

WASHINGTON STATE BAR ASSOCIATION

To: Budget and Audit Committee

From: Budget & Audit Committee

Re: Draft FY 2020 Budgets

Date: July 8, 2019

FISCAL CONTEXT

The WSBA budget is a policy document and management tool that allocates funds to fulfill our regulatory responsibilities, serve and protect the public, and support our members in maintaining success in the practice of law. Each year, we work to build a fiscally responsible budget designed to meet the needs of our members in a diverse, rapidly changing profession. We set budget parameters based on current and multi-year projections of revenues, expenses, and reserves.

This year, in light of potential structural change, the Committee determined that the FY20 budget would essentially support the status quo of programs, services, and operations. To that end, the FY20 draft budget advances WSBA's mission to serve the public and the members of the Bar, to ensure the integrity of the legal profession, and to champion justice. It enables WSBA to support members, and to advance and promote: (1) access to the justice system, (2) diversity, equity, and cultural understanding throughout the legal community, (3) the public's understanding of the rule of law and its confidence in the legal system, (4) a fair and impartial judiciary, and (5) the ethics, civility, professionalism, and competence of the Bar.

The FY20 draft budget also supports programs and services such as the following, which help assure competent and qualified legal professionals, and promote the role of legal professionals in society:

- Over 140 credit hours of free and low cost CLE programs, including the Legal Lunchbox series and New and Young Lawyer education programs
- Help from our confidential Ethics Line
- Career consultation, including Job Seekers Group
- Free legal research tools
- Mentorship programming
- Member Assistance consultation programming; and WSBAConnects, a 24/7 confidential statewide wellness benefit to help address issues related to mental health and addiction, career management, family, caregiving, daily living, health and well-being, and more

- Practice management consultation and resources to help achieve and maintain a successful law practice, including: ABA publications and retirement plans; professional liability insurance; and billing, document management, file sharing, conflict check, cloud practice management, merchant accounting, and other business systems
- Public Service training and programs (Moderate Means and Call to Duty)
- 29 practice sections and numerous WSBA committees, task forces, and panels
- Financial accommodations through the WSBA Hardship Option and Payment Plan

After providing a high level comparison of the FY20 draft and FY19 budgets, this memorandum takes a deeper look at the FY20 draft budget by fund (and fund reserves as applicable): (1) the General Fund; (2) the Capital Budget; (3) the Continuing Legal Education (CLE) Fund; and (4) the Client Protection Fund (CPF). In keeping with past practice, the memorandum also provides background information on (5) the Sections Fund budgets and the Per-Member Charge (Sections budgets are not due until July 12, and will be presented at the Committee's next meeting). Budget details are included in appendices, including narratives on each cost center page in the budget to better facilitate the Committee's review.

HOW THE FY20 DRAFT BUDGETS COMPARE TO THE FY19 BUDGET

General Fund Budget	FY19	FY20	Difference
• Revenue	\$20,222,324	\$20,818,314	\$595,990
• Expenses	\$20,323,940	\$21,379,234	\$1,055,294
• Net Income/(Loss)	(\$101,616)	(\$560,920)	\$459,304
• Projected Reserves	\$3,694,242	\$3,133,322	(\$560,920)
CLE Fund Budget	FY19	FY20	Difference
• Revenue	\$2,039,500	\$1,989,500	(\$50,000)
• Expenses	\$1,831,266	\$1,989,214	\$157,948
• Net Income/(Loss)	\$208,234	\$287	(\$207,947)
• Projected Reserves	\$812,359	\$821,646	\$287
Client Protection Fund Budget	FY19	FY20	Difference
• Revenue	\$992,500	\$1,023,000	\$30,500
• Expenses	\$668,210	\$648,686	(\$19,524)
• Net Income/(Loss)	\$324,290	\$374,314	\$50,024
• Projected Reserves	\$3,552,278	\$3,926,592	\$374,314

DRAFT FY20 BUDGETS

1. GENERAL FUND BUDGET AND RESERVES

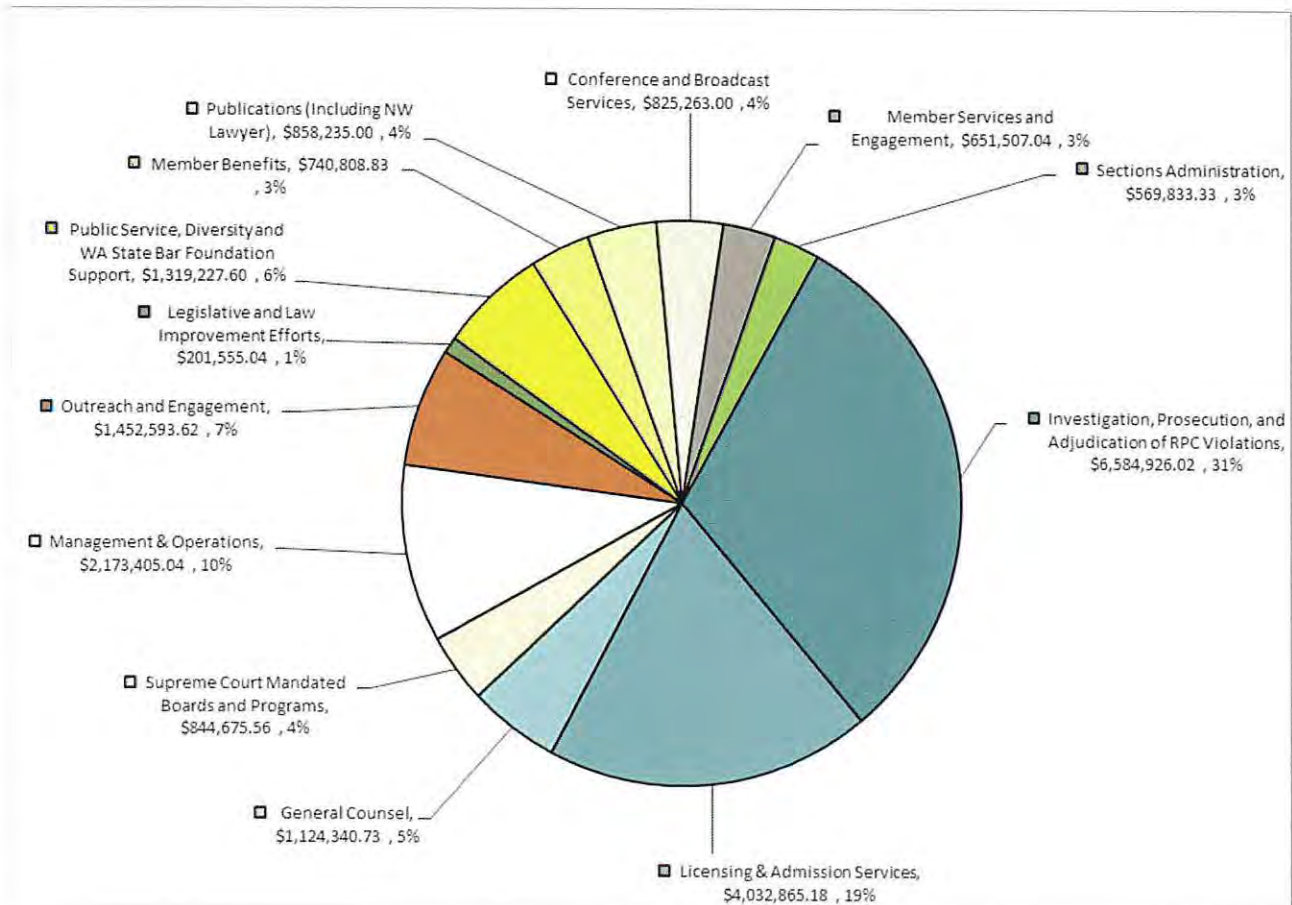
A. Overview

The General Fund is supported by license fees, consists of 31 cost centers, and supports the majority of the WSBA's work, including regulatory functions and most services to members and the public. The draft FY20 General Fund budget is built on lawyer license fees of \$458 and LPO/LLLT license fees of \$200, as previously deemed reasonable by the Supreme Court.

The General Fund Draft Budget assumes revenue of \$20,818,314 and expenses of \$21,379,234, with a budgeted net result of (\$560,920). WSBA-wide, FTE remain the same at 140.75 FTE. Assuming WSBA meets rather than exceeds expectations of both the FY19 budget and the FY20 Draft Budget presented, General Fund reserves are anticipated to be at least \$3.1 million at the end of FY20.

As you review General Fund cost center narratives and data, note that a net negative means that the cost center is supported by license fee revenues; a net positive means that it generates sufficient non-license fee revenues to support itself (*Attachment A*).

B. Draft FY20 General Fund Expenses by WSBA Programs and Services



C. How the FY20 Draft General Fund Budget Compares to the FY19 Budget

General Fund Budget Summary	FY19	FY20	Difference
• Revenue	\$20,222,324	\$20,818,314	\$595,990
• Expenses	\$20,323,940	\$21,379,234	\$1,055,294
• Net Income/(Loss)	(\$101,616)	(\$560,920)	\$459,304
• Projected reserves	\$3,694,242	\$3,133,322	(\$560,920)
Revenue Changes from FY19 Budget (\$20,000 or greater)			Budget Impact
• License fees: revenue at \$453 for .25 fiscal year; \$458 for .75 fiscal year, set in 2016			422,000
• Admissions Application Fees: increase based on expected continued increase in Motion and UBE transfer applications			100,000
• Pro Hac Vice: increase consistent with actual revenues			40,000
• Interest Income: increased to account for interest earned on investment portfolio funds transferred into money market account			30,000
• Gain/Loss on Investments: eliminated due to transfer of investment portfolio into money market account			(30,000)
• Variety of other revenue changes			33,990
Total Increase in Revenue from FY19			\$595,990
Expense Changes from FY19 Budget (\$20,000 or greater)			Budget Impact
• Professional Fees - Legal: increase based on expected continued increase in litigation costs			200,000
• Salaries for all funds: net of (1) 3% market salary pool; and (2) savings from hiring efficiencies (replacement hires at lower salaries)			191,491
• Rent: includes operating costs and adjustments for 2019 leasehold excise taxes			149,000
• BOG Meetings & Retreat: includes additional costs proposed for (1) extending all meetings to 2 full days and location changes (\$53,500); and (2) addition of 2 meetings (\$55,000)			108,500
• Insurance: anticipated increase in premiums			100,000
• Temporary Employees: increase due to additional temps for ODC, Diversity, MCLE, and CLE projects			74,250
• Human Resources Direct Expenses: additional cost for Executive Director recruitment			65,000
• Professional Fees - Audit: additional cost for proposed supplemental audit work			50,000
• Capital Labor: IT staff development of software projects in the capital budget, which can be capitalized as an asset when the project is complete. This changes depending on workload for the year. Reduction in this amount results in an increase in indirect expenses			47,800
• Retirement: costs based on percentage of increased gross salary; employer contribution rate increased by 0.03%			37,265
• Variety of other direct and indirect cost changes			31,988
Total Increase in Expense from FY19			\$1,055,294

E. FY20 Cost Center Changes

The Draft FY20 General Fund Budget reflects the Committee's direction as follows:

1. The BOG/OED cost center has been split into the BOG cost center and OED cost center, in order to better reflect these costs.
2. The LPO and LLLT cost centers now reflect the pre-FY18 methodology of accounting for all expenses associated with these licenses in these cost centers (rather than include revenues with the Licensing cost center and expenses in the Admissions cost center).

2. CAPITAL BUDGET

The FY20 Capital Budget includes the cost of purchasing, refreshing and/or replacing outdated hardware and software as needed to protect data security and will increase our efficiency. Capital labor costs involve in-house development, customization, and/or upgrading to systems and projects. Anticipated FY20 projects include the development and implementation of a coordinated Online Admissions Program, enhancement of the MCLE program, routine upgrade to WSBA' accounting software (Navision), and replacement of the Discipline records system (GILDA) in anticipation of rule changes. The Capital Budget also includes the cost of purchasing, refreshing and/or replacing hardware and equipment and leasehold improvements (*Attachment B*).

3. CLE FUND BUDGET AND RESERVES

The CLE Fund is a board-designated operating reserve, consisting of net income from the CLE activities, to cover net loss and extraordinary costs of CLE programs, products, and/or capital acquisitions as needed. The FY20 CLE Fund Budget consists of two cost centers: (1) CLE Seminars and Products; and (2) Deskbooks. The FY20 budget reflects: (1) slight decreases in revenue across the board in live seminars, sponsorships and MP3 and video product sales; and (2) the addition of profit sharing of seminar and on-demand product revenues with WSBA sections, as approved by the Board last year (*Attachment C*).

CLE COST CENTER SUMMARY	FY19	FY20	Difference
CLE Seminars and Products			
• Revenue	\$1,879,500	\$1,824,000	(\$55,500)
• Expenses	\$1,544,573	\$1,635,516	\$90,943
• Net Income/(Loss)	\$334,927	\$188,484	\$146,443
Deskbooks			
• Revenue	\$160,000	\$165,500	\$5,500
• Expenses	\$286,693	\$353,698	\$67,005
• Net Income/(Loss)	(\$126,693)	(\$188,198)	\$61,505
CLE COST CENTER TOTAL			
• Revenue	\$2,039,500	\$1,989,500	(\$50,000)
• Expenses	\$1,831,266	\$1,989,214	\$157,948
• Net Income/(Loss)	\$208,234	\$287	(\$207,948)
Projected Reserves	\$812,359	\$812,646	\$287

4. CLIENT PROTECTION FUND BUDGET AND RESERVES

The Client Protection Fund (CPF) is a legally-restricted fund created in 1995 by the Washington Supreme Court and WSBA to make gifts to compensate those financially victimized by lawyer dishonesty or failure to account for client funds or property. It is principally funded by an annual assessment on all active members and *pro hac vice* admissions as required by the Washington Supreme Court. The assessment has been \$30 since 2010. Last year, the Court determined that LLLTs (but not LPOs) should also pay the \$30 assessment. Expenses consist mainly of payouts to injured clients and CPF Board staff support. The maximum gift payout is \$150,000; CPF fund reserves are budgeted at **\$3,926,592** through the end of FY20 (*Attachment D*).

Client Protection Fund Budget	FY19	FY20	Difference
• Revenue	\$992,500	\$1,023,000	\$30,500
• Expenses	\$667,919	\$648,686	(\$19,233)
• Net Income/(Loss)	\$324,581	\$374,314	\$49,733
• Projected reserves	\$3,552,278	\$3,926,592	\$374,314

5. FY20 SECTION BUDGETS AND PER-MEMBER CHARGE

WSBA Sections are currently working on preparing their FY20 budgets and will be submitting them for review on July 12. Consistent with previous years, all Section budgets will be presented at the next Budget and Audit Committee meeting for review.

The Section Per-Member Charge, calculated each year as part of the annual budget process, is based on the WSBA's first draft of the budget for administrative costs associated with supporting WSBA Sections for the upcoming fiscal year. These costs include salaries and benefits, overhead, and general section administration expenses. The Per-Member Charge has been \$18.75 since FY16. The Per-Member Charge required to cover costs in FY19 is **\$23.48**. The Committee will need to decide whether or not to increase the Per-Member Charge. We will provide section leadership with a detailed memo explaining the Per-member Charge via email on June 30, 2019.

ATTACHMENTS

	A	Draft FY20 General Fund Budget
	B	Draft FY20 Capital Budget
	C	Draft FY20 CLE Budget
	D	Draft FY20 CPF Budget

ATTACHMENT A

Washington State Bar Association

Budget Comparison Report

For the Period October 1, 2019 to September 30, 2020

	FISCAL 2019 BUDGET	FISCAL 2020 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
SALARIES & BENEFITS:				
SALARIES	11,868,980.00	12,060,469.00	191,489.00	1.6%
ALLOWANCE FOR OPEN POSITIONS	(200,000.00)	(200,000.00)	-	0.0%
TEMPORARY EMPLOYEES	141,330.00	250,780.00	109,450.00	77.4%
EMPLOYEE ASSISTANCE PLAN	4,800.00	4,800.00	-	0.0%
EMPLOYEE SERVICE AWARDS	2,230.00	3,080.00	850.00	38.1%
FICA	879,000.00	887,000.00	8,000.00	0.9%
L&I INSURANCE	47,250.00	49,500.00	2,250.00	4.8%
WA STATE FAMILY MEDICAL LEAVE	-	17,500.00	17,500.00	
MEDICAL	1,590,000.00	1,580,000.00	(10,000.00)	-0.6%
RETIREMENT	1,494,000.00	1,527,000.00	33,000.00	2.2%
TRANSPORTATION ALLOWANCE	119,250.00	115,000.00	(4,250.00)	-3.6%
UNEMPLOYMENT INSURANCE	87,500.00	84,500.00	(3,000.00)	-3.4%
STAFF DEVELOPMENT-GENERAL	6,900.00	6,900.00	-	0.0%
CAPITAL LABOR	(188,800.00)	(141,000.00)	47,800.00	-25.3%
TOTAL SALARIES & BENEFITS:	15,852,440.00	16,245,529.00	393,089.00	2.5%
OVERHEAD:				
WORKPLACE BENEFITS	39,000.00	44,500.00	5,500.00	14.1%
HUMAN RESOURCES DIRECT EXPENSES	102,400.00	167,120.00	64,720.00	63.2%
MEETING SUPPORT EXPENSES	12,500.00	15,000.00	2,500.00	20.0%
RENT	1,802,000.00	1,951,000.00	149,000.00	8.3%
PROPERTY TAXES	14,000.00	12,000.00	(2,000.00)	-14.3%
FURNITURE, MAINTENANCE, LEASHOLD IMPROVEMENTS	35,200.00	35,000.00	(200.00)	-0.6%
OFFICE SUPPLIES & EQUIPMENT	46,000.00	46,000.00	-	0.0%
FURNITURE & OFFICE EQUIPMENT DEPRECIATION	51,300.00	53,000.00	1,700.00	3.3%
COMPUTER HARDWARE DEPRECIATION	51,800.00	50,000.00	(1,800.00)	-3.5%
COMPUTER SOFTWARE DEPRECIATION	162,700.00	165,000.00	2,300.00	1.4%
INSURANCE	143,000.00	243,000.00	100,000.00	69.9%
PROFESSIONAL FEES-AUDIT	35,000.00	85,000.00	50,000.00	142.9%
PROFESSIONAL FEES-LEGAL	50,000.00	250,000.00	200,000.00	400.0%
TELEPHONE & INTERNET	47,000.00	47,000.00	-	0.0%
BANK FEES	35,400.00	34,000.00	(1,400.00)	-4.0%
POSTAGE	36,000.00	30,000.00	(6,000.00)	-16.7%
CONFERENCES & TRAINING	95,245.00	99,900.00	4,655.00	4.9%
RECORDS STORAGE	40,000.00	42,000.00	2,000.00	5.0%
PRODUCTION MAINTENANCE & SUPPLIES	12,000.00	12,000.00	-	0.0%
TECHNOLOGY DIRECT EXPENSES	667,610.00	667,610.00	-	0.0%
TOTAL OVERHEAD:	3,478,155.00	4,049,130.00	570,975.00	16.4%
TOTAL INDIRECT EXPENSES:	19,330,595.00	20,294,659.00	964,064.00	5.0%

The Indirect Expenses cost center includes amounts budgeted for employee salaries, benefits, and overhead. Salary expenses are allocated to cost centers based on the actual salaries of employees working in those cost centers. Benefits are allocated to cost centers based on a percentage of salaries (for example, if one cost center has 10% of WSBA's salary expense, it will be allocated 10% of the benefits expense).

