TO: WSBA Board of Governors
FROM: Dan Clark, Treasurer
        Jean McElroy, Chief Regulatory Counsel
DATE: March 9, 2020
RE: Hardship Fee Exemption Bylaw, Art III.I.5 - Proposed Amendment To Permit Exemption to Be Granted Up To Two Times For Qualifying Active Members – First Reading

FIRST READING: Discussion and consideration of proposed amendments to WSBA Bylaws (Art.III.I.5) designed to increase to two the number of times Active members can receive a hardship exemption from paying annual license fees.

BACKGROUND

This item is on the agenda for First Reading, as required by the WSBA Bylaws for all proposed Bylaw amendments. This proposed amendment has been reviewed and approved by the Budget and Audit Committee at its January 15, 2020, special meeting, for presentation to the full Board of Governors for consideration.

The WSBA Bylaws, at Art.III.I.5, contain a provision that permits the Executive Director to grant Active members an exemption from paying the annual license fee if the members file a request certifying that they meet the qualifying requirements (“current annual household income equal to or less than 200% of the federal poverty level determined based on the member’s household income for the calendar year immediately preceding the calendar year for which the member is seeking to be exempted from license fees”). The Bylaws currently provide that this exemption may be granted only one time while the member is a licensed member of the WSBA. At this time, the exemption is granted based solely on the members’ certification of qualifying household income, without requiring verification of the stated income.

The proposed amendment would increase the number of times such an exemption may be granted to two times while the member is a licensed member of the WSBA.

This proposed amendment is being suggested as a way to 1) assist lower income Active WSBA members to remain on Active status despite facing current financial hardship, and 2) allow WSBA to conduct a preliminary assessment of the effect on WSBA’s budget, regulatory requirements, and other members’ license fees, among other considerations, if the number of Active members receiving exemptions goes up significantly.

It is possible that WSBA could eventually decide to offer the hardship exemption to be granted more times, or even an indefinite number of times, to qualifying members. It is difficult to assess the effects of that possibility without gathering more data. An initial increase to two grants of hardship exemption (from the current one) would allow us to gather some data about the number of Active members who would make such a request and how that affects WSBA license fee revenue and other programs. Additional consideration may also be warranted regarding the question of whether any additional regulatory safeguards should be in place for determining member eligibility for the exemption.
FEEDBACK

Since this idea was discussed at a WSBA Budget and Audit Committee meeting, and no preliminary outreach has been done regarding this proposed amendment, at the time of submitting this memo, there has been no feedback received. WSBA will attempt to receive feedback regarding these proposed Bylaw amendments by asking for feedback from members.

ATTACHMENTS:

1. WSBA Bylaws Art.III.I.5 redlined version to show proposed amendments.
2. WSBA Bylaws Art.III.I.5, clean version containing proposed amendments.
3. 2020 Hardship Exemption request form.