



WSBA

DEPUTY DIRECTOR FOR ADMINISTRATION & PROFESSIONAL DEVELOPMENT

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DATE: May 3, 2012
TO: Section Chairs, Chair-elects and Treasurers
RE: WSBA Expense Reimbursement Policies

Dear Section Chairs, Chair-elects and Treasurers:

As a follow-up to my e-mail of April 18, I want to report on a decision that was made at the April 27th Board of Governors (BOG) meeting that affects Sections. The BOG accepted the recommendation of the Budget and Audit Committee (B&A) and voted to modify the policy on support of Sections' direct administrative costs so that the Section per-member charge covers 100% of the costs allocated to the "Sections Administration" cost center. Costs allocated to "Sections Administration" include direct Sections costs (member dues statements, postage, etc.) and salaries, benefits, and overhead for the Sections Team (Stacy, Paris, and Melina). A very small percentage of the Accounts Payable Bookkeeper and direct management time are also charged there. Currently, WSBA license fees cover 25% of the costs, while Sections pay the other 75% through a per-member charge of \$13.25 per member (across the board for all Sections).

Eliminating the WSBA 25% subsidy effective in fiscal year 2013 (beginning October 1, 2012) will result in a higher per-member charge for Sections. Our preliminary estimate is a \$5.50 - \$6.50 increase. We will have final figures during the normal budget process this summer. Decisions made about WSBA's general fund budget (which programs are funded, how many staff remain, change in WSBA staff benefits, etc.) will impact our overhead calculations, and thus the per-member charge. Please note that this change in policy will not result in the Sections subsidizing WSBA; all Sections Administration costs relate to directly supporting Sections and no other programs.

The decision to eliminate the Sections subsidy (\$77,000 in FY 12) was one of the many difficult decisions the BOG faces as it tries to close the \$3.6 million budget gap. While the dollar amount of the Sections subsidy may not seem like much to some, I know it means a lot to Sections. I have always believed that having WSBA and the Sections share in the direct administration costs was fair and demonstrated WSBA's commitment to Sections. As mentioned in my previous e-mail, the WSBA remains committed to building Sections while applying best practices in administration and infrastructure for supporting all 27 Sections. At this point it is not an option to cut staffing in the Sections Team, for we have been down that road and it did not work. We have come too far together in our partnership to turn back now, and the Sections are seeing tangible results from quality staffing. In addition to having adequate direct staffing to help reach Section goals, the Sections will continue to benefit from a wide range of services and support that are *not* included in the per-member charge, including but not limited to: legislation assistance and lobbying (a significant benefit to Sections); budgeting and financial reporting;

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membership dues processing; membership database administration, searches and reports; WSBA-CLE's infrastructure; and dedicated communications and marketing tools such as web pages, e-blasts and list-serves.

The WSBA staff is committed to working with you to assess how Sections can absorb the higher per-member charge while remaining viable and relevant to their members. The upcoming Spring Meeting for Section Leaders scheduled for May 30th will be a time to develop goals and discuss the budget implications for the next fiscal year. At that time we will review the per-member charge policies and formula for the calculation so you can see exactly what types of expenses you are paying for and what you are not.

I have included a summary of the recent BOG decisions at the bottom of this message. For more information visit the [BOG webpage](#). We also invite you to attend the Town Hall Discussion with WSBA President Steve Crossland and Executive Director Paula Littlewood on Thursday, May 10, from 5:30-7:30 p.m., in-person at the WSBA-CLE Conference Center or via webcast. Details can be found on the [WSBA homepage](#).

As always, please also bring your questions, comments, and suggestions to the Sections team or to me. Please also share this information with members of your executive committees.

Sincerely,

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BOG MEETING SUMMARY

The WSBA Board of Governors met April 27-28. During this meeting, it heard public comments on the Budget & Audit Committee recommendations, participated in a facilitated discussion of its mission focus areas and strategic priorities, and then took action on some of B&A's recommendations. Below is a run-down of decisions and next steps:

TABLED: The BOG deferred voting on the following items which may be discussed and voted on at the BOG special meeting set for May 22nd at the WSBA offices. Those items are:

1. Eliminate funding for positions on WSBA standing committees, boards, and task forces (this includes volunteer travel).
2. Transition the WYLD to an unfunded WSBA standing committee.
3. Eliminate funding for the WSBA Leadership Institute.
4. Explore moving *Bar News* online to achieve cost savings (note: more research is needed regarding possible models and fiscal impacts).
5. Eliminate \$5,000 votingforjudges.org donation.

6. Eliminate \$500 accommodation fund which is never used due to other funding available (but not eliminate WSBA's accommodation policy).
7. Eliminate \$5,600 in funding for ABA Delegates (7 delegates currently paid \$800/year stipend to cover costs of attending ABA meetings).
8. Move New Lawyer Education into CLE Seminars Budget. Note: this is not a structural change, but a change in how the program is funded (so it will no longer be funded by license fees).
9. Charge members for subscription to Casemaker so that costs could be covered and it becomes revenue-neutral (cost savings: \$48,000).
10. Ask the Supreme Court to increase the Pro Hac Vice fees (additional revenue TBD).

PASSED: The BOG passed the following motions:

1. To reaffirm the WSBA's mission, guiding principles and strategic goals.
2. To use \$1 million from reserves to offset expenses in FY2013.
3. To reduce BOG expenses by at least \$100,000 in 2013, and to direct B&A to identify a menu of proposed BOG expenses which will be presented at the May meeting.
4. To eliminate the annual Access to Justice/Bar Leaders Conference as a WSBA event.
5. To reduce \$200,000 in staff-related expenses without compromising the ability to retain necessary staff.
6. To modify the policy on support of "Sections Administration" costs so that the section per-member charge covers 100% of the cost of direct expenses and Section Team staffing.
7. To impose a hiring freeze except for mission-critical positions, as determined by the Executive Director.