This cost center also details overhead expenses such as rent, telephone, insurance, professional fees, office supplies, postage, maintenance, human resources, technology direct expenses, and other expenses that benefit WSBA as a whole. These expenses are allocated to each cost center based on the number of FTEs (full time equivalents) in that cost center and are reflected on the line "Overhead" in each cost center budget.

Washington State Bar Association
Budget Comparison Report
For the Period from October 1, 2019 to September 30, 2020

ACCESS TO JUSTICE	FISCAL 2019 BUDGET	FISCAL 2020 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
REVENUE:				
CONFERENCES & INSTITUTES	7,500.00	-	(7,500.00)	-100%
WORK STUDY GRANTS	-	2,100.00	2,100.00	
TOTAL REVENUE:	7,500.00	2,100.00	(5,400.00)	-72%
DIRECT EXPENSES:				
ATJ BOARD RETREAT	2,000.00	2,000.00	-	0%
LEADERSHIP TRAINING	2,000.00	2,000.00	-	0%
ATJ BOARD EXPENSE	24,000.00	24,000.00	-	0%
PUBLIC DEFENSE	7,000.00	7,000.00	-	0%
CONFERENCE/INSTITUTE EXPENSE	14,837.00	-	(14,837.00)	-100%
RECEPTION/FORUM EXPENSE	9,500.00	9,500.00	-	0%
STAFF TRAVEL/PARKING	3,500.00	2,700.00	(800.00)	-23%
STAFF MEMBERSHIP DUES	120.00	120.00	-	0%
TOTAL DIRECT EXPENSES:	62,957.00	47,320.00	(15,637.00)	-25%
INDIRECT EXPENSES:				
FTE	2.10	1.92	(0.18)	-9%
SALARY EXPENSE	160,817.00	151,471.00	(9,346.00)	-6%
BENEFIT EXPENSE	59,156.00	54,395.00	(4,761.00)	-8%
OVERHEAD	51,894.00	55,235.00	3,341.00	6%
TOTAL INDIRECT EXPENSES:	271,867.00	261,101.00	(10,766.00)	-4%
TOTAL ALL EXPENSES:	334,824.00	308,421.00	(26,403.00)	-8%
NET INCOME (LOSS):	(327,324.00)	(306,321.00)	21,003.00	

WSBA administers the Supreme Court-established Access to Justice Board and most of its initiatives and working committees. This cost center also includes staffing and other support for WSBA's Council on Public Defense. Overall, revenue and direct costs have decreased because the biennial Access to Justice Conference will not take place in FY20. Costs proposed in this budget include support for two ATJ Board regional meetings, implementation of the State Plan for the Coordinated Delivery of Civil Legal Aid to Low Income People, outreach on the anticipated updated Technology Principles and a Tech Justice Summit, continued membership in the WA Nonprofit Association in furtherance of the ATJ Board's goal to more meaningfully engage with community-based organizations and joint meetings with other justice partners like the Minority and Justice Commission.

Washington State Bar Association
Budget Comparison Report
For the Period from October 1, 2019 to September 30, 2020

ADMINISTRATION	FISCAL 2019 BUDGET	FISCAL 2020 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
REVENUE:				
INTEREST - INVESTMENTS	70,000.00	100,000.00	30,000.00	43%
GAIN/LOSS ON INVESTMENTS	30,000.00	-	(30,000.00)	-100%
TOTAL REVENUE:	<u>100,000.00</u>	<u>100,000.00</u>	<u>-</u>	<u>0%</u>
DIRECT EXPENSES:				
LAW LIBRARY	-	279.00	279.00	
STAFF TRAVEL/PARKING	4,200.00	4,200.00	-	0%
STAFF MEMBERSHIP DUES	685.00	950.00	265.00	39%
TOTAL DIRECT EXPENSES:	<u>4,885.00</u>	<u>5,429.00</u>	<u>544.00</u>	<u>11%</u>
INDIRECT EXPENSES:				
FTE	7.97	7.98	0.01	0%
SALARY EXPENSE	700,100.00	723,667.00	23,567.00	3%
BENEFIT EXPENSE	241,718.00	247,080.00	5,362.00	2%
OVERHEAD	196,951.00	229,571.00	32,620.00	17%
TOTAL INDIRECT EXPENSES:	<u>1,138,769.00</u>	<u>1,200,318.00</u>	<u>61,549.00</u>	<u>5%</u>
TOTAL ALL EXPENSES:	<u>1,143,654.00</u>	<u>1,205,747.00</u>	<u>62,093.00</u>	<u>5%</u>
NET INCOME (LOSS):	<u>(1,043,654.00)</u>	<u>(1,105,747.00)</u>	<u>(62,093.00)</u>	

Finance and Administration provides organizational support services, including accounting, financial reporting, investments, payroll, facilities maintenance, and general office administration. Revenue coded to this cost center is interest income on WSBA's cash and investments.

Washington State Bar Association Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

ADMISSIONS	FISCAL 2018 BUDGET	FISCAL 2019 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
REVENUE:				
EXAMSOFT REVENUE	35,000.00	35,000.00	-	0%
APPLICATION FEES	1,200,000.00	1,300,000.00	100,000.00	8%
SPECIAL ADMISSIONS	60,000.00	60,000.00	-	0%
RULE 9/LEGAL INTERN FEES	-	12,000.00	12,000.00	
LLLT EXAM FEES	7,500.00	-	(7,500.00)	-100%
LLLT WAIVER FEES	900.00	-	(900.00)	
LPO EXAMINATION FEES	24,000.00	-	(24,000.00)	-100%
TOTAL REVENUE:	1,327,400.00	1,407,000.00	79,600.00	6%
DIRECT EXPENSES:				
FACILITY, PARKING, FOOD	70,000.00	84,060.00	14,060.00	20%
EXAMINER FEES	35,000.00	35,000.00	-	0%
BOARD OF BAR EXAMINERS	25,000.00	30,000.00	5,000.00	20%
BAR EXAM PROCTORS	31,000.00	31,000.00	-	0%
CHARACTER & FITNESS BOARD EXP	20,000.00	20,000.00	-	0%
DISABILITY ACCOMMODATIONS	20,000.00	20,000.00	-	0%
CHARACTER & FITNESS INVESTIGATIONS	900.00	900.00	-	0%
LAW SCHOOL VISITS	1,000.00	1,600.00	600.00	60%
UBE EXAMINATIONS	130,000.00	135,000.00	5,000.00	4%
LLLT/LPO EXAM WRITING	28,355.00	-	(28,355.00)	
COURT REPORTERS	18,000.00	18,000.00	-	0%
ONLINE LEGAL RESEARCH	-	3,675.00	3,675.00	
LAW LIBRARY	-	1,116.00	1,116.00	
DEPRECIATION	17,776.00	26,900.00	9,124.00	51%
POSTAGE	4,000.00	4,000.00	-	0%
STAFF TRAVEL/PARKING	13,000.00	14,900.00	1,900.00	15%
STAFF MEMBERSHIP DUES	400.00	650.00	250.00	63%
SUPPLIES	2,500.00	2,500.00	-	0%
TOTAL DIRECT EXPENSES:	416,931.00	429,301.00	12,370.00	3%
INDIRECT EXPENSES:				
FTE	6.30	6.80	0.50	8%
SALARY EXPENSE	496,503.00	547,525.00	51,022.00	10%
BENEFIT EXPENSE	188,862.00	205,780.00	16,918.00	9%
OVERHEAD	155,683.00	195,624.00	39,941.00	26%
TOTAL INDIRECT EXPENSES:	841,048.00	948,929.00	107,881.00	13%
TOTAL ALL EXPENSES:	1,257,979.00	1,378,230.00	120,251.00	10%
NET INCOME (LOSS):	69,421.00	28,770.00	(40,651.00)	

The Supreme Court has delegated to WSBA administrative responsibility over admissions for lawyers, Limited License Legal Technicians (LLLTs), and Limited Practice Officers (LPOs). Each year, over 1,000 people take one of the Uniform Bar Exams offered in February and July in the Puget Sound area, and much smaller numbers take the licensing exams for LPOs and LLLTs, also offered twice a year. In addition, approximately 600 people are admitted through admission by motion and more than 100 through a UBE score transfer, and another several hundred are licensed to practice as house counsel.

This work unit reviews all admission applications for all license types, performs some aspects of the background checks on applicants, further investigates identified character and fitness issues for some applicants for review by Bar Counsel (up to several hundred each year), and supports the Character and Fitness Board in conducting hearings and making recommendations to the Supreme Court regarding whether to admit and license applicants for all license types (usually between 10 and 20 hearings each year). This work unit also works with the National Conference of Bar Examiners in administering and grading exams for lawyers and the Board of Bar Examiners for grading exams for lawyers. Work has begun to develop and implement a new online application program that can accommodate all of the different types of lawyer admission and licensing applications, rather than needing to use paper applications for many types of applications.

Revenue increases are consistent with historic trends. This year, revenue in this cost center does not include revenue from LPO and LLLT admission applications, but does include revenue from APR 9 Licensed Legal Intern applications. Direct expense budget includes all costs for the lawyer exams and the Boards.

Washington State Bar Association Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

BOARD OF GOVERNORS	FISCAL 2019 BUDGET	FISCAL 2020 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
REVENUE:				
TOTAL REVENUE:	<u>-</u>	<u>-</u>	<u>-</u>	
DIRECT EXPENSES:				
WASHINGTON LEADERSHIP INSTITUTE	60,000.00	60,000.00	-	0%
BOG MEETINGS	117,000.00	210,500.00	93,500.00	80%
BOG COMMITTEES' EXPENSES	30,000.00	30,000.00	-	0%
BOG RETREAT	-	15,000.00	15,000.00	
BOG CONFERENCE ATTENDANCE	49,000.00	44,000.00	(5,000.00)	-10%
BOG TRAVEL & OUTREACH	35,000.00	35,000.00	-	0%
ED TRAVEL & OUTREACH	5,000.00	-	(5,000.00)	-100%
CONSULTING SERVICES	-	5,000.00	5,000.00	
STAFF TRAVEL/PARKING	5,400.00	-	(5,400.00)	-100%
STAFF MEMBERSHIP DUES	2,131.00	400.00	(1,731.00)	-81%
TELEPHONE	1,000.00	-	(1,000.00)	-100%
TOTAL DIRECT EXPENSES:	<u>304,531.00</u>	<u>399,900.00</u>	<u>95,369.00</u>	<u>31%</u>
INDIRECT EXPENSES:				
FTE	2.45	1.00	(1.45)	-59%
SALARY EXPENSE	361,878.00	69,756.00	(292,122.00)	-81%
BENEFIT EXPENSE	107,757.00	26,638.00	(81,119.00)	-75%
OVERHEAD	60,543.00	28,768.00	(31,775.00)	-52%
TOTAL INDIRECT EXPENSES:	<u>530,178.00</u>	<u>125,162.00</u>	<u>(405,016.00)</u>	<u>-76%</u>
TOTAL ALL EXPENSES:	<u>834,709.00</u>	<u>525,062.00</u>	<u>(309,647.00)</u>	<u>-37%</u>
NET INCOME (LOSS):	<u>(834,709.00)</u>	<u>(525,062.00)</u>	<u>309,647.00</u>	

This cost center supports the president, the president-elect, the Board of Governors' work and meetings, and Board committees. The budget includes funding for Board meetings, Board committees, and governor travel and outreach (to local, specialty, and minority bar associations, committees, sections, etc.). In FY20, it also continues to earmark support for the Washington Leadership Institute.

Washington State Bar Association
Budget Comparison Report
For the Period from October 1, 2019 to September 30, 2020

COMMUNICATION STRATEGIES	FISCAL 2019 BUDGET	FISCAL 2020 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
REVENUE:				
AWARDS DINNER	50,000.00	40,000.00	(10,000.00)	-20%
50 YEAR MEMBER TRIBUTE LUNCH	750.00	-	(750.00)	-100%
TOTAL REVENUE:	50,750.00	40,000.00	(10,750.00)	-21%
DIRECT EXPENSES:				
AWARDS DINNER	63,000.00	70,000.00	7,000.00	11%
50 YEAR MEMBER TRIBUTE LUNCH	8,000.00	8,000.00	-	0%
COMMUNICATIONS OUTREACH	15,000.00	15,000.00	-	0%
SPEAKERS & PROGRAM DEVELOP	1,600.00	-	(1,600.00)	-100%
STAFF TRAVEL/PARKING	4,700.00	4,700.00	-	0%
STAFF MEMBERSHIP DUES	1,000.00	1,515.00	515.00	52%
SUBSCRIPTIONS	10,050.00	10,050.00	-	0%
DIGITAL/ONLINE DEVELOPMENT	1,450.00	1,450.00	-	0%
TELEPHONE	-	325.00	325.00	
TOTAL DIRECT EXPENSES:	104,800.00	111,040.00	6,240.00	6%
INDIRECT EXPENSES:				
FTE	4.62	4.44	(0.18)	-4%
SALARY EXPENSE	312,393.00	310,102.00	(2,291.00)	-1%
BENEFIT EXPENSE	124,221.00	118,282.00	(5,939.00)	-5%
OVERHEAD	114,168.00	127,731.00	13,563.00	12%
TOTAL INDIRECT EXPENSES:	550,782.00	556,115.00	5,333.00	1%
TOTAL ALL EXPENSES:	655,582.00	667,155.00	11,573.00	2%
NET INCOME (LOSS):	(604,832.00)	(627,155.00)	(22,323.00)	

Communication Strategies is responsible for member, public, and internal communications; branding and reputation management; media and public relations; marketing; special events; and strategic communication tools aimed at improving member and public engagement and outreach (including content strategy for the WSBA website, WSBA's blog (NWSidebar), social media channels, and broadcast emails). The Communication Strategies Team works with all WSBA departments to support the communications and marketing of WSBA programs, services, and matters of interest to members and the public.

Washington State Bar Association

Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

CONFERENCE & BROADCAST SERVICES

	FISCAL 2019 BUDGET	FISCAL 2020 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
REVENUE:				
TOTAL REVENUE:	-	-	-	
DIRECT EXPENSES:				
TRANSLATION SERVICES	3,500.00	5,500.00	2,000.00	57%
TOTAL DIRECT EXPENSES:	3,500.00	5,500.00	2,000.00	57%
INDIRECT EXPENSES:				
FTE	7.15	7.11	(0.04)	-1%
SALARY EXPENSE	429,625.00	439,469.00	9,844.00	2%
BENEFIT EXPENSE	174,080.00	175,752.00	1,672.00	1%
OVERHEAD	176,688.00	204,542.00	27,854.00	16%
TOTAL INDIRECT EXPENSES:	780,393.00	819,763.00	39,370.00	5%
TOTAL ALL EXPENSES:	783,893.00	825,263.00	41,370.00	5%
NET INCOME (LOSS):	(783,893.00)	(825,263.00)	(41,370.00)	

Conference and Broadcast Services is responsible for the Service Center, meeting facilities, mail and print services, and all other services on WSBA's public floor. In fiscal year 2018, WSBA supported almost 1,500 on-site meetings and events, and the Service Center handled over 45,000 communications with members and the public. This cost center also supports all non-CLE activities related to webcasting, webinars, and recorded products.

Washington State Bar Association

Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

DISCIPLINE	FISCAL 2019 BUDGET	FISCAL 2020 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
REVENUE:				
AUDIT REVENUE	3,200.00	2,500.00	(700.00)	-22%
RECOVERY OF DISCIPLINE COSTS	80,000.00	90,000.00	10,000.00	13%
DISCIPLINE HISTORY SUMMARY	13,000.00	14,000.00	1,000.00	8%
PRACTICE MONITOR FEES	-	4,000.00	4,000.00	
TOTAL REVENUE:	96,200.00	110,500.00	14,300.00	15%
DIRECT EXPENSES:				
COURT REPORTERS	55,000.00	35,000.00	(20,000.00)	-36%
OUTSIDE COUNSEL/AIC	2,000.00	1,000.00	(1,000.00)	-50%
LITIGATION EXPENSES	25,000.00	25,000.00	-	0%
DISABILITY EVALUATIONS	7,500.00	7,500.00	-	0%
ONLINE LEGAL RESEARCH	68,000.00	53,287.50	(14,712.50)	-22%
LAW LIBRARY	12,500.00	6,700.00	(5,800.00)	-46%
TRANSLATION SERVICES	1,500.00	1,000.00	(500.00)	-33%
PRACTICE MONITOR EXPENSE	-	4,000.00	4,000.00	
DEPRECIATION	7,123.00	2,300.00	(4,823.00)	-68%
PUBLICATIONS PRODUCTION	444.00	250.00	(194.00)	-44%
STAFF TRAVEL/PARKING	35,000.00	35,000.00	-	0%
STAFF MEMBERSHIP DUES	3,900.00	4,111.00	211.00	5%
TELEPHONE	2,300.00	2,300.00	-	0%
TOTAL DIRECT EXPENSES:	220,267.00	177,448.50	(42,818.50)	-19%
INDIRECT EXPENSES:				
FTE	36.88	36.93	0.05	0%
SALARY EXPENSE	3,556,329.00	3,676,010.00	119,681.00	3%
BENEFIT EXPENSE	1,196,316.00	1,211,817.00	15,501.00	1%
OVERHEAD	911,363.00	1,062,411.00	151,048.00	17%
TOTAL INDIRECT EXPENSES:	5,664,008.00	5,950,238.00	286,230.00	5%
TOTAL ALL EXPENSES:	5,884,275.00	6,127,686.50	243,411.50	4%
NET INCOME (LOSS):	(5,788,075.00)	(6,017,186.50)	(229,111.50)	

The Washington Supreme Court has exclusive responsibility for the lawyer, LPO, and LLLT discipline and disability systems in Washington. By court rule, the Supreme Court delegates regulatory authority to the WSBA through, in part, the Office of Disciplinary Counsel (ODC).

