol, or due to mental illness. The Office of the Lawyer Assistance Program adopts reasonable rules and regulations as may be necessary or advisable for the purpose of implementing and operating the Lawyer Assistance program. (Bus. & Prof. Code §6231.)
3. DESCRIPTION OF CHARGEABLE PROGRAMS (Continued)

  g. Probation

The Office of Probation (“OP”) monitors disciplined attorneys who have been ordered to comply with probation or reproof conditions pursuant to orders issued by the California Supreme Court and/or the State Bar Court. The OP also monitors cases where conditions have been 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.

  h. Access and Inclusion

This program 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).

Programs that affect the public’s access to justice fall within the exclusive preserve of the judicial branch. (See Superior Court v. Mendocino (1996) 13 Cal.4th 45.)

  i. Communications

The State Bar’s Office of Communications and Stakeholder Engagement is responsible for ensuring that the general public and the legal community are informed about the State Bar’s public protection role and know how to access the Bar’s services and resources. The Office is tasked with conveying critical information to Californians about how to protect themselves from attorney misconduct and what to do if that happens, including by filing complaints against attorneys or seeking compensation for harm through the Client Security Fund. A major emphasis is on activities that reach the public in California to ensure they know how to access the resources of the State Bar’s attorney discipline system, as well as to help attorneys understand their ethical obligations.

The Office of Communications and Stakeholder Engagement provides important updates for attorneys licensed in California regarding rules and ethics guiding the profession, as well as ongoing education to improve competence. This office provides information about how to find a lawyer and information about access to legal services for low-income Californians.
3. DESCRIPTION OF CHARGEABLE PROGRAMS (Continued)

j. Judicial Evaluation

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. As stated in Hoffman v. State Bar of California (2003) 113 Cal.App.4th 630, 635, the State Bar has the “constitutional responsibility, along with the Chief Justice of the Supreme Court and the houses of the Legislature, to appoint a specified number of licensees to the Judicial Council. (Cal. Const., art. VI, § 6.) Through the appropriate committee, the association is also required by statute to evaluate potential appointees for judicial office and report its recommendation to the Governor. (Gov.Code, § 12011.5, subds.(a), (c).) No candidate may be appointed until the State Bar has so reported, or the time for reporting has elapsed. (Id. at subd. (k).)” Having a strong judiciary evaluation system promotes public protection by helping ensure a fair legal system.

k. Mandatory Fee Arbitration

The Fee Arbitration Program (Business and Prof. Code § 6200 et seq.) provides for resolution of fee disputes between attorneys and clients. It is mandatory for the lawyer if the client requests arbitration. Most complaints come to the program independently of the Office of Trial Counsel's Intake Unit, and the availability of this service almost certainly prevents the filing of additional disciplinary complaints. Maintaining a program that decreases the number of additional complaints assists the disciplinary system in processing those cases that cannot otherwise be handled. Although it may be argued that the arbitration program is not necessarily an indispensable part of an attorney disciplinary process, the court held it is a valuable and justifiable component of a comprehensive disciplinary system. (Id., at 622.)

l. Commission on Access to Justice

The California Commission on Access to Justice was established in 1997 to pursue long-term fundamental improvements in our civil justice system so that it is truly accessible for all, regardless of income, geography, language ability, or other factors. The commission is comprised of members from all three branches of government, as well as business, labor, academic, religious and civic organizations.

The 26-member commission of lawyers and judges, as well as academic, business, labor, and community leaders, was established to explore ways to improve access to civil justice for Californians living on low and moderate incomes. The commission was instrumental in establishing the $10 million Equal Access Fund for civil legal services to the indigent and works closely with the Judicial Council to improve access to the courts.
3. DESCRIPTION OF CHARGEABLE PROGRAMS (Continued)

The improvement of the administration of justice and the public’s access to justice falls within the exclusive preserve of the judicial branch. (See Superior Court v. Mendocino (1996) 13 Cal.4th 45.) Further, this program improves the quality of legal services available to the people of California. (See Keller, supra, 497 U.S. at 14.)

m. Program Development – California Young Lawyers Association

California Young Lawyers Association (“CYLA”) is the nation's largest association of young lawyers. This program encompasses legal training and education, and involvement in the practice of law, all areas over which this court has inherent authority. (In re Attorney Discipline System, supra, 19 Cal.4th 582, 592 and Warden v. State Bar (1999) 21 Cal.4th 628, 653 [dissent opn. Kennard, J.].) This program also improves the quality of legal services available to the people of California. (See Keller, supra, 497 U.S. at 14.) Additionally, CYLA provides pro bono opportunities. Pro bono work is expected of attorneys. (See Bus. & Prof. Code, § 6073 and In re Glass (2014) 58 Cal.4th 500, 526.) Therefore, CYLA falls within the regulatory activities of the judiciary.

