WSBA FUNDING/PROGRAM STRUCTURE

Supreme Court Workgroup on WSBA Structure
April 8, 2019
## FY19 WSBA Budget Overview

<table>
<thead>
<tr>
<th>Fund</th>
<th>Expenses</th>
<th>Revenue</th>
<th>Net</th>
<th>Budgeted Year End Reserves</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$20.32 M</td>
<td>$20.22 M</td>
<td>($0.1 M)</td>
<td>~$3.7 M</td>
</tr>
<tr>
<td>Client Protection Fund</td>
<td>$0.67 M</td>
<td>$0.99 M</td>
<td>$0.32 M</td>
<td>~$3.6 M</td>
</tr>
<tr>
<td>CLE Fund</td>
<td>$1.83 M</td>
<td>$2.04 M</td>
<td>$0.21 M</td>
<td>~$0.81 M</td>
</tr>
<tr>
<td>Sections Fund</td>
<td>$0.84 M</td>
<td>$0.54 M</td>
<td>($0.3 M)</td>
<td>~$0.86 M</td>
</tr>
</tbody>
</table>
### GENERAL FUND

<table>
<thead>
<tr>
<th>PURPOSE</th>
<th>Support regulatory functions and most services to members and the public</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUE</td>
<td>License fees; interest income; Washington State Bar Foundation donation; fees from admissions, mandatory CLE, licensing, regulatory, and member services; advertising and sponsorships; recovery of discipline costs, and section reimbursements</td>
</tr>
<tr>
<td>EXPENSES</td>
<td>Costs of doing business (salaries, benefits, rent, technology, telephone, insurance, legal advice, audit, etc.); and direct expenses (consulting, travel, committee expenses, etc.)</td>
</tr>
</tbody>
</table>
| RESERVES | • General Fund Reserves consist of (1) Operating Reserve Fund (to fund operations in event of emergency); (2) Facilities Reserve Fund (to support facilities costs when PSP lease expires – 12/31/2026); and (3) Unrestricted Fund (any net assets not designated in (1) or (2) above).  
• Projected FY19 year end balance: $3.7 M |

| FY19 BUDGET | Revenue $20,222,324 | Expense $20,323,940 | Net ($101,616) |
HOW THE FY19 GENERAL FUND EXPENSE BUDGET SUPPORTS WSBA PROGRAMS AND SERVICES

- **Licensing & Admission Services**, $3,777,102, 19%
- **General Counsel**, $1,064,311, 5%
- **Supreme Court Mandated Boards and Programs**, $894,496, 4%
- **Management & Operations**, $2,023,361, 10%
- **Outreach and Engagement**, $1,390,276, 7%
- **Legislative and Law Improvement Efforts**, $191,909, 1%
- **Public Service, Diversity and WA State Bar Foundation Support**, $1,200,581, 6%
- **Publications (Including NW Lawyer)**, $805,318, 4%
- **Member Benefits**, $723,203, 3%
- **Investigation, Prosecution, and Adjudication of RPC Violations**, $6,325,127, 31%
- **Investigation, Prosecution, and Adjudication of RPC Violations**, $6,325,127, 31%
- **Conference and Broadcast Services**, $783,893, 4%
- **Member Services and Engagement**, $599,522, 3%
- **Sections Administration**, $544,839, 3%
- **Public Service, Diversity and WA State Bar Foundation Support**, $1,200,581, 6%
- **Legislative and Law Improvement Efforts**, $191,909, 1%
- **Outreach and Engagement**, $1,390,276, 7%
- **Management & Operations**, $2,023,361, 10%
- **Supreme Court Mandated Boards and Programs**, $894,496, 4%
- **General Counsel**, $1,064,311, 5%
- **Publications (Including NW Lawyer)**, $805,318, 4%
- **Member Benefits**, $723,203, 3%
- **Investigation, Prosecution, and Adjudication of RPC Violations**, $6,325,127, 31%
- **Conference and Broadcast Services**, $783,893, 4%
- **Member Services and Engagement**, $599,522, 3%
- **Sections Administration**, $544,839, 3%
- **Public Service, Diversity and WA State Bar Foundation Support**, $1,200,581, 6%
- **Legislative and Law Improvement Efforts**, $191,909, 1%
- **Outreach and Engagement**, $1,390,276, 7%
- **Management & Operations**, $2,023,361, 10%
- **Supreme Court Mandated Boards and Programs**, $894,496, 4%
- **General Counsel**, $1,064,311, 5%
FY19 GENERAL FUND REVENUE BUDGET

- Licensing & Admission Services, $2,847,750, 14.1%
- License Fees, $15,778,000.00, 78%
- Publications (Including NW Lawyer), $461,350, 2.3%
- Sections Administration, $300,000, 1.5%
- Supreme Court Mandated Boards and Programs, $187,700, 0.9%
- Member Services and Engagement, $141,200, 0.7%
- Management & Operations, $100,000, 0.5%
- Outreach and Engagement, $50,750, 0.3%
- Member Benefits, $27,000, 0.1%
- Investigation, Prosecution, and Adjudication of RPC Violations, $96,200, 0.5%
- Public Service, Diversity and WA State Bar Foundation Support, $232,374, 1.1%
**PURPOSE**  
*Supreme Court mandated, legally restricted fund* to make gifts to compensate those financially victimized by lawyer dishonesty or failure to account for client funds/property

**REVENUE**  
Funded *entirely* from $30 annual assessment on all Active licensed members, House Counsel, Foreign Law Consultants, and *pro hac vice* admissions

**EXPENSES**  
All payments discretionary; $150,000 maximum gift

**RESERVES**  
Net assets from CPF assessments carried over from year to year restricted to fund future CPF gifts  
Projected FY19 year end balance: $3.6 M

**FY19 BUDGET**  
| Revenue   | $ 992,500 |
| Expense   | $ 668,210 |
| Net       | $ 324,290 |

*Graph: CPF Fund Balance: 2009-2019*
### CLE FUND

#### PURPOSE
*Board designated fund*, consisting of net income from CLE activities, to cover net loss and extraordinary costs of CLE programs, products and/or capital acquisitions.

#### REVENUE
CLE seminar registrations and sales of deskbooks, coursebooks, recorded seminars, and online subscriptions.

#### EXPENSES
Indirect and direct costs to produce seminars and CLE products.

#### RESERVES
Net income from CLE activities; carried over from year to year to cover net loss and extraordinary costs of CLE activities.

Projected FY19 year end balance: $0.81 M

#### FY19 BUDGET
- Revenue: $2,039,500
- Expense: $1,831,266
- Net: $208,234

![CLE Fund Balance: 2009-2019](chart.png)
## SECTIONS FUND

<table>
<thead>
<tr>
<th>ELEMENT</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PURPOSE</strong></td>
<td><em>Board designated fund</em> consisting of collective net income or loss of all 29 WSBA Sections</td>
</tr>
<tr>
<td><strong>REVENUE</strong></td>
<td>Section dues, the section portion of revenue from CLE seminars, interest income earned on section balances, other revenues</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td>Direct expenses for section activities and per member reimbursement: $18.75 since 2016</td>
</tr>
<tr>
<td><strong>RESERVES</strong></td>
<td>Sections carry forward the results of their fiscal operations; a negative net balance reflects a draw-down by certain sections of their reserve balances.</td>
</tr>
<tr>
<td></td>
<td>Projected FY19 year end balance: $0.86 M</td>
</tr>
<tr>
<td><strong>FY19 BUDGET</strong></td>
<td>Revenue $ 544,140  Expense $ 841,025  Net ($ 296,885)</td>
</tr>
</tbody>
</table>