ODC is responsible for fielding communications from individuals with concerns about a lawyer, for reviewing, investigating, and prosecuting grievances about the ethical conduct of Washington lawyers, and for addressing issues involving a lawyer's alleged incapacity to practice law. ODC is also responsible for investigating and prosecuting ethical misconduct by LPOs and LLLTs upon referral from the corresponding regulatory board. More specifically, ODC identifies and dismisses grievances that do not allege unethical conduct, prosecutes violations of the Washington Supreme Court's Rules of Professional Conduct in matters that have been ordered to hearing by a review committee of the Disciplinary Board, and seeks transfers to disability-inactive status for licensees lacking the capacity to practice law. Some disciplinary matters are resolved by stipulation, some involving less serious misconduct may be diverted from discipline into the Diversion Program, while others are contested at a disciplinary hearing. If a hearing-level decision is appealed, disciplinary counsel briefs and argues the appeal to the applicable regulatory board and, in some cases, the Supreme Court. ODC also reviews trust account overdraft notices and conducts random examinations of trust account books and records, tracks and collects costs and expenses assessed against respondents in disciplinary proceedings, and monitors compliance with conditions of probation imposed in disciplinary matters.

To perform these functions, ODC employs disciplinary counsel, investigators, auditors, and a support staff of paralegals and administrative assistants; its expenses are primarily staff-related. Revenues consist primarily of recovery of discipline costs and expenses and service fees for providing discipline history summaries.

Washington State Bar Association

Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

DIVERSITY	FISCAL 2019 BUDGET	FISCAL 2020 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
REVENUE:				
DONATIONS	110,000.00	125,000.00	15,000.00	14%
SPONSORSHIP REVENUE	4,000.00	-	(4,000.00)	-100%
WORK STUDY GRANTS	10,374.00	10,374.00	-	0%
TOTAL REVENUE:	124,374.00	135,374.00	11,000.00	9%
DIRECT EXPENSES:				
COMMITTEE FOR DIVERSITY	5,000.00	6,000.00	1,000.00	20%
DIVERSITY EVENTS & PROJECTS	10,000.00	15,750.00	5,750.00	58%
INTERNAL DIVERSITY OUTREACH	200.00	200.00	-	-
STAFF TRAVEL/PARKING	6,000.00	6,000.00	-	0%
STAFF MEMBERSHIP DUES	350.00	980.00	630.00	180%
TOTAL DIRECT EXPENSES:	21,550.00	28,930.00	7,380.00	34%
INDIRECT EXPENSES:				
FTE	4.05	3.87	(0.18)	-4%
SALARY EXPENSE	328,835.00	341,233.00	12,398.00	4%
BENEFIT EXPENSE	115,724.00	114,992.00	(732.00)	-1%
OVERHEAD	100,082.00	111,333.00	11,251.00	11%
TOTAL INDIRECT EXPENSES:	544,641.00	567,558.00	22,917.00	4%
TOTAL ALL EXPENSES:	566,191.00	596,488.00	30,297.00	5%
NET INCOME (LOSS):	(441,817.00)	(461,114.00)	(19,297.00)	

This cost center captures the cost of WSBA's staffing and programming to implement the statewide WSBA Diversity and Inclusion Plan. Activities supported by this cost center include equity and inclusion consultation for legal professionals and organizations, diversity centered research, community networking events held across the state, events to promote inclusion and provide opportunities for mentorship such as the Seattle University Law School ARC Reception, and outreach to and collaboration with Washington's minority bar associations (MBAs). This cost center also supports the WSBA Diversity Committee, development of three diversity-related CLE programs for the Legal Lunchbox and other educational events, like the Beyond the Dialogue Series. Direct costs have been reduced slightly in this cost center, while indirects have increased to reflect the investment of staff resources in delivering these programs. The diversity programs are supported by a \$125,000 grant from the Washington State Bar Foundation in FY20 (a \$15,000 increase over the FY19 budget).

Washington State Bar Association Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

FOUNDATION	FISCAL 2019 BUDGET	FISCAL 2020 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
REVENUE:				
TOTAL REVENUE:	<u>-</u>	<u>-</u>	<u>-</u>	
DIRECT EXPENSES:				
SPECIAL EVENTS	5,000.00	5,000.00	-	0%
BOARD OF TRUSTEES	3,000.00	3,000.00	-	0%
CONSULTING SERVICES	3,000.00	3,000.00	-	0%
POSTAGE	500.00	500.00	-	0%
PRINTING & COPYING	800.00	900.00	100.00	13%
STAFF TRAVEL/PARKING	1,400.00	750.00	(650.00)	-46%
SUPPLIES	500.00	250.00	(250.00)	-50%
TOTAL DIRECT EXPENSES:	<u>14,200.00</u>	<u>13,400.00</u>	<u>(800.00)</u>	<u>-6%</u>
INDIRECT EXPENSES:				
FTE	1.15	1.05	(0.10)	-9%
SALARY EXPENSE	89,538.00	90,008.00	470.00	1%
BENEFIT EXPENSE	32,707.00	31,689.00	(1,018.00)	-3%
OVERHEAD	28,418.00	30,135.00	1,717.00	6%
TOTAL INDIRECT EXPENSES:	<u>150,663.00</u>	<u>151,832.00</u>	<u>1,169.00</u>	<u>1%</u>
TOTAL ALL EXPENSES:	<u>164,863.00</u>	<u>165,232.00</u>	<u>369.00</u>	<u>0%</u>
NET INCOME (LOSS):	<u>(164,863.00)</u>	<u>(165,232.00)</u>	<u>(369.00)</u>	

The Washington State Bar Foundation is the fundraising arm of the WSBA. This cost center reflects the staffing, operations, and administrative support WSBA provides to the Foundation in exchange for its fundraising services. The Foundation will contribute \$250,000 in revenue to WSBA's FY20 budget to support public service, diversity, and access to justice efforts within the Advancement Department cost centers. We continue to look for opportunities to reduce indirect and direct costs in this cost center to better reflect the actual cost of delivering this service.

Washington State Bar Association

Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

HUMAN RESOURCES	FISCAL 2019 BUDGET	FISCAL 2020 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
REVENUE:				
TOTAL REVENUE:	<u>-</u>	<u>-</u>	<u>-</u>	
DIRECT EXPENSES:				
STAFF TRAINING- GENERAL	30,000.00	30,000.00	-	0%
RECRUITING AND ADVERTISING	7,000.00	7,000.00	-	0%
PAYROLL PROCESSING	49,000.00	49,000.00	-	0%
SALARY SURVEYS	2,900.00	2,900.00	-	0%
CONSULTING SERVICES	10,000.00	75,000.00	65,000.00	650%
STAFF TRAVEL/PARKING	150.00	250.00	100.00	67%
STAFF MEMBERSHIP DUES	1,250.00	870.00	(380.00)	-30%
SUBSCRIPTIONS	2,100.00	2,100.00	-	0%
TRANSFER TO INDIRECT EXPENSE	(102,400.00)	(167,120.00)	(64,720.00)	63%
TOTAL DIRECT EXPENSES:	<u>-</u>	<u>-</u>	<u>-</u>	
INDIRECT EXPENSES:				
FTE	2.45	2.45	-	0%
SALARY EXPENSE	260,398.00	271,913.00	11,515.00	4%
ALLOWANCE FOR OPEN POSITIONS	(200,000.00)	(200,000.00)	-	0%
BENEFIT EXPENSE	84,017.00	86,720.00	2,703.00	3%
OVERHEAD	60,543.00	70,482.00	9,939.00	16%
TOTAL INDIRECT EXPENSES:	<u>204,958.00</u>	<u>229,115.00</u>	<u>24,157.00</u>	<u>12%</u>
TOTAL ALL EXPENSES:	<u>204,958.00</u>	<u>229,115.00</u>	<u>24,157.00</u>	<u>12%</u>
NET INCOME (LOSS):	<u>(204,958.00)</u>	<u>(229,115.00)</u>	<u>(24,157.00)</u>	

The Human Resources Department handles all human resources functions, including recruitment and retention, compensation and benefits administration, employee relations, legal compliance, equal employment opportunity, employee on-boarding, ongoing employee training and development, performance management, and human resources policies and procedures. Expenses reflected here are solely for staffing (salaries, benefits, and overhead). Direct costs located in this cost center are allocated out to all cost centers through "Overhead" in the indirect expense allocation. Direct expenses include payroll processing, staff training, and recruiting costs.

Washington State Bar Association Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

LAW CLERK PROGRAM	FISCAL 2019 BUDGET	FISCAL 2020 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
REVENUE:				
LAW CLERK FEES	162,000.00	172,000.00	10,000.00	6%
LAW CLERK APPLICATION FEES	4,000.00	2,700.00	(1,300.00)	-33%
TOTAL REVENUE:	166,000.00	174,700.00	8,700.00	5%
DIRECT EXPENSES:				
CHARACTER & FITNESS INVESTIGATIONS	100.00	100.00	-	0%
LAW CLERK BOARD EXPENSE	6,000.00	10,000.00	4,000.00	67%
LAW CLERK OUTREACH	5,000.00	3,000.00	(2,000.00)	-40%
STAFF TRAVEL/PARKING	-	600.00	600.00	
SUBSCRIPTIONS	250.00	250.00	-	0%
TOTAL DIRECT EXPENSES:	11,350.00	13,950.00	2,600.00	23%
INDIRECT EXPENSES:				
FTE	1.10	1.25	0.15	14%
SALARY EXPENSE	84,449.00	92,121.00	7,672.00	9%
BENEFIT EXPENSE	31,033.00	34,398.00	3,365.00	11%
OVERHEAD	27,183.00	35,960.00	8,777.00	32%
TOTAL INDIRECT EXPENSES:	142,665.00	162,479.00	19,814.00	14%
TOTAL ALL EXPENSES:	154,015.00	176,429.00	22,414.00	15%
NET INCOME (LOSS):	11,985.00	(1,729.00)	(13,714.00)	

The Law Clerk Program is now joined with LLLT and LPO licensing in the "Innovative Licensing Programs" work unit within RSD. This cost center captures the revenue and expenses for the APR 6 Law Clerk Program, which is a program of education that offers an alternative to law school by allowing Law Clerks to study law with a tutor/employer while working full time with the employer; the standard program is four years, the curriculum is essentially the same as a three year JD program curriculum, and Law Clerks must pass character and fitness review and pass the Bar exam to be eligible for admission and licensing as a lawyer. The Board hopes to expand the program through increased outreach and education about the program, and with improving employment situations, expansion of the number of participants may continue to be a possibility. RSD staff has been working to improve the data base at the heart of the program in order to provide improved services to the Law Clerks and tutors. RSD and Communications staff have been working to increase the outreach about and visibility of the program.

Revenues are generated from modest fees charged to the Law Clerks to participate in the program. Expenses are the costs to administer the Law Clerk program and the expenses incurred by the Law Clerk Board. This program has been slowly increasing in size and currently stands at about 84 clerk/tutor pairs around the state.

Washington State Bar Association Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

LEGISLATIVE	FISCAL 2019 BUDGET	FISCAL 2020 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
REVENUE:				
TOTAL REVENUE:	-	-	-	
DIRECT EXPENSES:				
RENT - OLYMPIA OFFICE	2,500.00	2,500.00	-	0%
CONTRACT LOBBYIST	5,000.00	5,000.00	-	0%
LOBBYIST CONTACT COSTS	1,000.00	-	(1,000.00)	-100%
LEGISLATIVE COMMITTEE	2,500.00	2,500.00	-	0%
BOG LEGISLATIVE COMMITTEE	250.00	250.00	-	0%
STAFF TRAVEL/PARKING	4,550.00	2,500.00	(2,050.00)	-45%
STAFF MEMBERSHIP DUES	450.00	450.00	-	0%
SUBSCRIPTIONS	2,000.00	2,000.00	-	0%
TELEPHONE	400.00	-	(400.00)	-100%
TOTAL DIRECT EXPENSES:	18,650.00	15,200.00	(3,450.00)	-18%
INDIRECT EXPENSES:				
FTE	1.10	1.10	-	0%
SALARY EXPENSE	80,340.00	82,883.00	2,543.00	3%
BENEFIT EXPENSE	27,893.00	30,676.00	2,783.00	10%
OVERHEAD	27,183.00	31,645.00	4,462.00	16%
TOTAL INDIRECT EXPENSES:	135,416.00	145,204.00	9,788.00	7%
TOTAL ALL EXPENSES:	154,066.00	160,404.00	6,338.00	4%
NET INCOME (LOSS):	(154,066.00)	(160,404.00)	(6,338.00)	

The Outreach and Legislative Affairs Manager and the Outreach and Legislative Affairs Coordinator work closely with WSBA leadership and sections to formulate positions on legislation, track relevant legislation during session and provide technical advice on bills and existing statutes to the Legislature. Reduced contract lobbyist, Olympia space rental, and staffing costs reflect reevaluation of legislative support needs.

Washington State Bar Association Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

LICENSING AND MEMBERSHIP RECORDS

	FISCAL 2019 BUDGET	FISCAL 2020 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
REVENUE:				
STATUS CERTIFICATE FEES	22,000.00	22,000.00	-	0%
RULE 9/LEGAL INTERN FEES	11,000.00	-	(11,000.00)	-100%
INVESTIGATION FEES	22,000.00	22,700.00	700.00	3%
PRO HAC VICE	230,000.00	270,000.00	40,000.00	17%
MEMBER CONTACT INFORMATION	19,000.00	10,000.00	(9,000.00)	-47%
PHOTO BAR CARD SALES	350.00	300.00	(50.00)	-14%
TOTAL REVENUE:	304,350.00	325,000.00	20,650.00	7%
DIRECT EXPENSES:				
LICENSING FORMS	3,000.00	2,437.50	(562.50)	-19%
DEPRECIATION	13,812.00	13,850.00	38.00	0%
POSTAGE	29,000.00	19,500.00	(9,500.00)	-33%
TOTAL DIRECT EXPENSES:	45,812.00	35,787.50	(10,024.50)	-22%
INDIRECT EXPENSES:				
FTE	4.35	4.20	(0.15)	-3%
SALARY EXPENSE	395,080.00	386,870.00	(8,210.00)	-2%
BENEFIT EXPENSE	133,752.00	130,142.00	(3,610.00)	-3%
OVERHEAD	107,495.00	120,827.00	13,332.00	12%
TOTAL INDIRECT EXPENSES:	636,327.00	637,839.00	1,512.00	0%
TOTAL ALL EXPENSES:	682,139.00	673,626.50	(8,512.50)	-1%
NET INCOME (LOSS):	(377,789.00)	(348,626.50)	29,162.50	

All member and license types are tracked in one database and their annual license renewal processes are administered by this work group. This work group includes all activities associated with the collection of annual license fees; processing changes to a member's information on record with the WSBA; providing mailing and emailing lists for internal and external requesters consistent with WSBA policy, bylaws, and the Admission and Practice Rules; and maintaining the accuracy of the membership records database and transmitting it to the Supreme Court.

Revenues are generated from application fees for pro hac vice admissions, as well as limited sales of member contact information, member status certificates, investigation fees for status changes, and revenue from sales of photo bar cards. Expenses are primarily printing and postage costs for the annual license packets and compliance follow up, and all status changes. Revenue changes are consistent with historic trends; direct costs change with changes in printing and mailing costs. Licensing revenue and expenses for annual licensing of LLLTs and LPOs are now reflected in those cost centers.

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LICENSING	FISCAL 2019 BUDGET	FISCAL 2020 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
REVENUE:				
LLLT LICENSE FEES	5,800.00	-	(5,800.00)	-100%
LICENSE FEES	15,778,000.00	16,200,000.00	422,000.00	3%
LPO LICENSE FEES	174,400.00	-	(174,400.00)	-100%
TOTAL REVENUE:	15,958,200.00	16,200,000.00	241,800.00	2%
DIRECT EXPENSES:				
TOTAL DIRECT EXPENSES:	-	-	-	
INDIRECT EXPENSES:				
TOTAL INDIRECT EXPENSES:	-	-	-	
TOTAL ALL EXPENSES:	-	-	-	
NET INCOME (LOSS):	15,958,200.00	16,200,000.00	241,800.00	

Most cost centers across WSBA are supported by license fee funds. The Licensing cost center tracks this revenue without any associated expenses. Increase in revenue is attributable to increased license fee rates for all members in FY20.

Washington State Bar Association Budget Comparison Report

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LIMITED LICENSE LEGAL TECHNICIAN

	FISCAL 2019 BUDGET	FISCAL 2020 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
REVENUE:				
LLLT LICENSE FEES	-	7,550.00	7,550.00	
LLLT EXAM FEES	-	4,500.00	4,500.00	
INVESTIGATION FEES	-	300.00	300.00	
LLLT WAIVER FEES	-	300.00	300.00	
MEMBER LATE FEES	-	300.00	300.00	
TOTAL REVENUE:	-	12,950.00	12,950.00	
DIRECT EXPENSES:				
FACILITY, PARKING, FOOD	-	600.00	600.00	
LLLT BOARD	17,000.00	18,000.00	1,000.00	6%
LLLT OUTREACH	8,000.00	3,000.00	(5,000.00)	
LLLT EXAM WRITING	-	14,178.00	14,178.00	
LICENSING FORMS	-	2.50	2.50	
POSTAGE	-	20.00	20.00	
STAFF TRAVEL/PARKING	600.00	600.00	-	0%
TOTAL DIRECT EXPENSES:	25,600.00	36,400.50	10,800.50	42%
INDIRECT EXPENSES:				
FTE	1.55	1.34	(0.21)	-14%
SALARY EXPENSE	135,526.00	103,330.00	(32,196.00)	-24%
BENEFIT EXPENSE	41,762.00	37,843.00	(3,919.00)	-9%
OVERHEAD	38,303.00	38,406.00	103.00	0%
TOTAL INDIRECT EXPENSES:	215,591.00	179,579.00	(36,012.00)	-17%
TOTAL ALL EXPENSES:	241,191.00	215,979.50	(25,211.50)	-10%
NET INCOME (LOSS):	(241,191.00)	(203,029.50)	38,161.50	

All member and license types are tracked in one database and their annual license renewal processes are administered by this work group. This work group includes all activities associated with the collection of annual license fees; processing changes to a member's information on record with the WSBA; providing mailing and emailing lists for internal and external requesters consistent with WSBA policy, bylaws, and the Admission and Practice Rules; and maintaining the accuracy of the membership records database and transmitting it to the Supreme Court.

Revenues are generated from application fees for pro hac vice admissions, as well as limited sales of member contact information, member status certificates, investigation fees for status changes, and revenue from sales of photo bar cards. Expenses are primarily printing and postage costs for the annual license packets and compliance follow up, and all status changes. Revenue changes are consistent with historic trends; direct costs change with changes in printing and mailing costs. Licensing revenue and expenses for annual licensing of LLLTs and LPOs are now reflected in those cost centers.

