

WASHINGTON STATE BAR ASSOCIATION



WSBA CLE Models Kick-Off Presentation & Discussion

October 26, 2017 | 1:00 pm - 4:00 pm

WSBA Conference Center 1325 4th Avenue, Suite 600, Seattle & Webcast

Conference Call Option: 1.866.577.9294, participant code 5016532

Agenda

1:00 p.m.	Welcome & Introductions Overview of Agenda & Meeting Goals	Terra Nevitt, <i>Director of Advancement</i> Kevin Plachy, <i>Education Programs Manager</i> Paris Eriksen, <i>Sections Program Manager</i>
1:20	Current: WSBA CLE & Sections	Kevin & Paris
1:40	Current WSBA CLE Market Trends	Kevin
2:00	Looking at a Different Approach: <ul style="list-style-type: none">- Goals- Concept Overview- Data Observations- <i>Pro forma</i> review- Discussion	Kevin & Paris (appx. 10 min. break will be provided during this time.)
3:55	Next Steps/Closing Remarks	Terra & Paris
4:00	Adjourn	

Your commitment as a section leader is valued and appreciated – thank you for being here today!

WASHINGTON STATE B A R A S S O C I A T I O N

WSBA Fiscal Policies, Chapter 10 (*excerpt*)

October 18, 2016

WSBA-CLE and Section Splitting CLE Profits /Losses

Programs Co-sponsored with Sections (Plan A and Plan B)

Sections and the WSBA CLE Department are required to work together. All CLEs co-sponsored with a Section or not are charged an administrative fee to cover the CLE Department's employee time and overhead associated with seminars. The administrative charge is a percentage of gross revenues from the CLE. This percentage shall be determined at the beginning of each fiscal year by the CLE Director based on the prior year's overhead expenses and the current year's budget. After deducting the administrative fee and all direct costs of the co-sponsored program (e.g., facilities, speakers, etc.), the Section and the CLE Department will split the net profit or loss 50/50. These programs are labeled "Plan A" programs.

All Section mid-year meetings will be administered pursuant to the foregoing paragraph.

For annual programs that are (a) seen as both fiscally lower risk to Sections (unless specifically decided by the Section in consultation with the CLE Department to allow for the greater risk - e.g., bringing in a high-priced speaker) and (b) part of the administrative structure of the Section, the CLE Department uses a revenue sharing plan that includes charging the program the standard administrative fee but the Section receives 100% of the profit or loss from that program. These programs are labeled "Plan B" programs.

Sections' Smaller Programs in which CLE Employees Provide Limited Assistance (Mini-CLEs)

For smaller enrollment seminar programs that the Sections put on for Section members that are designated "mini-cles," the CLE Department provides limited assistance to the Section at no charge (e.g. advertising support, online registration, etc.). In these cases, the Sections do much more of the preparation and production of the seminars than regular CLE programming. These "mini-cles" are seen as exclusively member-benefit programs and the registration fees must be \$25 or less. The CLE Department provides specific support for these programs. Sections are responsible for working in collaboration with the CLE Department (i.e., following procedures outlined including timely notice, providing onsite registration personnel, etc.). Please consult with the CLE Director for specific procedural information.

Accounting for Profit / Loss on CLE Seminars

It is important for the CLE Department and the program sponsors, many of whom are WSBA Sections, to know the financial results of their seminar as soon as possible. The CLE Department must wait for all revenue and expenses to be posted before the seminar can be "closed." The CLE Department has instituted a four to six week preliminary fiscal summary for Sections. Upon closing a seminar, the CLE Department shall submit a journal entry to the Accountant to transfer the appropriate portion of the gain or loss to the Section. The CLE Department strives to close each Section seminar no later than 60 to 75 days after the date of the event but late arriving bills, most notably faculty expenses, sometimes lengthen this time. The CLE Department will keep the Section informed of the current of the status of the seminar financials.