General Fund Allocated Support Service – General and administrative expenses are incurred to provide staff and operational support to all programs and activities of the State Bar including, but not limited to: human resources; finance; licensee billing; information technology; procurement; building maintenance; general services; legal counsel; the formulation, implementation, and administration of policies through the Board of Trustees and the Office of the Executive Director. The “Indirect Costs/Overhead Allocation” is the share of the administrative costs that are charged to the restricted fund programs for the support provided, using the methodology of the State of California for apportioning and recouping administrative support cost provided by the State’s general fund to its special fund programs.
### 3. DESCRIPTION OF CHARGEABLE PROGRAMS (Continued)

The 2018 State Bar of California indirect cost allocation to chargeable programs is summarized below:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Counsel</td>
<td>$4,182,393</td>
</tr>
<tr>
<td>Finance</td>
<td>2,590,130</td>
</tr>
<tr>
<td>Licensee Billing</td>
<td>739,293</td>
</tr>
<tr>
<td>Human Resources</td>
<td>1,784,711</td>
</tr>
<tr>
<td>General Services - Los Angeles</td>
<td>3,975,129</td>
</tr>
<tr>
<td>General Services - San Francisco</td>
<td>5,675,627</td>
</tr>
<tr>
<td>Building Improvement/Property Related</td>
<td>2,287,845</td>
</tr>
<tr>
<td>Information Technology</td>
<td>7,967,773</td>
</tr>
<tr>
<td>Governance*</td>
<td>3,303,015</td>
</tr>
<tr>
<td>Other - Non Departmental**</td>
<td>273,400</td>
</tr>
<tr>
<td>Indirect Cost Pool</td>
<td>32,779,316</td>
</tr>
<tr>
<td><strong>Less: Overhead Allocation charged to Other Programs</strong></td>
<td>(8,928,786)</td>
</tr>
<tr>
<td><strong>Overhead Allocation to Chargeable Programs</strong></td>
<td><strong>$23,850,530</strong></td>
</tr>
</tbody>
</table>

*Governance includes Office of Executive Director, Elections, Public Interest Task Force, Class and Comp WF Planning, ORIA, Appointments and Board of Trustees.

**Other - Non Departmental costs include staff retirement benefit costs and chargebacks

The amount of the Overhead Allocation to Chargeable Programs is included in the various Chargeable Program expenditures on the Statement of Expenditures of Mandatory Fees.
3. DESCRIPTION OF CHARGEABLE PROGRAMS (Continued)

Program Revenues – Program revenues related to chargeable expenses from the General Fund, Building Fund, Client Security Fund, Lawyers Assistance Fund, and the Support and Administration Fund of the State Bar are held to fund the related program expenses. Program revenues for 2018 are comprised of:

<table>
<thead>
<tr>
<th>Program Revenues</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Law Corporation Registration Fees</td>
<td>$1,416,918</td>
</tr>
<tr>
<td>Continuing Legal Education Fees</td>
<td>$908,975</td>
</tr>
<tr>
<td>Seminar/Workshop Revenue</td>
<td>$58,491</td>
</tr>
<tr>
<td>Other</td>
<td>$1,973,709</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$4,358,093</strong></td>
</tr>
</tbody>
</table>

4. OPTIONAL DEDUCTIONS

The State Bar sets an amount that licensees are not required to pay and may deduct from the annual licensing fees. In 2018, these deductions were $47 for both active and inactive attorneys. In 2017, there was no fee bill. Under the interim special regulatory assessment ordered by the Supreme Court of California, this amount included $5 fixed by the court for legislative and related activities for inactive attorneys only; and $40 set by the court for the Temporary Emergency Legal Services Voluntary Assistance Option for both active and inactive attorneys. Funding for elimination of bias as part of licensing fees was suspended under the assessment. Under the 2018 Fee Bill, these deductions are allowed for the following activities:

a. *Lobbying*

Licenses may deduct the $5 from the annual fee which would otherwise fund the State Bar’s consideration of legislative measures (including proposals that improve the administration of justice, that may be outside the parameters of Keller) and related activities. All legislative activity by the State Bar is limited by statute and by action of its Board of Trustees to the amount paid by licensees who elect not to take the deduction. (Bus. & Prof. Code §6140.05.)

In 2018, under the new fee bill, the $5 deduction was reinstated to include both active and inactive attorneys.

b. *Elimination of Bias*

Funding for elimination of bias as part of licensing fees was suspended under the assessment in 2017 for both active and inactive attorneys. In the prior year, licensees could deduct $5 from the annual fee which would otherwise fund the elimination of bias program to eliminate bias in the judicial system and legal profession and to increase participation of attorneys who have been underrepresented in the administration and government of the State Bar’s programs and activities, such as women, ethnic minority, gay, lesbian, and disabled attorneys, and will not fund the cost of communicating and maintaining relations with local bars and other voluntary associations. In 2018, under the new fee bill, the deduction was reinstated for both active and inactive attorneys at a reduced level of $2. The reduction reflects the closing of the Bar Relations program.
4. OPTIONAL DEDUCTIONS (Continued)

c. Legal Services Voluntary Assistance Option

Licensees are allowed to deduct $40 from the annual licensing fee, which would otherwise fund the Legal Service Trust Fund Program to support nonprofit organizations that provide free civil legal services to low-income Californians. (Bus. & Prof. Code §6140.03.) This deduction was not suspended under the 2017 special regulatory assessment for either active or inactive attorneys.