Washington State Bar Association Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

LIMITED PRACTICE OFFICERS	FISCAL 2019 BUDGET	FISCAL 2020 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
REVENUE:				
INVESTIGATION FEES	-	1,000.00	1,000.00	
LPO EXAMINATION FEES	-	26,000.00	26,000.00	
LPO LICENSE FEES	-	173,900.00	173,900.00	
LPO LATE LICENSE FEES	-	4,590.00	4,590.00	
ACCREDITED PROGRAM FEES	-	6,000.00	6,000.00	
MEMBER LATE FEES	-	900.00	900.00	
TOTAL REVENUE:	-	212,390.00	212,390.00	
DIRECT EXPENSES:				
FACILITY, PARKING, FOOD	-	6,890.00	6,890.00	
LPO EXAM WRITING	-	14,178.00	14,178.00	
ONLINE LEGAL RESEARCH	-	1,837.50	1,837.50	
LAW LIBRARY	-	279.00	279.00	
LICENSING FORMS	-	60.00	60.00	
LPO BOARD	3,000.00	3,000.00	-	0%
LPO OUTREACH	-	3,000.00	3,000.00	
POSTAGE	-	480.00	480.00	
PRINTING & COPYING	-	200.00	200.00	
STAFF TRAVEL/PARKING	-	100.00	100.00	
TOTAL DIRECT EXPENSES:	3,000.00	30,024.50	27,024.50	901%
INDIRECT EXPENSES:				
FTE	1.17	1.09	(0.08)	-7%
SALARY EXPENSE	99,089.00	86,688.00	(12,401.00)	-13%
BENEFIT EXPENSE	40,651.00	31,360.00	(9,291.00)	-23%
OVERHEAD	28,913.00	31,214.00	2,301.00	8%
TOTAL INDIRECT EXPENSES:	168,653.00	149,262.00	(19,391.00)	-11%
TOTAL ALL EXPENSES:	171,653.00	179,286.50	7,633.50	4%
NET INCOME (LOSS):	(171,653.00)	33,103.50	204,756.50	

The Limited Practice Officer (LPO) license type (APR 12), was created by the Supreme Court, and later delegated to the WSBA In 2002. LPOs are WSBA members; there are about 971 licensed LPOs, with 804 of them on Active status. This cost center is used to track all revenues and expenses associated with the Limited Practice Officer (LPO) license type.

This cost center includes all revenue from admission, licensing, and MCLE functions for LPOs, and all expenses related to admitting, licensing and annual license renewal (including MCLE reporting) for LPOs, and includes staffing and expenses related to the Limited Practice Board, which by court rule oversees the program. Also included are direct expenses for work with Ergometrics a professional testing company that assists WSBA and the LP Board in preparing LPO exams (similar to some parts of the assistance WSBA receives from the NCBE for the lawyer exams).

Washington State Bar Association Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

MANDATORY CONTINUING LEGAL EDUCATION	FISCAL 2019 BUDGET	FISCAL 2020 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
REVENUE:				
ACCREDITED PROGRAM FEES	540,000.00	534,000.00	(6,000.00)	-1%
FORM1 LATE FEE	150,000.00	150,000.00	-	0%
MEMBER LATE FEES	203,000.00	201,800.00	(1,200.00)	-1%
ANNUAL ACCREDITED SPONSOR FEES	43,000.00	43,000.00	-	0%
ATTENDANCE LATE FEES	85,000.00	85,000.00	-	0%
COMITY CERTIFICATES	29,000.00	29,000.00	-	0%
TOTAL REVENUE:	1,050,000.00	1,042,800.00	(7,200.00)	-1%
DIRECT EXPENSES:				
ONLINE LEGAL RESEARCH	-	1,837.50	1,837.50	
LAW LIBRARY	-	279.00	279.00	
MCLE BOARD EXPENSES	2,000.00	2,000.00	-	0%
DEPRECIATION	249,948.00	250,000.00	52.00	0%
STAFF MEMBERSHIP DUES	500.00	500.00	-	0%
TOTAL DIRECT EXPENSES:	252,448.00	254,616.50	2,168.50	1%
INDIRECT EXPENSES:				
FTE	4.90	4.65	(0.25)	-5%
SALARY EXPENSE	374,898.00	424,678.00	49,780.00	13%
BENEFIT EXPENSE	124,996.00	123,400.00	(1,596.00)	-1%
OVERHEAD	121,087.00	133,772.00	12,685.00	10%
TOTAL INDIRECT EXPENSES:	620,981.00	681,850.00	60,869.00	10%
TOTAL ALL EXPENSES:	873,429.00	936,466.50	63,037.50	7%
NET INCOME (LOSS):	176,571.00	106,333.50	(70,237.50)	

MCLE administration is a core regulatory function of the WSBA. This area processes requests for accreditation of all CLE programs for all license types, a total of about 20,000 accreditation requests per year, and tracks the earned credits and the CLE certifications and requirements of all individual members to ascertain whether they have completed their minimum continuing education requirements. Every year, approximately one-third of the active WSBA members are required to report their MCLE credits.

Revenue increases are consistent with historical trends. The cost center tracks direct expenses related to MCLE accreditation and compliance (except expenses related for LLLT and LPO MCLE, which are included in those cost centers this year), and is also used to track staffing and expenses related to the MCLE Board, which by court rule oversees the program for all license types.

Washington State Bar Association

Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

MEMBER ASSISTANCE PROGRAM	FISCAL 2018 BUDGET	FISCAL 2019 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
REVENUE:				
DIVERSIONS	10,000.00	6,750.00	(3,250.00)	-33%
TOTAL REVENUE:	10,000.00	6,750.00	(3,250.00)	-33%
DIRECT EXPENSES:				
PROF LIAB INSURANCE	850.00	850.00	-	0%
PUBLICATIONS PRODUCTION	200.00	200.00	-	0%
STAFF MEMBERSHIP DUES	225.00	225.00	-	0%
TOTAL DIRECT EXPENSES:	1,275.00	1,275.00	-	0%
INDIRECT EXPENSES:				
FTE	0.90	0.90	-	0%
SALARY EXPENSE	84,582.00	87,698.00	3,116.00	4%
BENEFIT EXPENSE	34,402.00	35,067.00	665.00	2%
OVERHEAD	22,240.00	25,891.00	3,651.00	16%
TOTAL INDIRECT EXPENSES:	141,224.00	148,656.00	7,432.00	5%
TOTAL ALL EXPENSES:	142,499.00	149,931.00	7,432.00	5%
NET INCOME (LOSS):	(132,499.00)	(143,181.00)	(10,682.00)	

The Member Wellness Program is a confidential (APR 19) program whose goal is to help lawyers prevent and/or address psychological, emotional, addiction, family, health, stress, and other personal problems and provide education and services to foster member well-being. Services include assessment, short-term consultation, group services (e.g. for Job Seekers) and referral, follow-up, and training. MWP administers all Diversion Program respondent evaluations, and handles evaluation interviews, written reports, monitoring, and consultations with other treating professionals and ODC staff. MWP also provides judicial officer referrals for clinical service through the Judicial Assistance Services Program (JASP). Last year, MWP conducted approximately 200 consultations and gave presentations reaching 1,200 members.

Additionally, LAP makes assistance available to all WSBA members through a community partner, KEPRO, whose licensed professionals are available 24/7 assess, treat, and refer impaired lawyers. This program, known as WSBA Connects, provides members access to a suite of work/life integration services including financial counseling, family caregiver referral, and online resources and information to address a wide range of personal and work issues. Extended resources include a free, statewide MWP-trained peer advisor network, self-care website resources, and free or low cost work and wellness educational programming. Revenues come from Diversion Program fees; expenses are principally staff-related costs.

Washington State Bar Association Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

MEMBER SERVICES AND ENGAGEMENT

	FISCAL 2018 BUDGET	FISCAL 2019 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
REVENUE:				
ROYALTIES	30,000.00	42,500.00	12,500.00	42%
NMP PRODUCT SALES	70,000.00	70,000.00	-	0%
SPONSORSHIPS	1,200.00	800.00	(400.00)	-33%
SEMINAR REGISTRATIONS	30,000.00	15,000.00	(15,000.00)	-50%
TRIAL ADVOCACY PROGRAM	10,000.00	10,000.00	-	0%
TOTAL REVENUE:	141,200.00	138,300.00	(2,900.00)	-2%
DIRECT EXPENSES:				
WYLC OUTREACH EVENTS	2,500.00	2,500.00	-	0%
LENDING LIBRARY	5,500.00	5,500.00	-	0%
NMP SPEAKERS & PROGRAM DEVELOPMENT	1,500.00	1,500.00	-	0%
WYL COMMITTEE	15,000.00	15,000.00	-	0%
OPEN SECTIONS NIGHT	4,400.00	3,000.00	(1,400.00)	-
RURAL PLACEMENT PROGRAM	10,500.00	-	(10,500.00)	-
TRIAL ADVOCACY PROGRAM	2,500.00	2,500.00	-	0%
RECEPTION/FORUM EXPENSE	4,000.00	4,000.00	-	0%
WYLC SCHOLARSHIPS/DONATIONS/GRANT	2,500.00	2,500.00	-	0%
YLL SECTION PROGRAM	1,100.00	1,100.00	-	0%
WYLC CLE COMPS	1,000.00	1,000.00	-	0%
STAFF TRAVEL/PARKING	4,500.00	2,500.00	(2,000.00)	-44%
STAFF MEMBERSHIP DUES	385.00	445.00	60.00	16%
SUBSCRIPTIONS	480.00	500.00	20.00	4%
CONFERENCE CALLS	200.00	300.00	100.00	50%
TOTAL DIRECT EXPENSES:	56,065.00	42,345.00	(13,720.00)	-24%
INDIRECT EXPENSES:				
FTE	3.98	4.24	0.26	7%
SALARY EXPENSE	296,941.00	326,272.00	29,331.00	10%
BENEFIT EXPENSE	110,321.00	119,762.00	9,441.00	9%
OVERHEAD	98,352.00	121,977.00	23,625.00	24%
TOTAL INDIRECT EXPENSES:	505,614.00	568,011.00	62,397.00	12%
TOTAL ALL EXPENSES:	561,679.00	610,356.00	48,677.00	9%
NET INCOME (LOSS):	(420,479.00)	(472,056.00)	(51,577.00)	

Member Services and Engagement coordinates and executes a range of projects, initiatives and programs that focus on mentorship, new members, and practice management. These activities are designed to support member competence, professionalism and strengthen community.

In FY19 this cost center will support the direct and indirect costs of: (1) developing a 24-credit Practice Primer Track, the annual Trial Advocacy Program, and a free financial/debt management seminar; (2) supporting 1 Open Sections Night, 4 MentorLink Mixers, the Young Lawyer Liaison Program (to Sections), 4 Public Service Incentive Awards (free CLEs), the Law School WSBA Representatives Program, the WSBA mentorship curriculum, ALPS Attorney Match, and mentorship programs offered by our community partners across the state; (3) supporting those in solo and small-firm practice and those going through practice transitions by continuing to offer free telephone consultations, maintaining a Lending Library, referrals to external consultant, offering discounts to practice management vendors, and promoting WSBA online guides; (4) supporting the Washington Young Lawyers Committee and the ABA YLD District Representative; (5) promoting the WSBA Health Insurance Exchange..

FY20 revenue includes rebates received for WSBA's Practice Management Discount Network, (products made available to WSBA members at a discount), CLE registration for live seminars, and sales of on-demand recorded products. Overall direct expenses for the cost center in FY20 are reduced from FY19.

Washington State Bar Association Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

MEMBERSHIP BENEFITS	FISCAL 2019 BUDGET	FISCAL 2020 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
REVENUE:				
SPONSORSHIPS	8,000.00	9,000.00	1,000.00	13%
INTERNET SALES	9,000.00	12,000.00	3,000.00	33%
TOTAL REVENUE:	17,000.00	21,000.00	4,000.00	24%
DIRECT EXPENSES:				
LEGAL LUNCHBOX COURSEBOOK PRODUCTION	500.00	-	(500.00)	-100%
LEGAL LUNCHBOX SPEAKERS & PROGRAM DEVELOP	1,700.00	2,000.00	300.00	18%
WSBA CONNECTS	46,560.00	46,560.00	-	0%
CASEMAKER & FASTCASE	136,336.00	136,436.00	100.00	0%
TRANSCRIPTION SERVICES	-	1,500.00	1,500.00	
TOTAL DIRECT EXPENSES:	185,096.00	186,496.00	1,400.00	1%
INDIRECT EXPENSES:				
FTE	0.73	0.69	(0.04)	-5%
SALARY EXPENSE	54,366.00	53,322.00	(1,044.00)	-2%
BENEFIT EXPENSE	20,206.00	19,484.00	(722.00)	-4%
OVERHEAD	18,039.00	19,706.00	1,667.00	9%
TOTAL INDIRECT EXPENSES:	92,611.00	92,512.00	(99.00)	0%
TOTAL ALL EXPENSES:	277,707.00	279,008.00	1,301.00	0%
NET INCOME (LOSS):	(260,707.00)	(258,008.00)	2,699.00	

This cost center includes costs associated with programs benefiting WSBA's membership as a part of their annual license fee: (1) Casemaker and Fastcase, two free legal research tools; (2) Legal Lunch Box Series, a free monthly CLEs with attendance in excess of 20,000 in FY18; and (3) WSBA Connects, a confidential 24/7 member assistance program operated by Kepro, our community partner (see Member Wellness Program cost center narrative for a fuller description of this program). The cost center also includes the revenue for sponsorship and online sales associated with the Legal Lunchbox Series.

Washington State Bar Association

Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

NW LAWYER	FISCAL 2019 BUDGET	FISCAL 2020 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
REVENUE:				
DISPLAY ADVERTISING	297,500.00	297,500.00	-	0%
SUBSCRIPT/SINGLE ISSUES	350.00	350.00	-	0%
CLASSIFIED ADVERTISING	12,500.00	12,500.00	-	0%
GEN ANNOUNCEMENTS	17,500.00	17,500.00	-	0%
PROF ANNOUNCEMENTS	21,000.00	21,000.00	-	0%
JOB TARGET	112,500.00	112,500.00	-	0%
TOTAL REVENUE:	461,350.00	461,350.00	-	0%
DIRECT EXPENSES:				
GRAPHICS/ARTWORK	3,500.00	3,500.00	-	0%
EDITORIAL ADVIS COMMITTEE EXP	800.00	800.00	-	0%
BAD DEBT EXPENSE	2,000.00	2,000.00	-	0%
POSTAGE	89,000.00	89,000.00	-	0%
PRINTING & COPYING	250,000.00	250,000.00	-	0%
STAFF MEMBERSHIP DUES	135.00	615.00	480.00	356%
DIGITAL/ONLINE DEVELOPMENT	10,200.00	12,000.00	1,800.00	18%
TOTAL DIRECT EXPENSES:	355,635.00	357,915.00	2,280.00	1%
INDIRECT EXPENSES:				
FTE	2.25	2.55	0.30	13%
SALARY EXPENSE	177,211.00	206,395.00	29,184.00	16%
BENEFIT EXPENSE	70,006.00	79,825.00	9,819.00	14%
OVERHEAD	55,601.00	73,359.00	17,758.00	32%
TOTAL INDIRECT EXPENSES:	302,818.00	359,579.00	56,761.00	19%
TOTAL ALL EXPENSES:	658,453.00	717,494.00	59,041.00	9%
NET INCOME (LOSS):	(197,103.00)	(256,144.00)	(59,041.00)	

NWLawyer is the official publication of WSBA and serves as the primary method of print communication that is received by all WSBA members and is available to inactive and emeritus members on request. A digital online version is also available. The Editorial Advisory Committee provides oversight and guidance as needed. Authors are volunteers and are not paid for their contributions. Editing and production of NWLawyer is administered by the staff in the Communications and Outreach Department. NWLawyer revenues come from sales of advertisements (display ads, classified ads, professional ads, and announcements) and subscriptions (to nonmembers). Expenses include outside advertising sales management, printing, mailing services, postage, and some artwork. All design and layout, as well as much of the photography and artwork, are performed in-house. The overall increase in indirect costs reflects staff time devoted to bringing on a new, full-time editor. After vetting several options, WSBA entered into a contract with a professional advertising management company (SagaCity Media) in January 2018 for the express purpose of increasing ad sales revenue. The production team is working with SagaCity to set ad targets and diversify the types of ads included in the magazine to begin to make the magazine more cost-neutral. We have also contracted (as of June 2019) for an upgraded platform for the digital version of the magazine that will allow for additional online ads, producing an additional revenue stream.

Washington State Bar Association Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

OFFICE OF THE EXECUTIVE DIRECTOR

	FISCAL 2019 BUDGET	FISCAL 2020 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
REVENUE:				
TOTAL REVENUE:	-	-	-	
DIRECT EXPENSES:				
ED TRAVEL & OUTREACH	-	5,000.00	5,000.00	
LAW LIBRARY	-	279.00	279.00	
STAFF TRAVEL/PARKING	-	5,400.00	5,400.00	
STAFF MEMBERSHIP DUES	-	1,700.00	1,700.00	
TELEPHONE	-	1,000.00	1,000.00	
TOTAL DIRECT EXPENSES:	-	13,379.00	13,379.00	
INDIRECT EXPENSES:				
FTE	-	1.45	1.45	
SALARY EXPENSE	-	247,104.00	247,104.00	
BENEFIT EXPENSE	-	71,244.00	71,244.00	
OVERHEAD	-	41,714.00	41,714.00	
TOTAL INDIRECT EXPENSES:	-	360,062.00	360,062.00	
TOTAL ALL EXPENSES:	-	373,441.00	373,441.00	
NET INCOME (LOSS):	-	(373,441.00)	(373,441.00)	

This cost center supports the Office of the Executive Director. The budget includes funding travel and outreach as well as other related expenses.

Washington State Bar Association Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

OFFICE OF GENERAL COUNSEL	FISCAL 2019 BUDGET	FISCAL 2020 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
REVENUE:				
TOTAL REVENUE:	-	-	-	
DIRECT EXPENSES:				
LITIGATION EXPENSES	-	500.00	500.00	
ONLINE LEGAL RESEARCH	-	11,025.00	11,025.00	
LAW LIBRARY	-	1,673.00	1,673.00	
COURT RULES COMMITTEE	2,000.00	3,000.00	1,000.00	50%
DISCIPLINE ADVISORY ROUNDTABLE	500.00	500.00	-	0%
CUSTODIANSHIP	2,500.00	2,500.00	-	0%
DEPRECIATION	3,336.00	3,336.00	-	0%
STAFF TRAVEL/PARKING	3,240.00	300.00	(2,940.00)	-91%
STAFF MEMBERSHIP DUES	1,500.00	1,500.00	-	0%
TOTAL DIRECT EXPENSES:	13,076.00	24,334.00	11,258.00	86%
INDIRECT EXPENSES:				
FTE	5.75	5.82	0.07	1%
SALARY EXPENSE	588,978.00	600,907.00	11,929.00	2%
BENEFIT EXPENSE	197,610.00	198,401.00	791.00	0%
OVERHEAD	142,092.00	167,431.00	25,339.00	18%
TOTAL INDIRECT EXPENSES:	928,680.00	966,739.00	38,059.00	4%
TOTAL ALL EXPENSES:	941,756.00	991,073.00	49,317.00	5%
NET INCOME (LOSS):	(941,756.00)	(991,073.00)	(49,317.00)	

The Office of General Counsel serves as counsel to WSBA and the Board of Governors. This office handles or oversees all litigation against WSBA, interpretations and changes to the WSBA bylaws, and other legal issues. It also handles public records requests, custodianship matters, the Client Protection Fund applications, investigation, and processing, and logistical support for Hearing Officers, Conflicts Review Counsel, and for the outside counsel appointed to represent incapacitated respondents in the lawyer discipline system. Staff in this office also supports various boards, committees, task forces, and workgroups, including the Client Protection Board, the Court Rules Committee, Discipline Selection Panel, and the Discipline Advisory Round Table.

