

The WSBA is currently developing its FY15 budget and analyzing 2016 license fee options. We're often asked about the process and what it entails. Below are some additional details that you may find helpful.

Developing the FY15 Budget

The WSBA budget is a policy document and management tool that allocates funds to fulfill our regulatory responsibilities 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; we look closely at programs, operations, and resources to see what is working and what isn't.

Through this process, we made a number of changes over the last sev-

eral years. We laid off staff, cut staff expenses, reduced board meetings and related costs, implemented a management reorganization, replaced the young lawyer division model with a more cost-effective and integrated strategy for supporting new lawyers, and implemented other cost-saving measures. We increased our capacity to perform regulatory functions more efficiently through the use of technology. We also introduced and expanded needed programs, including: financial accommodations through the WSBA Hardship Option and Payment Plan; employment tools (Job Target website and Job Seekers Group); free benefits, including the Legal Lunchbox CLE series, Casemaker (legal research), and WSBA Connects (member assistance program); new lawyer education and support (free and low-cost seminars and resources); Public Service programs (Moderate Means and Call to Duty); and webcast educational programs and forums, connecting mem-

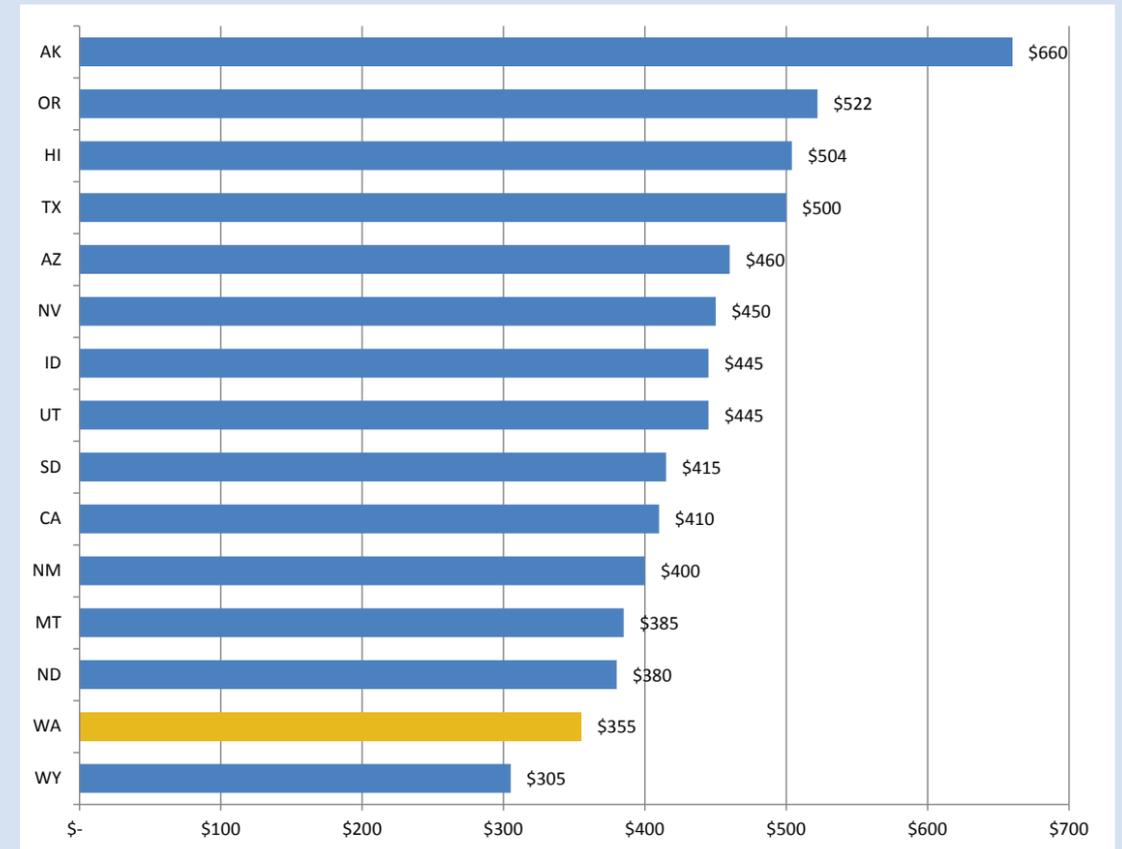
bers statewide.

