

by Karen Denise Wilson

In this report, I provide an update on several important projects that occupied our time during the first half of the year, and a preview of the Board's work for the remainder of FY16.

LOOKING BACK

Headquarters Renovation

We completed a yearlong renovation-in-place at the WSBA offices that have been our home since 2006. Near the end of our first lease, we reassessed space needs, looked at the market, and found that the best option was to stay at our current location. As WSBA's treasurer last year, Ken Masters, reported, we extended the lease through 2026 on very favorable terms — which enabled us to reduce our footprint by 7,700 square feet, bring CLE conference facilities into our headquarters space, improve accessibility, and make better use of technology. All in all, we saved more than \$3.1 million over the life of the lease compared to our next best option.

License Renewal Changes

You may have noticed several changes as you renewed your license this season. As previously reported, WSBA had historically used license fee revenue to cover service provider credit card transaction fees. Last year, these fees totaled over \$275,000. After research-

ing how other public entities manage the cost of credit card transaction fees, the Board determined that we should no longer use license fees to absorb this cost. This year, members were offered the option of paying by check with no transaction fee or paying by credit card with a 2.5% transaction fee charged directly by our service provider. Thank you for your cooperation during this process. To date, through the licensing process alone, we have saved over \$110,000 in transaction fees.

Updated MCLE Reporting System

If you had to report your CLE credits this year, you may have noticed an updated MCLE reporting system with a more user-friendly interface. System changes were driven by the Supreme Court's adoption of significant revisions to the MCLE rules that took effect Jan. 1, 2016. The existing MCLE system was antiquated, would not support the new rules, and required a complete overhaul. In order to meet the Court-mandated deadline, we scoped the project in phases, concentrated our efforts, and met the January 1 deadline. Phase 2 of the project will be complete by October. The project has required more time, labor, and resources than initially budgeted. At the April Board meeting, the Board approved a budget amendment for \$30,000 to cover FY16 depreciation expense and Phase 2 expenses (expected to be under \$350,000). We are looking closely at additional internal controls to ensure that future enterprise-wide projects are scoped and budgeted more accurately.

LOOKING FORWARD

Both the FY17 budget development and the 2018–2020 license fee setting process began in April, with the Board of Governors' discussion of WSBA services and member benefits, and the corresponding costs and impacts of regulatory and professional association programming for our 38,000 members. The Board will review the preliminary FY17 budget in July and approve the final budget in September. I will provide more detailed information in upcoming treasurer reports.

Since the 2012 referendum that reduced license fees from \$450 by 28% to \$325, the Bar has worked diligently to make do with less. By reducing its financial footprint, limiting the license fee adjustment to \$385 for 2016 and 2017, and through planned expenditures of reserves, the Bar has continued following its mission to serve the public and its members, ensure the integrity of the profession, and champion justice. At the same time, financial modelling indicates that at the current license fee of \$385, reserves will be depleted by FY19. The task before the Board this summer will be to decide how to optimize programming and license fees while maintaining a prudent level of reserves that sustain the Bar's important mission.

As your treasurer, I am committed to fiscal stewardship and direct, transparent communication. I encourage you to contact me if you have any thoughts or questions. **NWL**

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At-large Governor **KAREN DENISE WILSON** joined the WSBA Board of Governors in October 2013. She was appointed

treasurer in October 2015. Wilson is a deputy public defender with the Skagit County Public Defender's office. She is a 2012 alumna of the Washington Leadership Institute and attended Tulane University Law School. She can be reached at bog@kdwilsonlaw.com.