Washington State Bar Association

Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

OFFICE OF GENERAL COUNSEL DISCIPLINARY BOARD	FISCAL 2019 BUDGET	FISCAL 2020 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
REVENUE:				
TOTAL REVENUE:	<u>-</u>	<u>-</u>	<u>-</u>	
DIRECT EXPENSES:				
LAW LIBRARY	-	1,116.00	1,116.00	
DISCIPLINARY BOARD EXPENSES	10,000.00	10,000.00	-	0%
CHIEF HEARING OFFICER	33,000.00	33,000.00	-	0%
HEARING OFFICER EXPENSES	3,000.00	3,000.00	-	0%
HEARING OFFICER TRAINING	2,000.00	2,000.00	-	0%
OUTSIDE COUNSEL	55,000.00	55,000.00	-	0%
STAFF MEMBERSHIP DUES	500.00	200.00	(300.00)	-60%
TOTAL DIRECT EXPENSES:	<u>103,500.00</u>	<u>104,316.00</u>	<u>816.00</u>	<u>1%</u>
INDIRECT EXPENSES:				
FTE	1.45	1.55	0.10	7%
SALARY EXPENSE	110,578.00	104,449.00	(6,129.00)	-6%
BENEFIT EXPENSE	40,663.00	40,468.00	(195.00)	0%
OVERHEAD	35,832.00	44,591.00	8,759.00	24%
TOTAL INDIRECT EXPENSES:	<u>187,073.00</u>	<u>189,508.00</u>	<u>2,435.00</u>	<u>1%</u>
TOTAL ALL EXPENSES:	<u>290,573.00</u>	<u>293,824.00</u>	<u>3,251.00</u>	<u>1%</u>
NET INCOME (LOSS):	<u>(290,573.00)</u>	<u>(293,824.00)</u>	<u>(3,251.00)</u>	

The Disciplinary Board reviews stipulations to and hearing officer recommendations for suspension and disbarment, holds public oral arguments, and issues written recommendations to the Supreme Court in disciplinary matters. Four separate Review Committees made up of Disciplinary Board members review disciplinary counsel requests for public hearing, admonition, and interim suspension, and dismissals upon request. One assistant general counsel devotes approximately half of her time to this function, assisted by the Clerk to the Disciplinary Board, who handles a significant number of requests for public discipline information.

Washington State Bar Association Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

OUTREACH AND ENGAGEMENT	FISCAL 2019 BUDGET	FISCAL 2020 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
REVENUE:				
TOTAL REVENUE:	<u>-</u>	<u>-</u>	<u>-</u>	
DIRECT EXPENSES:				
ABA DELEGATES	4,500.00	5,600.00	1,100.00	24%
ANNUAL CHAIR MEETINGS	600.00	600.00	-	0%
JUDICIAL RECOMMENDATIONS COMMITTEE	4,500.00	4,500.00	-	0%
BOG ELECTIONS	6,500.00	6,500.00	-	0%
BAR OUTREACH	10,000.00	11,600.00	1,600.00	16%
PROFESSIONALISM	2,000.00	2,000.00	-	0%
STAFF TRAVEL/PARKING	1,400.00	-	(1,400.00)	-100%
STAFF MEMBERSHIP DUES	1,152.00	825.00	(327.00)	-28%
CONFERENCE CALLS	200.00	-	(200.00)	-100%
TOTAL DIRECT EXPENSES:	<u>30,852.00</u>	<u>31,625.00</u>	<u>773.00</u>	<u>3%</u>
INDIRECT EXPENSES:				
FTE	2.73	2.73	-	0%
SALARY EXPENSE	224,397.00	231,494.00	7,097.00	3%
BENEFIT EXPENSE	79,186.00	81,898.00	2,712.00	3%
OVERHEAD	67,463.00	78,537.00	11,074.00	16%
TOTAL INDIRECT EXPENSES:	<u>371,046.00</u>	<u>391,929.00</u>	<u>20,883.00</u>	<u>6%</u>
TOTAL ALL EXPENSES:	<u>401,898.00</u>	<u>423,554.00</u>	<u>21,656.00</u>	<u>5%</u>
NET INCOME (LOSS):	<u>(401,898.00)</u>	<u>(423,554.00)</u>	<u>(21,656.00)</u>	

The Outreach and Engagement Division advances strategic bar initiatives by developing, supporting, and overseeing activities that build relationships with the general public; legal professionals; local, county, and specialty bars; policymakers/influencers, and other stakeholders. Outreach work aims to enhance volunteer recruitment, raise awareness and understanding of WSBA programs and priorities, create a sustainable stakeholder network, and leverage Board and staff as brand ambassadors and champions to influence their networks outside of WSBA.

Washington State Bar Association Budget Comparison Report

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PRACTICE LAW BOARD	FISCAL 2019 BUDGET	FISCAL 2020 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
REVENUE:				
TOTAL REVENUE:	<u>-</u>	<u>-</u>	<u>-</u>	
DIRECT EXPENSES:				
PRACTICE OF LAW BOARD	16,000.00	16,000.00	-	0%
TOTAL DIRECT EXPENSES:	<u>16,000.00</u>	<u>16,000.00</u>	<u>-</u>	<u>0%</u>
INDIRECT EXPENSES:				
FTE	0.40	0.40	-	0%
SALARY EXPENSE	50,676.00	38,689.00	(11,987.00)	-24%
BENEFIT EXPENSE	13,502.00	13,065.00	(437.00)	-3%
OVERHEAD	9,885.00	11,507.00	1,622.00	16%
TOTAL INDIRECT EXPENSES:	<u>74,063.00</u>	<u>63,261.00</u>	<u>(10,802.00)</u>	<u>-15%</u>
TOTAL ALL EXPENSES:	<u>90,063.00</u>	<u>79,261.00</u>	<u>(10,802.00)</u>	<u>-12%</u>
NET INCOME (LOSS):	<u>(90,063.00)</u>	<u>(79,261.00)</u>	<u>10,802.00</u>	

The Practice of Law Board (POLB) is established by Supreme Court rule and administered by the WSBA to make recommendations to the Supreme Court regarding the practice of law, particularly with regard to the delivery of legal and law related services to the public. The POLB is also charged with educating the public about how to receive competent legal assistance. The POLB reviews allegations of the unauthorized practice of law (UPL) and refers matters for prosecution when appropriate.

Washington State Bar Association Budget Comparison Report

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PROFESSIONAL RESPONSIBILITY PROGRAM	FISCAL 2019 BUDGET	FISCAL 2020 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
REVENUE:				
TOTAL REVENUE:	<u>-</u>	<u>-</u>	<u>-</u>	
DIRECT EXPENSES:				
LAW LIBRARY	-	279.00	279.00	
CPE COMMITTEE	4,200.00	5,000.00	800.00	19%
STAFF TRAVEL/PARKING	2,000.00	4,000.00	2,000.00	100%
STAFF MEMBERSHIP DUES	500.00	375.00	(125.00)	-25%
TOTAL DIRECT EXPENSES:	<u>6,700.00</u>	<u>9,654.00</u>	<u>2,954.00</u>	<u>44%</u>
INDIRECT EXPENSES:				
FTE	1.65	1.55	(0.10)	-6%
SALARY EXPENSE	160,192.00	159,873.00	(319.00)	0%
BENEFIT EXPENSE	57,904.00	57,053.00	(851.00)	-1%
OVERHEAD	40,774.00	44,591.00	3,817.00	9%
TOTAL INDIRECT EXPENSES:	<u>258,870.00</u>	<u>261,517.00</u>	<u>2,647.00</u>	<u>1%</u>
TOTAL ALL EXPENSES:	<u>265,570.00</u>	<u>271,171.00</u>	<u>5,601.00</u>	<u>2%</u>
NET INCOME (LOSS):	<u>(265,570.00)</u>	<u>(271,171.00)</u>	<u>(5,601.00)</u>	

This program includes the ethics phone line, a resource for members to get answers to ethics questions before they take action; support for the Committee on Professional Ethics; and statewide educational ethics presentations. The Ethics Line provides ethics assistance in around 3,000 member calls a year, and Professional Responsibility Counsel is a frequent local (and occasionally national) speaker, making between 40 and 50 presentations a year on ethical issues of concern to our members. In FY17, WSBA staff completed a revamp of the Ethics Advisory Opinion database and search function to make it easier for people to find current, accurate ethics information on the WSBA website.

Washington State Bar Association Budget Comparison Report

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PUBLIC SERVICE PROGRAMS	FISCAL 2019 BUDGET	FISCAL 2020 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
REVENUE:				
DONATIONS	110,000.00	125,000.00	15,000.00	14%
PSP PRODUCT SALES	2,000.00	1,000.00	(1,000.00)	-50%
WORK STUDY GRANTS	-	2,100.00	2,100.00	
TOTAL REVENUE:	112,000.00	128,100.00	16,100.00	14%
DIRECT EXPENSES:				
PRO BONO & PUBLIC SERVICE COMMITTEE	2,000.00	2,000.00	-	0%
PUBLIC SERVICE EVENTS AND PROJECTS	20,500.00	25,000.00	4,500.00	22%
DONATIONS/SPONSORSHIPS	207,915.00	221,777.00	13,862.00	7%
STAFF TRAVEL/PARKING	2,000.00	2,000.00	-	0%
TOTAL DIRECT EXPENSES:	232,415.00	250,777.00	18,362.00	8%
INDIRECT EXPENSES:				
FTE	1.03	1.54	0.51	50%
SALARY EXPENSE	87,057.00	117,048.00	29,991.00	34%
BENEFIT EXPENSE	29,994.00	42,502.00	12,508.00	42%
OVERHEAD	25,453.00	44,303.00	18,850.00	74%
TOTAL INDIRECT EXPENSES:	142,504.00	203,853.00	61,349.00	43%
TOTAL ALL EXPENSES:	374,919.00	454,630.00	79,711.00	21%
NET INCOME (LOSS):	(262,919.00)	(326,530.00)	(63,611.00)	

Public Service Programs includes staffing and support for the WSBA Moderate Means Program, Call to Duty, the Powerful Communities Project, the Pro Bono and Public Service Committee, and other activities to promote pro bono and public service through WSBA and with our community partners. Much of this support is provided in the form of grant funding to the partners through the Powerful Communities Project and the Moderate Means Program. There is a small increase for the Moderate Means Program to cover the expenses associated with bifurcating the previously shared staff attorney position at Seattle University and University of Washington law schools; by having two different part-time people at each school, we will be able to serve more clients and improve the program overall. There is a small increase to redesign the pro bono portal for WSBA members to find pro bono opportunities; the current portal is out of date and needs significant improvements. Public Service Programs will continued to be supported by a grant of \$125,000 from the Washington State Bar Foundation.

Washington State Bar Association

Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

PUBLICATION AND DESIGN SERVICES

	FISCAL 2019 BUDGET	FISCAL 2020 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
REVENUE:				
TOTAL REVENUE:	-	-	-	
DIRECT EXPENSES:				
IMAGE LIBRARY	4,680.00	4,680.00	-	0%
EQUIPMENT, HARDWARE & SOFTWARE	-	330.00	330.00	
STAFF MEMBERSHIP DUES	500.00	-	(500.00)	-100%
SUBSCRIPTIONS	83.00	262.00	179.00	216%
SUPPLIES	-	300.00	300.00	
TOTAL DIRECT EXPENSES:	5,263.00	5,572.00	309.00	6%
INDIRECT EXPENSES:				
FTE	1.22	1.09	(0.13)	-11%
SALARY EXPENSE	80,074.00	75,007.00	(5,067.00)	-6%
BENEFIT EXPENSE	31,380.00	28,805.00	(2,575.00)	-8%
OVERHEAD	30,148.00	31,357.00	1,209.00	4%
TOTAL INDIRECT EXPENSES:	141,602.00	135,169.00	(6,433.00)	-5%
TOTAL ALL EXPENSES:	146,865.00	140,741.00	(6,124.00)	-4%
NET INCOME (LOSS):	(146,865.00)	(140,741.00)	6,124.00	

Publication and Design Services is responsible for: (1) editing and oversight of WSBA publications (including but not limited to Deskbooks, Sections publications, and NWLawyer); (2) graphic design for WSBA projects, programs, events, and CLE marketing; and (3) shared oversight of, and set up of products on, the WSBA online store.

Washington State Bar Association Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

SECTIONS ADMINISTRATION	FISCAL 2019 BUDGET	FISCAL 2020 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
REVENUE:				
REIMBURSEMENTS FROM SECTIONS	300,000.00	300,000.00	-	0%
TOTAL REVENUE:	<u>300,000.00</u>	<u>300,000.00</u>	<u>-</u>	<u>0%</u>
DIRECT EXPENSES:				
SECTION/COMMITTEE CHAIR MTGS	1,000.00	1,000.00	-	0%
DUES STATEMENTS	6,000.00	6,000.00	-	0%
STAFF TRAVEL/PARKING	1,200.00	1,200.00	-	0%
STAFF MEMBERSHIP DUES	125.00	125.00	-	0%
SUBSCRIPTIONS	372.00	372.00	-	0%
CONFERENCE CALLS	300.00	300.00	-	0%
MISCELLANEOUS	300.00	300.00	-	0%
TOTAL DIRECT EXPENSES:	<u>9,297.00</u>	<u>9,297.00</u>	<u>-</u>	<u>0%</u>
INDIRECT EXPENSES:				
FTE	4.25	4.24	(0.01)	0%
SALARY EXPENSE	297,955.00	303,468.00	5,513.00	2%
BENEFIT EXPENSE	112,039.00	114,639.00	2,600.00	2%
OVERHEAD	105,024.00	121,905.00	16,881.00	16%
TOTAL INDIRECT EXPENSES:	<u>515,018.00</u>	<u>540,012.00</u>	<u>24,994.00</u>	<u>5%</u>
TOTAL ALL EXPENSES:	<u>524,315.00</u>	<u>549,309.00</u>	<u>24,994.00</u>	<u>5%</u>
NET INCOME (LOSS):	<u>(224,315.00)</u>	<u>(249,309.00)</u>	<u>(24,994.00)</u>	

The WSBA has 29 sections and provides the administrative functions necessary to support them. Direct staff time and expenses related to administering the sections are included in this cost center. This cost center also supports the indirect costs of developing 70 credit hours of 'Mini CLEs' for Sections in FY19. Sections partially reimburse WSBA for the cost of supporting sections through a charge of \$18.75 per member (shown as revenue in this cost center and as an expense on each section's financial statement). Expenses are the costs associated with the preparation and mailing of the annual section dues invoices, the collection of section dues, and staff-related expenses for supporting the sections.

Washington State Bar Association
Budget Comparison Report
For the Period from October 1, 2019 to September 30, 2020

TECHNOLOGY	FISCAL 2019 BUDGET	FISCAL 2020 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
REVENUE:				
TOTAL REVENUE:	<u>-</u>	<u>-</u>	<u>-</u>	
DIRECT EXPENSES:				
COMPUTER HARDWARE	29,000.00	29,000.00	-	0%
COMPUTER SOFTWARE	29,000.00	29,000.00	-	0%
HARDWARE SERVICE & WARRANTIES	60,000.00	60,000.00	-	0%
SOFTWARE MAINTENANCE & LICENSING	270,000.00	270,000.00	-	0%
TELEPHONE HARDWARE & MAINTENANCE	10,000.00	10,000.00	-	0%
COMPUTER SUPPLIES	15,000.00	15,000.00	-	0%
THIRD PARTY SERVICES	143,000.00	143,000.00	-	0%
CONSULTING SERVICES	85,000.00	85,000.00	-	0%
STAFF TRAVEL/PARKING	2,500.00	2,500.00	-	0%
STAFF MEMBERSHIP DUES	110.00	110.00	-	0%
TELEPHONE	24,000.00	24,000.00	-	0%
TRANSFER TO INDIRECT EXPENSES	(667,610.00)	(667,610.00)	-	0%
TOTAL DIRECT EXPENSES:	<u>-</u>	<u>-</u>	<u>-</u>	
INDIRECT EXPENSES:				
FTE	12.10	12.10	-	0%
SALARY EXPENSE	1,059,680.00	1,090,382.00	30,702.00	3%
CAPITAL LABOR	(188,800.00)	(141,000.00)	47,800.00	-25%
BENEFIT EXPENSE	370,332.00	377,371.00	7,039.00	2%
OVERHEAD	299,010.00	348,096.00	49,086.00	16%
TOTAL INDIRECT EXPENSES:	<u>1,540,222.00</u>	<u>1,674,849.00</u>	<u>134,627.00</u>	<u>9%</u>
TOTAL ALL EXPENSES:	<u>1,540,222.00</u>	<u>1,674,849.00</u>	<u>134,627.00</u>	<u>9%</u>
NET INCOME (LOSS):	<u>(1,540,222.00)</u>	<u>(1,674,849.00)</u>	<u>(134,627.00)</u>	

This cost center includes the resources devoted to developing and maintaining WSBA's technology infrastructure and business applications. Expenses reflected here are solely for staffing (salaries, benefits, and overhead). Direct costs are allocated out to all cost centers through "Overhead" in the indirect expense allocation. Direct expenses are for hardware, software, and the ongoing maintenance necessary to support the WSBA's technology needs, data security and management, and disaster recovery work. Falling into these categories are application and database servers, network devices, switches and cabling equipment, workstations (desktops and laptops), printers, fax machines, telecommunications (phone switch and phone sets), and software. Software includes Microsoft Office products as well as other business applications (e.g., membership database, MCLE tracking system, Online Admissions software, Limited Practice Officer software, case management software, website management software, desktop publishing and graphics software, and accounting software).