In developing the FY15 budget, we are continuing to look at cost-effective ways to support members as the practice of law continues to change. Among other things, we believe that modest investments in technology will increase our efficiency and enhance online resources for you.

Setting 2016 License Fees

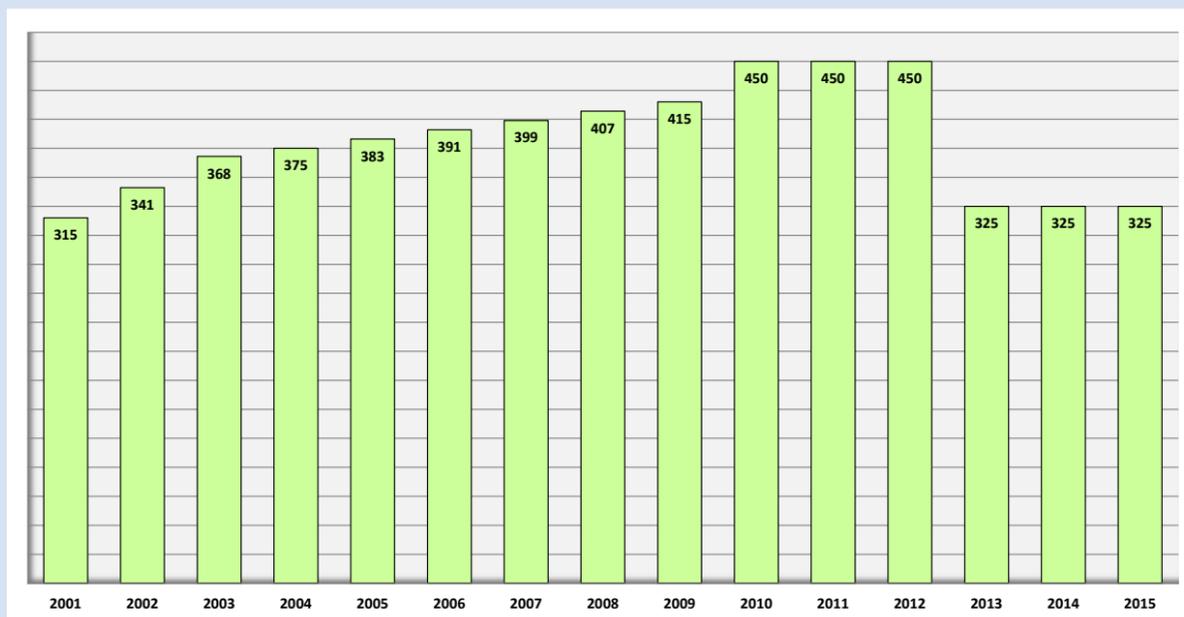
License fees are the major source of funding for WSBA programs and operations, historically supporting 75 percent of this work (other revenue sources include investment and interest income; donations from the Washington State Bar Foundation; fees related to mandatory CLE, regulatory, and member services; advertising and sponsorships; recovery of discipline costs; and reimbursement from sections).

The 2012 license fee referendum arbitrarily reduced license fees to the 2001-02 level, without regard to the actual cost of programs and services.



Bar License Fees for Western States

WSBA License Fees 2001-2015



This year, license fee revenue will only cover 64 percent of programs and operations. We have been able to cover the shortfall by increasing operational efficiencies, expanding non-license fee revenue, and using WSBA's diminishing reserves.

We strive to provide you with meaningful value for your license fee. The cost to practice law in Washington (including the \$30 annual Supreme Court assessment for Lawyers' Fund for Client Protection) is lower than nearly all other jurisdictions in the western United States, as shown in the chart above.

Moving Forward

We are proud that efficiencies and prudent use of reserves have enabled us to keep fees at the 2001 rate for three years — through 2015 — while continuing to deliver value to the WSBA membership and maintain a high level of regulatory effectiveness.

However, the cost of doing business is much higher than it was in 2001 — and our reserves are diminishing. As the Bar's fiduciaries, we must set license fees at a level that enables us to continue to meet our regulatory obligations, advance our mission, and provide value to you at reasonable cost. To continue to support our obligations to the public, to you, and to the profession, we will be considering increased license fee options that would be effective beginning in 2016. The Board of Governors will take up the FY15 budget and 2016 license fee for initial consideration in July and action in September. We will keep you informed about our deliberations and welcome your input. **NWL**



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