ATTACHMENT B

**2020 WSBA BUDGET WORKSHEET
CAPITAL BUDGET**

	COST CENTER	UNIT COST	QTY	AMOUNT	USEFUL LIFE (YRS)	ESTIMATED IN SERVICE DATE	ANNUAL DEPRECIATION EXPENSE	BUDGET FY 2020
Capital Software								
GILDA System Replacement (Phase 2- project to finish in FY21)	DISC	144,000	1	144,000	5	Jan-21	28,800	0
Navision Accounting System Upgrade	General Indirects	28,000	1	28,000	5	Apr-20	5,600	2,800
Unassigned capital software needs for FY20	General Indirects	20,000	1	20,000	3	Oct-19	6,667	6,667
		192,000		192,000			41,067	9,467
Capital Labor								
MCLE Enhancements Phase 3 (project to finish in FY21)	MCLE	90,000	1	90,000	3	Nov-20	30,000	0
Online Admissions Program Phase 2	ADMISS	41,000	1	41,000	3	Feb-20	13,667	9,111
Personify Enhancements 2020	General Indirects	10,000	1	10,000	3	Jun-20	3,333	1,111
		141,000		141,000			47,000	10,222
Total				333,000			88,067	19,689
Capital Hardware								
Network Infrastructure Upgrades	General Indirects	20,000	1	20,000	5	Oct-19	4,000	4,000
Unassigned capital hardware needs for FY20	General Indirects	20,000	1	20,000	5	Oct-19	4,000	4,000
Total				40,000			8,000	8,000
Leasehold Improvements								
Leasehold Improvements for Miscellaneous Office Moves	General Indirects	10,000	1	10,000	7	Oct-19	1,379	1,379
Total				10,000			1,379	1,379
GRAND TOTAL				575,000			97,446	29,068

ATTACHMENT C

Washington State Bar Association

Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

CONTINUING LEGAL EDUCATION (CLE)

	FISCAL 2018 BUDGET	FISCAL 2019 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
REVENUE:				
SHIPPING & HANDLING	1,000.00	1,000.00	-	0%
SEMINAR REGISTRATIONS	876,000.00	860,000.00	(16,000.00)	-2%
SEMINAR-EXHIB/SPNSR/ETC	41,500.00	29,000.00	(12,500.00)	-30%
COURSEBOOK SALES	11,000.00	9,000.00	(2,000.00)	-18%
MP3 AND VIDEO SALES	950,000.00	925,000.00	(25,000.00)	-3%
TOTAL REVENUE:	1,879,500.00	1,824,000.00	(55,500.00)	-3%
DIRECT EXPENSES:				
COST OF SALES - COURSEBOOKS	1,200.00	200.00	(1,000.00)	-83%
A/V DEVELOP COSTS (RECORDING)	1,500.00	1,500.00	-	0%
ONLINE PRODUCT HOSTING EXPENSES	40,000.00	42,000.00	2,000.00	5%
SHIPPING SUPPLIES	100.00	-	(100.00)	-100%
POSTAGE & DELIVERY-COURSEBOOKS	500.00	500.00	-	0%
COURSEBOOK PRODUCTION	3,000.00	3,000.00	-	0%
POSTAGE - FLIERS/CATALOGS	10,685.00	12,000.00	1,315.00	12%
POSTAGE - MISCELLANEOUS	2,500.00	1,000.00	(1,500.00)	-60%
ACCREDITATION FEES	4,696.00	3,000.00	(1,696.00)	-36%
SEMINAR BROCHURES	20,770.00	21,000.00	230.00	1%
FACILITIES	223,500.00	234,000.00	10,500.00	5%
SPEAKERS & PROGRAM DEVELOP	68,100.00	62,000.00	(6,100.00)	-9%
SPLITS TO SECTIONS- SEMINARS	-	80,000.00	80,000.00	
CLE SEMINAR COMMITTEE	500.00	500.00	-	0%
BAD DEBT EXPENSE	600.00	600.00	-	0%
DEPRECIATION	5,540.00	5,820.00	280.00	5%
STAFF TRAVEL/PARKING	5,675.00	8,000.00	2,325.00	41%
STAFF MEMBERSHIP DUES	1,260.00	1,470.00	210.00	17%
SUPPLIES	3,650.00	2,000.00	(1,650.00)	-45%
TOTAL DIRECT EXPENSES:	393,776.00	478,590.00	84,814.00	22%
INDIRECT EXPENSES:				
FTE	9.72	9.31	(0.41)	-4%
SALARY EXPENSE	656,422.00	643,255.00	(13,167.00)	-2%
BENEFIT EXPENSE	254,178.00	245,839.00	(8,339.00)	-3%
OVERHEAD	240,197.00	267,832.00	27,635.00	12%
TOTAL INDIRECT EXPENSES:	1,150,797.00	1,156,926.00	6,129.00	1%
TOTAL ALL EXPENSES:	1,544,573.00	1,635,516.00	90,943.00	6%
NET INCOME (LOSS):	334,927.00	188,484.00	(146,443.00)	

The CLE cost center includes revenues and costs associated with CLE live seminars and on-demand seminars. Revenues include live seminar registrations, sponsorships, online sales of coursebooks, and sales of on-demand CLE seminars (both video and audio). Consistent with revenues, expenses reflect the cost of production of seminars and products. Revenue for live CLE participation has settled at current levels after a sharp decline in FY17 and FY18 and revenue for recorded products is holding steady at current levels as well. Beginning in FY19 the fiscal policy for sharing CLE revenue with Sections changed. Under the new policy, Sections and WSBA CLE will split live and on-demand seminar revenue after actual direct and indirect costs have been recouped. This policy shift will increase the overall splits to Sections as compared to the former policy which was based on live revenue only. As in FY19, WSBA CLE continues to look for opportunities to decrease direct and indirect costs. In FY17, Deskbooks were included in this cost center; they are now accounted for separately in the Deskbooks cost center.

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CLE - PRODUCTS	FISCAL 2019 BUDGET	FISCAL 2020 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
REVENUE:				
SHIPPING & HANDLING	1,000.00	1,000.00	-	0%
COURSEBOOK SALES	11,000.00	9,000.00	(2,000.00)	-18%
MP3 AND VIDEO SALES	950,000.00	925,000.00	(25,000.00)	-3%
TOTAL REVENUE:	962,000.00	935,000.00	(27,000.00)	-3%
DIRECT EXPENSES:				
COST OF SALES - COURSEBOOKS	1,200.00	200.00	(1,000.00)	-83%
A/V DEVELOP COSTS (RECORDING)	1,500.00	1,500.00	-	0%
ONLINE PRODUCT HOSTING EXPENSES	40,000.00	42,000.00	2,000.00	5%
SHIPPING SUPPLIES	100.00	-	(100.00)	-100%
POSTAGE & DELIVERY-COURSEBOOKS	500.00	500.00	-	0%
BAD DEBT EXPENSE	100.00	100.00	-	0%
DEPRECIATION	5,540.00	5,820.00	280.00	5%
STAFF TRAVEL/PARKING	-	2,000.00	2,000.00	
STAFF MEMBERSHIP DUES	410.00	620.00	210.00	51%
TOTAL DIRECT EXPENSES:	49,350.00	52,740.00	3,390.00	7%
INDIRECT EXPENSES:				
FTE	1.63	1.56	(0.07)	-4%
SALARY EXPENSE	98,425.00	103,267.00	4,842.00	5%
BENEFIT EXPENSE	40,026.00	39,532.00	(494.00)	-1%
OVERHEAD	40,280.00	44,878.00	4,598.00	11%
TOTAL INDIRECT EXPENSES:	178,731.00	187,677.00	8,946.00	5%
TOTAL ALL EXPENSES:	228,081.00	240,417.00	12,336.00	5%
NET INCOME (LOSS):	733,919.00	694,583.00	(39,336.00)	

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CLE- SEMINARS	FISCAL 2019 BUDGET	FISCAL 2020 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
REVENUE:				
SEMINAR REGISTRATIONS	876,000.00	860,000.00	(16,000.00)	-2%
SEMINAR-EXHIB/SPNSR/ETC	41,500.00	29,000.00	(12,500.00)	-30%
TOTAL REVENUE:	917,500.00	889,000.00	(28,500.00)	-3%
DIRECT EXPENSES:				
COURSEBOOK PRODUCTION	3,000.00	3,000.00	-	0%
POSTAGE - FLIERS/CATALOGS	10,685.00	12,000.00	1,315.00	12%
POSTAGE - MISCELLANEOUS	2,500.00	1,000.00	(1,500.00)	-60%
ACCREDITATION FEES	4,696.00	3,000.00	(1,696.00)	-36%
SEMINAR BROCHURES	20,770.00	21,000.00	230.00	1%
FACILITIES	223,500.00	234,000.00	10,500.00	5%
SPEAKERS & PROGRAM DEVELOP	68,100.00	62,000.00	(6,100.00)	-9%
SPLITS TO SECTIONS- SEMINARS	-	80,000.00	80,000.00	
CLE SEMINAR COMMITTEE	500.00	500.00	-	0%
BAD DEBT EXPENSE	500.00	500.00	-	0%
STAFF TRAVEL/PARKING	5,675.00	6,000.00	325.00	6%
STAFF MEMBERSHIP DUES	850.00	850.00	-	0%
SUPPLIES	3,650.00	2,000.00	(1,650.00)	-45%
TOTAL DIRECT EXPENSES:	344,426.00	425,850.00	81,424.00	24%
INDIRECT EXPENSES:				
FTE	8.09	7.75	(0.34)	-4%
SALARY EXPENSE	557,997.00	539,988.00	(18,009.00)	-3%
BENEFIT EXPENSE	214,152.00	206,307.00	(7,845.00)	-4%
OVERHEAD	199,917.00	222,954.00	23,037.00	12%
TOTAL INDIRECT EXPENSES:	972,066.00	969,249.00	(2,817.00)	0%
TOTAL ALL EXPENSES:	1,316,492.00	1,395,099.00	78,607.00	6%
NET INCOME (LOSS):	(398,992.00)	(506,099.00)	(107,107.00)	

Washington State Bar Association

Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

DESKBOOKS	FISCAL 2019 BUDGET	FISCAL 2020 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
REVENUE:				
SHIPPING & HANDLING	2,000.00	2,500.00	500.00	25%
DESKBOOK SALES	80,000.00	100,000.00	20,000.00	25%
SECTION PUBLICATION SALES	3,000.00	3,000.00	-	0%
CASEMAKER ROYALTIES	75,000.00	60,000.00	(15,000.00)	-20%
TOTAL REVENUE:	160,000.00	165,500.00	5,500.00	3%
DIRECT EXPENSES:				
COST OF SALES - DESKBOOKS	50,000.00	60,000.00	10,000.00	20%
COST OF SALES - SECTION PUBLICATION	750.00	750.00	-	0%
SPLITS TO SECTIONS	1,000.00	1,000.00	-	0%
DESKBOOK ROYALTIES	1,000.00	1,000.00	-	0%
SHIPPING SUPPLIES	150.00	-	(150.00)	-100%
POSTAGE & DELIVERY-DESKBOOKS	2,000.00	2,500.00	500.00	25%
FLIERS/CATALOGS	3,000.00	3,000.00	-	0%
POSTAGE - FLIERS/CATALOGS	1,500.00	1,500.00	-	0%
COMPLIMENTARY BOOK PROGRAM	2,000.00	2,500.00	500.00	25%
ONLINE LEGAL RESEARCH	-	1,837.50	1,837.50	
BAD DEBT EXPENSE	100.00	100.00	-	0%
RECORDS STORAGE - OFF SITE	7,440.00	8,100.00	660.00	9%
STAFF MEMBERSHIP DUES	250.00	220.00	(30.00)	-12%
SUBSCRIPTIONS	-	150.00	150.00	
MISCELLANEOUS	200.00	-	(200.00)	-100%
TOTAL DIRECT EXPENSES:	69,390.00	82,657.50	13,267.50	19%
INDIRECT EXPENSES:				
FTE	2.05	2.25	0.20	10%
SALARY EXPENSE	117,663.00	148,307.00	30,644.00	26%
BENEFIT EXPENSE	48,981.00	58,004.00	9,023.00	18%
OVERHEAD	50,659.00	64,729.00	14,070.00	28%
TOTAL INDIRECT EXPENSES:	217,303.00	271,040.00	53,737.00	25%
TOTAL ALL EXPENSES:	286,693.00	353,697.50	67,004.50	23%
NET INCOME (LOSS):	(126,693.00)	(188,197.50)	(61,504.50)	

WSBA publishes a library of 18 Deskbook titles in substantive areas of Washington law such as family law and real property, as well as civil procedure and ethics; these Deskbooks are intensively researched and edited authoritative treatises that have been cited in over 250 Washington state and federal appellate court opinions. Included in the CLE cost center in FY17, this cost center includes revenues and expenses related to the development, publication, and sale of WSBA Deskbooks. Deskbook authors and editors are volunteers who are not paid for their contributions. Revenues are received from sales of Deskbooks (in print and online). Expenses include contract services for cite-checking, copyediting, creation of tables of authorities, indexing, and desktop publishing, as well as the costs of printing and binding.

ATTACHMENT D

Washington State Bar Association
Budget Comparison Report
For the Period from October 1, 2019 to September 30, 2020

CLIENT PROTECTION FUND	FISCAL 2019 BUDGET	FISCAL 2020 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
REVENUE:				
CPF RESTITUTION	3,000.00	3,000.00	-	0%
CPF MEMBER ASSESSMENTS	982,000.00	1,000,000.00	18,000.00	2%
INTEREST REVENUE	7,500.00	20,000.00	12,500.00	167%
TOTAL REVENUE:	992,500.00	1,023,000.00	30,500.00	3%
DIRECT EXPENSES:				
GIFTS TO INJURED CLIENTS	500,000.00	500,000.00	-	0%
CPF BOARD EXPENSES	3,000.00	3,000.00	-	0%
BANK FEES - WELLS FARGO	1,000.00	1,000.00	-	0%
TOTAL DIRECT EXPENSES:	504,000.00	504,000.00	-	0%
INDIRECT EXPENSES:				
FTE	1.25	1.18	(0.07)	-6%
SALARY EXPENSE	97,740.00	79,855.00	(17,885.00)	-18%
BENEFIT EXPENSE	35,581.00	30,884.00	(4,697.00)	-13%
OVERHEAD	30,889.00	33,947.00	3,058.00	10%
TOTAL INDIRECT EXPENSES:	164,210.00	144,686.00	(19,524.00)	-12%
TOTAL ALL EXPENSES:	668,210.00	648,686.00	(19,524.00)	-3%
NET INCOME (LOSS):	324,290.00	374,314.00	50,024.00	

The Washington Supreme Court and WSBA created this legally restricted fund in 1995 to compensate persons who are the victims of the dishonest taking of, or failure to account for, client funds or property by a lawyer. It does not cover malpractice claims or fee disputes.

The CPF is funded exclusively from the mandatory assessment of \$30 on active members, house counsel, and pro hac vice admissions. All payments are discretionary and must be approved by the CPF Board or, in the case of payments over \$25,000, by the Board of Governors, who serves as the trustees of the Fund. The maximum amount that can be awarded on any claim is \$150,000. The Supreme Court approved amendments to the Admission and Practice Rules to change the name from the Lawyers' Fund for Client Protection to the Client Protection Fund, and to provide that the actions of LLLTs will be included within the coverage provided by the CPF, effective September 1, 2017.

ATTACHMENT E

TIMELINE

June 27	• Budget & Audit reviews draft budget
July 27	• BOG reviews draft budget
September 5	• Budget & Audit reviews revised budget
September 26-27	• BOG approves final budget

WASHINGTON STATE BAR ASSOCIATION

Board of Governors

Dan W. Bridges, Treasurer and Governor District 9

July 9, 2019

Hon. Mary Fairhurst
Chief Justice
Washington State Supreme Court
415 – 12th Street West
Olympia, WA 98504

Re : The Cost And Performance Of
The Limited License Legal Technician Program

Dear Chief Fairhurst:

I and past WSBA Treasurers have been remiss by not periodically reporting on the fiscal status of the Limited License Legal Technician program. I suggest it is critical for the Court, the Board of Governors, and the WSBA to not simply consider the program's current status in a vacuum but to evaluate it in the context of the representations made by the program's proponents this Court relied on when creating it. Therefore, this report will both summarize the program's history and report on its fiscal status.

It bears saying I am not against the concept of a LLLT program. As WSBA Treasurer however I suggest it is appropriate to evaluate the program's scope and current administration to determine if it is (1) delivering on its goals, (2) is a good use of mandatory fees, and (3) requires modification, given the answers to (1) and (2). I am writing this to you but rely you will distribute this report to the Court.

I. OVERVIEW

The LLLT program is over \$2 million in debt and continues to go another \$250,000 deeper in debt every year. That is an objective fact not subject to debate. That is what our audited books show.

For \$2 million dollars spent over 7 years, there are only 35 actively licensed LLLTs and of those only 26 are "stand-alone" LLLTs as the program's proponents, and this Court's 2012 order, intended the program to provide.ⁱ

I support the concept of LLLT's as this court originally contemplated.

However, it is my opinion as Treasurer of the Washington State Bar Association, an Officer and Governor on the Board, and a 25 year member of the WSBA that unless material changes are made to the program – both in terms of its scope and administration – the program is doomed to fail. Worse, it exacts an opportunity cost that detracts from our other critical work. The LLLT program as presently constituted is not merely not achieving the program's goal of increasing access to justice, it is a material drag on access to justice by both its direct monetary expense and the enormous time and effort spent that could be directed elsewhere used to



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actually achieve that end. Consider what we would have been able to do for access to justice if we spent \$2 million on WLI or simply sponsoring actual lawyers to staff free, family-law clinics over the past 7 years.

II. OBJECTIVE PERFORMANCE METRICS

In 2012, over the Board of Governors' objection, the Supreme Court created a new law license: Limited License Legal Technician (LLLT.) LLLTs' practice as originally proposed and ordered was very limited; they could, independent of a law firm, help fill out pre-approved divorce forms. Acknowledging the Board's and others' concerns, the Court implicitly acknowledged it was an experiment that may not work.ⁱⁱ

The Court ordered the program must be "self-sustaining" and "the ongoing cost of (it) will be borne by the (LLLTs) themselves."ⁱⁱⁱ That was important so (1) this was not yet another unfunded mandate that is in truth a broader societal issue but borne only by lawyers, and (2) it was not a drain on other critical programing.

The program promised it would be self-sufficient in 5 years. It is not.

As noted in the overview, 7 years later the program is over \$2 million in debt and goes \$250,000 further in debt each year.

To date the program has only 35 active LLLTs.

It has licensed 41. 4 have let their licenses go "inactive," 1 reports as "not practicing," and 1 is already suspended. However, it is speculation to assume the 35 with active licenses are practicing as LLLTs. Of those 35 active licenses, 2 list their offices as mail drops and a handful have no office, listing their home as their practice.^{iv} That is within the Rules but I suggest should not be ignored.

Also, saying there are 35 active LLLTs misses the point because of those, 9 are employed by firms.

The program's stated intention was to have LLLTs practice independently from law firms to provide service at a lower cost. That is the assumption the entire program is based on. The public and profession did not need LLLTs employed by law firms to facilitate non-lawyers, already working with a lawyer, to help select and fill out family law forms. They had already been doing that for years.

Instead, the point of the program was to detach that work from law firms to avoid the need for any attorney associated with it or billing at all. That was the mechanism the program said would allow those form driven services to be provided, unmoored from traditional law firms, to provide a large and ready pool of legal assistance to low-income citizens.

In reliance of that promise, this Court said it intended LLLTs be "stand-alone" practitioners or that they would "join non-profit organizations that provide social services with a family law component, e.g. domestic violence shelters; pro bono programs; specialized legal aid programs..."^v

Despite that, there is not a single LLLT employed by a "non-profit" or "social service" organization and of our 35 LLLTs, only 26 are "stand-alone" practioners.

Thus in terms of determining whether the program has met its stated goals 7 years later, I suggest the facts are objective and not subject to reasonable dispute: the program has not met a single stated goal. \$2 million in debt and rising \$250,000 each year is far from “self-sustaining.” And, only minting 26 “stand-alone” LLLTs, none of which are employed by a “non-profit” or “social service” organization, is not what the program said it would deliver.

III. THE PROGRAM IS NOT FUNCTIONING AS IT PROMISED THE COURT IN 2012

When the program was approved concerns were raised. I will not address the objection made by some, that LLLTs pose an unreasonable and subsidized competition against lawyers. Both personally and within my capacity as Treasurer, I find that argument wholly without merit or weight. It is not worthy of credence and I give it none. Saying that, I do not intend to impugn attorneys who made the argument who no doubt were expressing their sincerely held opinions. However, I want to particularly underscore that concern does not influence my analysis in any degree.

However, other concerns were raised over (1) non-lawyers practicing law even in a “limited” manner requiring them to identify nuances and risks lawyers with a J.D. occasionally miss, and (2) non-lawyers ever functioning as lawyers representing clients in court. Both concerns were founded in part on the fact the program does not even require a junior college degree to practice.^{vi} Provided a candidate has a paralegal certificate^{vii} and meets the other requirements they are granted a license. In 2023 an AA is required. Albeit even as to that, I rely I need not identify the differences between an AA and a JD.^{viii}

It appears the court in 2012 acknowledged those concerns were well founded, acknowledging LLLTs, “no matter how well trained within a discrete subject matter, will not have the breadth of substantive legal knowledge or requisite practice skills to apply professional judgment in a manner that can be consistently counted upon” in situations other than the exception drawn, which was largely limited to selecting and filling out pre-approved forms.^{ix}

To address that concern, proponents and the Court said LLLTs would not represent clients in court and strictly limited their scope of practice.

Despite promising LLLTs would not represent clients in court to gain approval, the program recently asked to do so; by a 5 to 4 vote the Court approved it May 2019. LLLTs may now “accompany and confer” with clients at depositions and court and “respond... to direct questions from the court.” APR 28(B)(2).

While I appreciate the APR also says LLLTs cannot “represent a client in court proceedings,” as a lawyer with substantial court experience I have difficulty reconciling that with allowing LLLTs to respond to “direct questions” from a Court. I suggest that is the *raison d’être* of being a lawyer. With the greatest of respect to this Court, as a practitioner I am left to ask myself whether I am “representing a client in court proceedings” when I “respond... to direct question from the Court.” I have always believed I am.

A second concern was cost. It is understood any program will have a ramp up period and I do not suggest a program is a failure if it runs a light deficit. We do great good by spending on some programs. However,

here proponents promised the program would be self-sufficient from LLLT fees in five years. The Supreme Court relied on that to create the program, as cited above, ordering the program must be “self-sustaining” and “the ongoing cost of (it) will be borne by the (LLLTs) themselves.”

It would require approximately 1,250 LLLTs for the program to be “self-sustaining,” ignoring it will cost more to administer the program if we have more, e.g., assuming we can administer 1,250 for the same cost that we currently administer 35 for - which we cannot. But even making that assumption, it will require 100 years for the program to be cost neutral. And more critically, that ignores the millions spent to get it there in the meantime. I submit the program cannot claim to be “self-sustaining” or that the cost of it is being “borne by the LLLTs themselves” if it requires even 21 years and \$6 million to merely start breaking even; much less how long that will take even assuming an exponentially larger growth rate than it currently has.

Finally, I submit LLLTs are not providing low-income services and never will – at least not in any meaningful way. I submit the LLLT program acknowledges it has failed to assist low-income families by pivoting to now argue LLLTs are really for people of “moderate means.” I submit the numbers show even that is not happening.

As noted above, of the 35 licensed, 9 LLLTs work at law firms that already had staff selecting and filling out divorce forms but now can charge for a LLLT. That does not increase the availability of legal services (not to low-income or even moderate income citizens) and WSBA did not spend \$2 million to provide a few firms the ability to bill more.

For the LLLTs who try to provide stand-alone services for less, that is not a sustainable model. As a managing partner of a smallish firm myself, I can say with confidence that overhead drives fees. A law office – whether of a lawyer or LLLT – has to bill enough to keep their doors open. However, landlords, the phone company, etc., charge LLLTs the same as lawyers. The notion LLLTs can charge materially less than lawyers when their operating costs are the same as lawyers, is novel. Proponents of the program have never explained this assumption. Anecdotally, many are charging the same as lawyers in rural areas. That is not increasing service to even moderate means families.

Finally, the program has not been a good guardian of mandatory fees. It has functioned largely without oversight because the Board was told by past WSBA staff at the highest level we (the Board) could not question it as it is a Supreme Court program.

Without Board supervision, last year the LLLT program shifted over \$10,000 in fees the Board of Governors approved for two in-house LLLT business meetings at the WSBA office, to spend on a day and half “retreat” in the summer at Wenatchee. The Board was not consulted nor were we told; not before or even after the fact. That shifting of fees was facilitated by the fact that although the ATJ Board is required to break out in its budget the Board approves, money spent on in-house meetings versus retreats, previous high-level WSBA staff did not require that of the LLLT Board. Thus, it could shift that money without detection.^x

Additionally, the program has demanded that WSBA pay for two “bar exams” a year for LLLTs although we only have a small number sitting for the test at any one time. For each test WSBA must hire an outside

company to “write” a new one. The cost is the same if there is one test taker or 1,000. We spend nearly \$10,000 a test to write it, so 5 people can take it. Those are approximations but they are on the mark.

IV. THE ROAD AHEAD

I will not undertake here to report in any detail on the two failed attempts at expansion in trust and estates and debtor/bankruptcy law other than to identify them as such. However, to the extent it bears on my recommendation on how the program should be administered going forward, it bears saying based on my first hand observations, the program unreasonably minimized and disregarded input by trust and estates practitioners. Many lawyers attended our Board meeting in Spokane three years ago telling the chairperson of the program the pitfalls of having LLLTs practice in that complex area only to be met with derision and accusations they were being motivated by self-interest. This Court rejected the proposed expansion. More recently the program spent substantial time and mandatory WSBA fees planning an expansion into debtor/bankruptcy law giving no weight to the fact the Bankruptcy Court by Rule requires its practitioners to be licensed lawyers. When the program asked for an exception it was rejected; but only after WSBA spent substantial time staffing those meetings and spending member fees to fund the effort.

I am not against LLLTs as originally contemplated. However, I respectfully submit both this Court and WSBA must consider the objective facts. That task is complicated by the unfortunate dynamic that when a legitimate question is raised, the program’s more ardent proponents deflect such questions by calling this an “access to justice” issue as though that is a sufficient justification for the program’s current deficit and lack of performance. Further, given how the program is actually functioning, to date there has been no sufficient explanation as to why this is indeed an access to justice issue. I appreciate that is how the program was originally proposed. However, I have heard no support for that given how it has actually worked out. Not responding to basic and objective questions, and worse, accusing people raising these issues as being opposed to access to justice or worse, against minorities or merely monopolistic (all things I have been accused of) is not well taken and can no longer serve to justify or defend the program.

I do not question the personal motivation of LLLTs. I accept some low-income and moderate income citizens have been helped. However, we must make judgments based on actual data, not be influenced by personality, and evaluate the program as a whole. Anecdotes that a particular LLLT assisted a particular client cannot be the metric of success.

At over \$ 2 million after 7 years, providing only 26 “stand-alone” LLLTs, the program has not delivered on its promises. Saying that is not intended to be pejorative although those associated with the program will take it as such. It is simply an objective conclusion based on the objective facts.

I rhetorically ask: if the program told this Court in 2012 that after 7 years it would have only 26 “stand-alone” LLLTs for over \$2 million and would continue to need an additional \$250,000 each year while growing only 3 or 5 a year, would this Court have approved it.

If the answer is no, I respectfully say to you: you may not have known that in 2012, but you know it now. And knowing it now, I submit we must mutually determine what needs to be done.

Hon. Mary Fairhurst
July 9, 2019
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Worse, I fear the program is becoming a systemic perpetuation of gender bias. To date, all LLLTs are women. We should be enabling the path of women to law school, not diverting them to a program that has a dubious future.

As your Treasurer, I report the LLLT program as presently constituted is not viable and never will be. The economic forces compelling attorneys to charge what they charge, (what the program identifies as the barrier to access to justice), is the same for LLLTs as it is for lawyers. Rent is rent. Worse, this is an enormous opportunity cost of \$2 million to date and \$250,000 more yearly.

It is notable Justice Gonzales signed the 2012 order creating the program but recognized in dissent to the May 2019 expansion: “without any evidence of success,” the program continues to seek expansion and is of doubtful “financial sustainability” for either WSBA or “LLLTs themselves.”^{xi} As he also noted, the program never provided an actual plan for success regarding costs and still has not.

I assume current LLLTs are here to stay. However, as your Treasurer I submit it is not responsible to continue spending fees in this manner. Something must fundamentally change. I submit you cannot expect a different result, continuing to do the same thing.

If the program is not eliminated outright, its scope should return to its original 2012 form and the program folded into the LPO program which is another a license limited to selection and completion of pre-printed forms. It should not be an independent program without direct WSBA oversight as it is now. I accept the good intention of every single person involved with the program. However, I submit history shows the program’s current Board is too close to the issue to be the objective shepherd the program needs.

After 7 years and a quarter of a million dollars deeper in debt every year, what we need is oversight that is dispassionately objective. Having only advocates, and I submit vociferous advocates at that, run the program as they have untethered from WSBA is part of the reason we find ourselves where we are now.

Instead of acknowledging the challenges and shortcoming, the program constantly tries to change the goal line. For example, when it is observed that it is too hard to pass the educational requirements or hours of service requirement, the suggestion is made we should lower both. Yet, it was the program that created those and in reliance of that this Court found they were necessary “safeguards necessary to protect the public” and by necessity imposed “educational requirements (that) are rigorous.”^{xii}

That it is hard to achieve educational and service requirements both the LLLT Board and this Court found were necessarily “rigorous” but required to protect the public is not a reason to lower them. It is a reason to stop and appreciate the delivery of legal representation is not a trifling thing; it requires thousands of hours of education and work. If the program is having difficulty finding candidates, that is reason to give pause and consider whether a limited license to practice law as a concept is even feasible. As an aside, if the requirements necessary to protect the public are too rigorous for any but those 35 to have passed, I submit those 35 likely would have been successful in law school and WSBA and the public would have been further ahead in the provision of low-income services to have mentored and facilitated them to do so.

Hon. Mary Fairhurst
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Folding LLLTs into the LPO program and returning it to its original scope would salvage it. Because truly, that is what the program as contemplated was and should be. Like our LPOs who select and help complete escrow forms, LLLTs were promised and envisioned to help select and fill out family laws forms.

Further, before it is expanded into other substantive areas, it needs to prove it is fiscally viable in the area it is operating in now. Viability is not determined by having a few LLLTs after 7 years. It is proven by demonstrating both their practice, and as profession, it is sustainable in the long term. My impression is the program is seeking expansion for the sake of expansion to justify itself whereas it would do more in terms of actually fulfilling its original promise of low-income representation by facilitating the LLLTs we have in family law now, to success; whether that is as "stand-alone" LLLTs or employees of social or non-profit entities as the Court originally intended.

Albeit, if the program cannot demonstrate that viability soon, I suggest we must recognize that for what it is and act accordingly. This court acknowledged in 2012 the program may not work. Sound bites and bald assertions by the program's proponents that it is working, or that it will in the future while at the same time providing no concrete path to viability, are no response to the objective facts.

If the program cannot demonstrate viability in a time frame determined by the Court, this Court should enter an order accordingly. I urge this Court to set a firm time frame now. That is far more fair to the program than one day simply deciding it is not viable. Further, providing a firm milestone deadline will provide the program something concrete to work toward. Absent that, both the criteria of success and the time frame for meeting it will be perpetually moved as it has for the past 7 years.

For the final time: I am not against having a LLLT program. Further, the Board is not hostile to the program per se. However, the Board's role is to be an objective check-and-balance. My or the Board's raising basic issues of performance should not be viewed as a personal attack. That my (or other Board members) raising these issues however is more often than not viewed as exactly that, says much.

If you have questions, either individually or as a group, I welcome them at any time.

Thank you for your consideration.

Sincerely,

Treasurer and Governor District 9
Washington State Bar Association



Dan'L W. Bridges

cc: WSBA Board of Governors
Ms. Terra Nevitt, acting WSBA Executive Director
Mr. William Pickett, President WSBA
Mr. Stephen Crossland, LLLT Board Chairperson

- i This data is taken from the WSBA licensing web site and was current as of July 7, 2019.
- ii 2012 Order, 25700-A-1005, p. 9 (“There is simply no way to know the answer to this question without trying it.”)
- iii Id. at 11.
- iv This is based on researching every LLLT website and contact available at <https://www.mywsba.org/PersonifyEbusiness/Default.aspx?TabID=1536> and referencing their official address to Google maps. Of those 5, none could be reached by the phone. For 3 it was their home or personal cell. For 1, they advertised some other type of business on their voice announce.
- v Id. at 9.
- vi From APR 28(4)(A): “For the limited time between the date the Board begins to accept applications and December 31, 2023, the LLLT Board shall grant a waiver of the minimum associate-level degree requirement and/or the core curriculum education requirement set forth in APR (3) if an applicant meets the requirements set forth in Regulation 4(B).”
- vii There is no requirement of an AA to obtain a paralegal certificate at a variety of vocational colleges.
- viii To digress, I have heard some proponents of the program say that a ten year legal assistant knows more than a new lawyer and they as a new lawyer were turned loose to practice, knowing little to nothing, without oversight. That ignores the critical distinction that even a law lawyer, as green though they may be, has the benefit of 19 years of schooling, 3 of which were law school, and sat for and passed a 3 day bar exam. It is not a question of worth nor saying lawyers are better than secretaries. Each is human and has their worth. However, I submit it is not entirely intellectual honest for some proponents of the program to fail to acknowledge the educational difference and how that equips even a new lawyer to process and identify issues as well as the vetting and screening that 3 years of law school and passing the bar exam provide to cull through individuals not up to the challenge of the practice of law as a lawyer.
- ix Id. at 6 and 8 (“... (LLLTs will) not be able to represent clients in court...”)
- x I only learned of this shifting of mandatory fees after the fact by someone who attended the conference and related he was disturbed by both the spending and the outwardly stated shift of the program as expressed while away from WSBA’s offices. The LLLT Board openly discussed their goal was to provide “a living” for LLLTs; the notion of providing low-income services was being relegated to an ancillary side effect
- xi 2019 Order, 25700-A-1258.
- xii 2012 Order, p. 10

WASHINGTON STATE BAR ASSOCIATION

Board of Governors

Dan'L W. Bridges, Treasurer and Governor District 9

By email to steve@crosslandlaw.net and US Mail

Mr. Stephen Crossland
Chairperson, LLLT Board
P.O. Box 566
Cashmere, WA 98815-0566

July 10, 2019

Dear Mr. Crossland:

I would be grateful if you, or some person you appoint in your stead on behalf of the LLLT Board, attends the next WSBA Budget and Audit meeting on August 12. We will start at 1:30.

Please consider this both my respectful invitation and formal request as Treasurer that you or some person in your stead attend because we will have on our agenda for that meeting, a detailed discussion of fiscal policies and budgeting going forward as they relate to the LLLT Board.

I acknowledge the status of the LLLT Board as a Supreme Court created Board. To be clear: I have no intention on entertaining discussion at the Budget and Audit meeting of issues that would interfere with the LLLT's Board's duty under APR 28. That is not what our agenda item is about.

APR 28(C)(4) states "the Bar," e.g., the WSBA, "shall provide reasonably necessary administrative support" to the LLLT program. That begs the question of what is "reasonably necessary." APR 28(C)(4) provides no mechanism to determine that.

However, the Board of Governors under GR 12 and the Bar Act is responsible to supervise and ensure the reasonable expenditure of the members' mandatory fees at all levels of the WSBA. There is no exception taking Supreme Court created Boards out of the Board of Governor's jurisdiction in that regard. Therefore it is the Board of Governors, which under our bylaws has delegated more directly to the Budget and Audit Committee by its duty and authority to create and recommend a budget to the Board, that has a role in the determination of what "reasonably necessary" is. That is why I am asking for your assistance: I want to ensure we have the input of the LLLT Board and include it in that process as this will be rolled into our budget for this coming year.

Our committee's involvement in such matters has precedent. The Budget and Audit Committee has been active over the last two years advising and helping set goals for the Legal Foundation, an independent corporate entity, and its spending of WSBA mandatory fees. That involvement has been very helpful; not only for the Board but the Foundation. Over the last two years with more Budget and Audit involvement



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and advice, the Foundation has materially decreased its spending of mandatory WSBA fees while increasing the services rendered.

While I have no authority to speak for the Board of Governors and do not undertake to do so here, I can tell you personally as a Governor and the Treasurer of the Washington State Bar Association I take seriously my duty to the Court to facilitate the activities of all Supreme Court created Boards including the LLLT Board. However, I rely that you as a past President understand as well or better than anyone, the duty of the Board of Governors to oversee the reasonable expenditure of the members' mandatory fees and the role, duty, and authority of the Budget and Audit Committee within that framework.

I greatly look forward to speaking with you or whomever you appoint in your stead. And in that regard, all are welcome. Although I am asking you or someone you appoint to attend, our meetings are public and we look forward to the greatest participation possible. Any and all of the LLLT Board are welcome to attend.

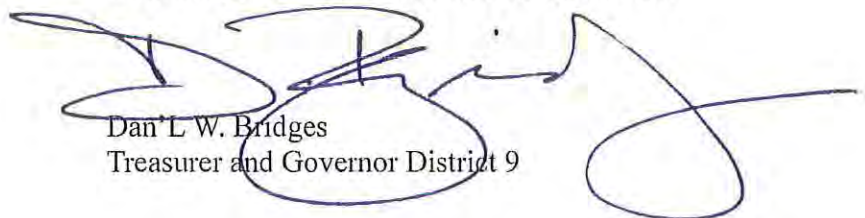
Having the LLLT Board's presence at our Budget and Audit meetings is long overdue. We should have been having these discussions for years to the benefit of both the LLLT Board and the WSBA in general. I look forward to starting this dialogue which I hope and intend to continue over time so we may mutually determine a way, if possible, to put the LLLT program on a firm, financial footing to benefit the program, WSBA, and the public at large.

If you would like to attend by Skype I believe we can arrange that. The meeting is scheduled to go to 4:30. If there is a time between 1:30 and 4:30 that would work better for you please let me know and we will accommodate you.

If you have questions or would like to speak in advance of the meeting I welcome your call.

Sincerely,

WASHINGTON STATE BAR ASSOCIATION



Dan L. W. Bridges
Treasurer and Governor District 9

WASHINGTON STATE BAR ASSOCIATION

To: Board of Governors

From: Budget and Audit Committee

Re: **First Reading:** Recommended Revision to Fiscal Policies and Procedures re Cost Centers

Date: June 27, 2019

First Reading: Recommended Revision to Fiscal Policies and Procedures re Cost Centers
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The Budget Policies in Chapter 1 of the WSBA Fiscal Policies and Procedures Manual (Manual) are defined as “significant”, which means that any revision must be recommended by the Budget and Audit Committee and approved by the Board of Governors.

In order to increase budget transparency and facilitate the Board of Governors’ direct oversight of WSBA spending, the Budget and Audit Committee recommends the attached revisions to the Budget Policies in Chapter 1 of the Manual. The revisions will ensure that expenses and revenues arising from every program, committee, WSBA Board and Supreme Court Board, including the LLLT and LPO programs, are presented in separate cost centers. Proposed language also identifies how FTE should be allocated to the BOG and Executive Director cost centers.

The redlined, revised, and current versions of the Budget Policies in Chapter 1 of the WSBA Fiscal Policies and Procedures Manual are included as Attachments A, B, and C respectively.

ATTACHMENT A

Recommended Revisions to Fiscal Policies and Procedures re Cost Centers

Budget Policies and Process

Overall Philosophy

The WSBA should prepare an annual budget and establish its budget by function ("cost center") insofar as practical to permit subsequent cost-benefit analysis. The budget should be transparent so it is easy for the Board of Governors and members to see how the WSBA is spending its money.

The budget for each cost center should include its revenues, its direct expenses, and its share of the WSBA's overhead (indirect) expenses. By knowing the total cost of each program or function, the Board can make policy decisions about which programs should be supported by member license fees, which programs should be self-supporting, which programs should generate revenue for other WSBA functions or programs. To that end, all revenues and expenses arising from each program, committee, board (whether of the WSBA or as directed by the Supreme Court), the Limited License Legal Technician (LLLT) license type, and the Limited Practice Officer (LPO) license type shall be reflected in a cost center specific to it ***provided however*** that standing Board of Governor committees (for example, Budget and Audit Committee and Personnel Committee) shall be budgeted in the Board of Governors cost center. To the extent expenses are shared between cost centers, they shall be allocated in accord with standing practices with the intention of ensuring all costs incurred by unique cost centers are attributed to them. More specifically, that shall include, but is not limited to, all revenues and expenses (direct and indirect) being presented in separate cost centers for: (1) the Board of Governors; (2) the Executive Director; (3) the LLLT program; (4) the LPO program, and (5) all Supreme Court boards and committees

The only allocation of full time employee units to the Board of Governor cost center shall be the direct time of any administrative staff whose primary purpose is to assist the Board. The full cost of the position of Executive Director shall be reflected in that cost center without allocation to any other cost center and shall include an allocation in full time employee units the staff tasked to assist the Executive Director. Both the Board of Governors cost center and Executive Director cost center shall be allocated their pro rata share of enterprise expenses in accord with standing practices. Where those are shared enterprise expenses, they shall be clearly identified as such.

The budget should be a tool to plan for the coming year and help guide decision making. It is both a policy-making tool for the Board of Governors and provides the Board of Governors the ability to provide direct oversight over WSBA Spending. Additionally, it gives employees direction on how and where to spend its resources. In order to be a useful tool, the budget should not be a rigid document that can never be amended – it can and should be amended if necessary. The budget can be amended by the Board of Governors, Budget and Audit Committee or Executive Director via decisions made under the Fiscal Responsibilities Matrix.

WSBA should budget revenues and expenses as accurately as possible. Revenues should be realistic, but not overly conservative. Expenses should be estimated not on remote possibilities, but rather on historical spending patterns and actual planned expenses. There should be some flexibility in the budget to allow for contingencies and necessary adjustments.

Long-range Forecasting and Planning

The Chief Operations Officer may prepare long-range forecasts, prior to the annual budgeting process, to get an indication of the parameters around the upcoming annual budget; and whenever requested by the Board of Governors, usually for planning for license fee increases and as part of the long-range planning process. WSBA should annually update its long-range financial plan to anticipate the needs of a growing Bar, and so that, if increased funds become necessary, the Bar can plan logically and in advance on what additional funding will be required to meet such needs

ATTACHMENT A

Recommended Revisions to Fiscal Policies and Procedures re Cost Centers

Annual Budgeting Time Line/Process

- The budgeting process begins in April for the coming fiscal year (October 1 – September 30). The Chief Operations Officer and Associate Director of Finance request budgets from each Department Director, Section Chair, and liaison to the WSBA's various committees and boards. These individual budgets are compiled and reviewed by the Chief Operations Officer and the Executive Director.
- The Chief Operations Officer and Associate Director of Finance meet with department directors, employees, section leaders, etc. to conduct a thorough review of all budgets and comparison of budget figures to historical and year-to-date fiscal information.
- The Budget and Audit Committee reviews drafts of the entire WSBA budget (general fund, CLE, CPF, and sections) in June, July, and August, and provides guidance where necessary.
- The Board of Governors reviews a preliminary budget in July and approves the final entire WSBA budget at its last meeting of the fiscal year (September).

Capital Budget

A capital budget is prepared each year as part of the annual budget process. The capital budget forecasts capital purchases anticipated in the coming fiscal year that are over \$2,500 and have a useful life over 1 year (the depreciation for which is included in the expense budgets). The Board of Governors reviews a preliminary capital budget in July and approves the final capital budget with the entire WSBA budget at its last meeting of the fiscal year (September).

Cash Flow Budget

From time to time, when necessary, a cash flow budget may be prepared both to anticipate the timing and amount of cash and liquidity needs of the WSBA for the current year and the excess funds available for longer-term investments.

Additional Budget Requests

Department directors, committee/board employee liaisons, or section leaders who anticipate a need for funds in excess of their approved budget should make a request to the Chief Operations Officer, indicating the additional amount requested and the purpose of the additional funds. (Note: Sections are required to obtain approval from the WSBA Treasurer for any unbudgeted expense which totals either 25% or more of the section's annual expense budget or \$1,000 (whichever option is greater) – see Chapter 10 for details.) This request will be handled according to the Fiscal Responsibilities Matrix. If necessary, a request can be taken to the Budget and Audit Committee at its next meeting.

Ongoing Program Review

WSBA should anticipate both new initiatives and planning for potential termination or decreased funding for some older programs, depending on relevance for and needs of WSBA. WSBA should maintain a scheduled program review process for all non-regulatory WSBA programs.

ATTACHMENT B

Recommended Revised Fiscal Policies and Procedures re Cost Centers

Budget Policies and Process

Overall Philosophy

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ATTACHMENT C

Current Fiscal Policies and Procedures re Cost Centers

Budget Policies and Process

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ATTACHMENT C

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WASHINGTON STATE BAR ASSOCIATION

To: Board of Governors

From: Budget and Audit Committee

Re: Supplemental Audit Options

Date: June 18, 2019

The Committee met with Mitch Hansen of Clark Nuber on April 25, 2019, to learn more about supplemental audit options. On May 7, Alec Stephens, Dan Clark, PJ Grabicki, Dan Bridges, and Ann Holmes had a follow up conference call with Hansen to examine the options more closely. The attached Scope of Work details those options and associated costs. The table below outlines the time involved in each phase of the audit options.

PHASE I - PLANNING AND OBTAINING BACKGROUND INFORMATION	1-3 weeks
PHASE II – PERFORM TESTING	2-4 weeks
PHASE III - REPORTING	2-3 weeks

Scope of Work and Methodology

Below is our proposed scope of work. This is only the starting point for our discussion to fine tune the procedures to fully meet your needs. These procedures will be modified as needed and agreed to during our planning meeting with you. Our work is divided into three phases: planning and obtaining background information; performing on-site testing; and reporting.

PHASE I - PLANNING AND OBTAINING BACKGROUND INFORMATION

A. Meet with Management and/or Board or Committee Members to:

1. Fine tune proposed scope of work. We will remove non-value added steps or steps not practical to do, change proposed procedures as needed to meet your needs, and add additional steps that we haven't contemplated that you would like performed.
2. Agree on timing of work on-site and delivery of reports.
3. Agree on form and content of final report.
4. Agree on timing and method of periodic updates.
5. Finalize engagement letter for services.

B. Obtain and Review Needed Information

1. Audited and internal financial statements
2. Trial balance for FY 2018.
3. Any prior reports related to WSBA management and accounting personnel.
4. WSBA accounting policies and procedures.
5. WSBA payroll register reports for each pay period from 2018.
6. Listing of WSBA employees with addresses.

C. Interview WSBA Accounting Staff

1. Discuss our understanding of policies and procedures as well as any concerns about inappropriate activity at WSBA.

PHASE II – PERFORM TESTING

A. Payroll Testing

1. For fiscal year 2018, we will:

- a. Obtain the year-end payroll register.
- b. For a sample of 10 staff we will:
 - i. Agree pay rate to authorized rate per personnel file.
 - ii. Re-compute pay, vacation, and deductions.
 - iii. Agree deductions to authorizations in personnel file.
 - iv. Review fringe benefits for reasonableness, compliance with policies, and agreement with personnel file documentation.
 - v. Agree any bonuses to proper authorizations.
 - vi. Summarize amount of vacation time used. If little to no vacation time is used, then discuss with others in the organization the reasonableness of these amounts.
 - vii. Recompute any vacation buyouts for each year and assess for reasonableness.
 - viii. If there are any employee loans, schedule out employee loans per employee and assess compliance with policies and procedures.
- c. Agree payroll per the payroll register to the amounts paid out of the payroll bank account.

B. Expense Report Testing

1. For fiscal year 2018, select 10 expense reports (including COO and Executive Director) for testing. Review expenses for reasonableness, compliance with policies, and proper support.
2. Review the cell phone policy and select a sample of 10 employees to determine if the staff are in compliance with this policy by looking at bills, credit card statements, and other supporting documentation.
3. Determine which WSBA staff have company credit cards.
 - a. Select two statements from fiscal year 2018 per card holder and review each for reasonableness, compliance with policies, and proper supporting documentation.

C. Fraudulent Disbursements Procedures

1. Select one bank statement from fiscal year 2018. Trace each item (checks, deposits, wire transfers) in the statement to supporting documentation (deposit slips, cancelled checks, etc.). For checks, trace payee to general ledger. For wire transfers, verify proper authorization and destination of funds.
2. With our data mining software, we are able to take a computer database, and perform a battery of tests on 100% of the transactions in that database. For example, we recently did this for a large local government, and in four of twelve tests performed on their credit card database, a

person committing fraud rose to the top of our exceptions list. We will use this software to look at the payroll and disbursement databases for fiscal year 2018. If issues are identified, we will then discuss with management how many years further we should look back.

Payroll Database

1. We will use our data mining software as well as other Computer Assisted Auditing Techniques (CAATs) to identify:
 - a. Gross salary by employee and withholdings (this can be further analyzed and compared against expectations and traced to approve pay rates).
 - b. Negative payroll amounts. This could indicate credits to payroll designed to offset excessive payments to an employee.
 - c. Positive or zero valued deductions. Can indicate manipulation of payroll deductions.
 - d. Number of payroll checks per employee (compare to number of pay periods). The number of checks per employee can identify employees writing additional payroll checks to themselves.
 - e. Total expense reimbursements - amount and count, if processed through payroll. Can identify excessive expense reimbursements.
 - f. Unusual addresses (e.g. out of state addresses or P.O. Boxes).
 - g. Multiple names to one address.
 - h. Bank account duplicates.
 - i. Employees listed in payroll not in the employee listing.
 - j. Duplicate employee listings.
 - k. Invalid social security numbers.
 - l. Employees or employee addresses in the Vendor Master File. Indicates employees set up as a vendor in the disbursement database.
 - m. Vacation time used. Look for employees with no vacation time used.

Credit Card Database

1. We will use our data mining software, as well as other Computer Assisted Auditing Techniques (CAATs) to identify:
 - a. Transactions processed on weekends. This can be an indicator of personal charges.
 - b. The top spenders and vendors used on weekends. This can indicate personal charges.

- c. Peak charge periods and review with management. Peak spending around Christmas or at the end of the budget cycle can be indications of issues.
 - d. Duplicate transactions for the same cardholder for the same amount on the same day. This can indicate charges broken into smaller amounts to avoid certain purchase authorization limits, duplicate purchases for person uses, or double submissions for reimbursement.
 - e. Recurring charges for the same amounts. This could indicate personal bills being charged.
 - f. Transactions with even \$50 and \$100 increments. This can be an indicator of gift cards or certificates being purchased which is a common source of fraud.
 - g. Cardholders that consistently came within \$1,000 of credit limits. Could be an indicator of fraud if someone has a large dollar volume but knows enough to stop before they hit the credit limit.
 - h. Vendors with the highest dollar volume. Do the vendors at the top of the list make sense to management? Could identify fictitious vendors.
 - i. Vendors with the highest transaction volume. Do the vendors at the top of the list make sense to management? Could identify fictitious vendors.
 - j. For Procurement Cards, most frequently and infrequently used Merchant Category Codes (MCC's).
 - k. For Procurement Cards, suspicious MCC's and/or vendors.
2. We will review the results with the **Committee** and agree on which exceptions to follow up on.

Accounts Payable Database

1. We will use our data mining software as well as other Computer Assisted Auditing Techniques (CAATs) to identify:
 - a. Total vendor payments sorted by number of checks and dollar amount. Could be an indicator of a fictitious vendor.
 - b. Checks on weekends. Could be an indicator of fraudulent checks.
 - c. Multiple checks of the same dollar amount to the same vendor. Could indicate checks split into smaller amounts to avoid check authorization limits.
 - d. Gaps in checks. An indicator of missing checks.
 - e. Duplicate checks. A potential indicator of fraudulent checks.

- f. Checks written to cash or blank payee (if a risk is determined, we can query for that risk similar to looking for all checks written to cash). Indicates internal controls needing improvement and possible fraudulent disbursements.
 - g. Matching employee addresses to vendor addresses. Indicates employees that may have also set themselves up as vendors in the accounting system.
 - h. Vendor address is a P.O. Box. Can be an indicator of fictitious vendors.
 - i. Vendor has more than one address. Can be an indicator of a fictitious vendor.
 - j. Matching vendor code from check register to vendor master file. Could indicate alterations to the accounting records.
 - k. Summary of checks to vendors that are written for amounts below dollar threshold, such as a dual signature threshold (this summary will allow you to drill down on the detail). Can indicate split purchases to avoid authorization limits on purchases.
2. We will review the results with the **Committee** and agree on which exceptions to follow up on.

Vendor File Database

1. We will use our data mining software as well as other Computer Assisted Auditing Techniques (CAATs) to identify:
- a. Employees or employee addresses in the Vendor Master File. Indicates employees set up as a vendor in the disbursement database.
 - b. Vendors that have more than one vendor file. Can indicate fictitious vendors.
 - c. Vendors with duplicate, non-standard tax ID's. Can indicate fictitious vendors.
 - d. Multiple vendors to the same address. Can indicate fictitious vendors.
2. We will review the results with **the Committee** and agree on which exceptions to follow up on.

D. Miscellaneous Items to Investigate

1. WSBA Travel for fiscal year 2018:
- a. Obtain a general ledger report showing details for the travel accounts for each year.
 - b. Select all items over **\$5,000**, and any under **\$5,000 that seem strange** for further testing. For each item selected, obtain supporting documentation and review for:
 - i. Reasonableness.
 - ii. Compliance with WSBA policies and procedures.
 - c. Report any areas of vulnerability and recommendations to address.

2. Use of WSBA funds by Board committees for fiscal year 2018:
 - a. Obtain a report showing board and committee expenses for fiscal years 2016-2018.
 - i. Obtain explanations for variances greater than \$25,000 from year to year.
 - b. For the three committees with the highest expenditures, obtain expense detail for fiscal year 2018 and select the 5 largest transactions to trace to supporting documentation and assess reasonableness and compliance with WSBA policies.
 - c. Report any areas of noncompliance or unusual items with any recommendations we might have to avoid issues in the future.

PHASE III - REPORTING

1. At the conclusion of fieldwork, hold a preliminary exit conference to discuss any possible findings and recommendations to ensure there have been no miscommunications or misunderstandings before committing anything to writing.
2. If desired, prepare a draft report with executive summary, background and scope, and findings and recommendations.
3. Present draft report to management and edit as necessary.
4. Prepare final report.
5. Present results to management and/or the Committee.
6. Determine next steps and/or follow up procedures needed, if any, based on our find.

The above is a comprehensive analysis targeting specific areas of concern. Options to consider would be to do all or a portion of these every 3 or 5 years, or do a portion of these each year on a rotational basis.

Fee Proposal and Proposed Project Schedule

We will bill for our services at our standard hourly rates. Our standard hourly rates for consulting and other services are:

Staff Level (Audit and Tax)	Rates
Associates	\$140 - \$190
Seniors	\$185 - \$225
Managers and Senior Managers	\$225 - \$350
Principals and Shareholders	\$350 - \$435

Proposed Options for Services with Associated Fee Estimates

Scope of Services Options	Estimated Cost for Year One
Year one do full scope of work to establish a clean baseline, then every 3-5 years consider repeating full scope or a portion of it.	\$50,000
Year one do data mining on all databases and expense report testing, then based on the results of that testing, consider the need to expand the scope. Repeat these same procedures every 3-5 years.	\$15,000
Year one do data mining on all databases and expense report testing. In 3-5 years alternate and do detailed transaction testing. Rotate back to data mining and expense report testing 3-5 years later, and continue rotation on this cycle.	\$15,000
Annually, do data mining on one database and alternate in cycle.	\$3,000