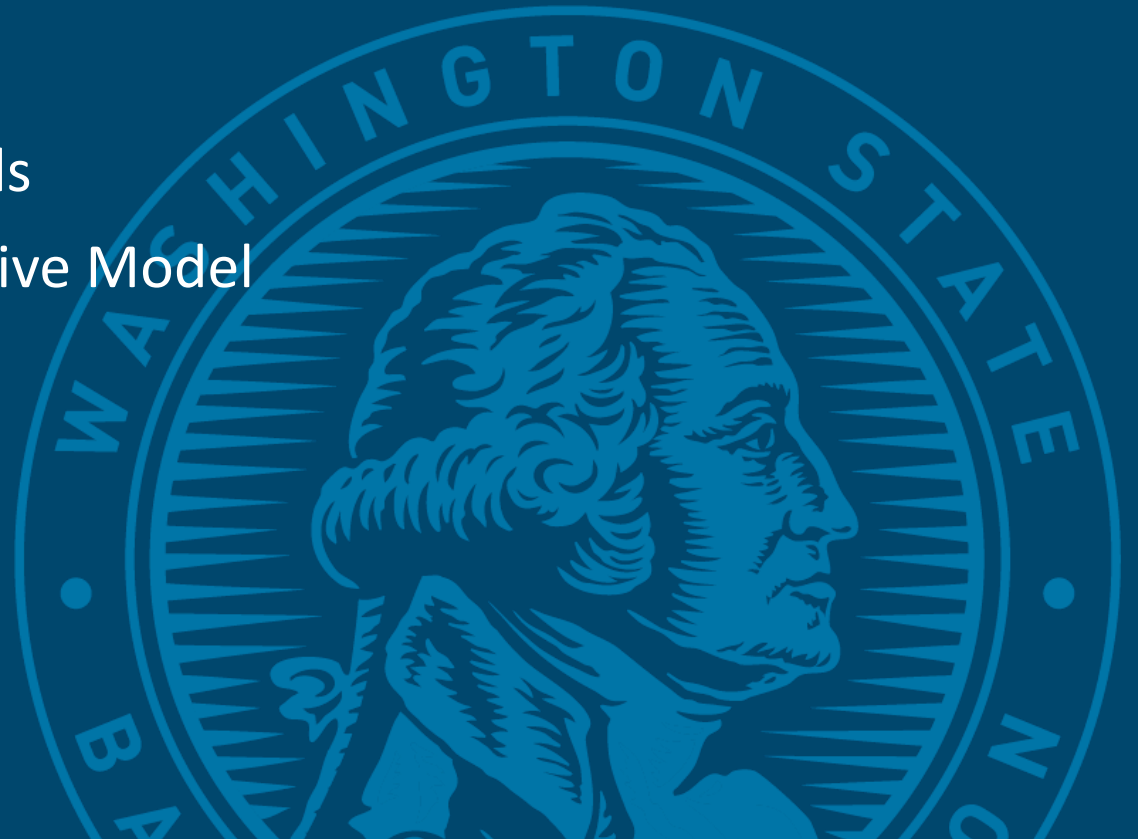


WSBA-CLE MODELS KICK-OFF PRESENTATION & DISCUSSION

Thursday, October 26
1:00 p.m. – 4:00 p.m.

AGENDA

- Welcome, Introductions, & Meeting Goals
- Current WSBA-CLE & Sections Collaborative Model
- Current WSBA-CLE Market Trends
- Looking at a Different Approach
- Next Steps
- Closing Remarks



**WELCOME,
INTRODUCTIONS, &
MEETING GOALS**



MEETING GOALS

Context: overview of the WSBA-CLE portfolio.

Information: develop shared understanding of WSBA-CLE market trends.

Data: review and discuss WSBA-CLE costs and revenues.

Transparency: share all relevant information to promote an informed discussion.

Dialogue: provide space for open communication about collaboration between WSBA-CLE and Sections.

CURRENT WSBA-CLE & SECTIONS COLLABORATIVE MODEL



Terra Nevitt
*Director of Advancement & Chief
Development Officer*

Ana LaNasa-Selvidge
*Member Services &
Engagement Manager*

Diana Singleton
*Access to Justice
Board Manager*

K. Joy Williams
*Diversity & Public Service
Programs Manager*

Laura Sanford
*Donor Relations Specialist
Washington State Bar
Foundation*

Paris Eriksen
*Sections Program
Manager*

Kevin Plachy
*Education Programs
Manager*

Destinee Evers
LOMAP Specialist

**Bonnie
Middleton-
Sterken**
*Justice Programs
Coordinator*

Dana Barnett
*Diversity & Inclusion
Specialist*

Julianne Unite
*Sections Program
Lead*

Vacant
*New Lawyer Program
Specialist*

Jennifer Small
*Public Service/Pro Bono
Specialist*

**Korrinna
Hernandez**
*Sections Program
Lead*

Vacant
Program Coordinator



Kevin Plachy
*Education Programs
Manager*

**Sondra Livingston-
Carr**
Education Programs Lead

Sections

Shanthi Raghu
Education Programs Lead

*Mini-CLEs
WSBA Presents
Sections*

Megan Scott
Education Programs Lead

*New Member
Education*

Joel Lake
*Program
Coordinator*

Janey McCaulley
Program Coordinator

Melissa Hamasaki
*CLE Coursebook
Coordinator*

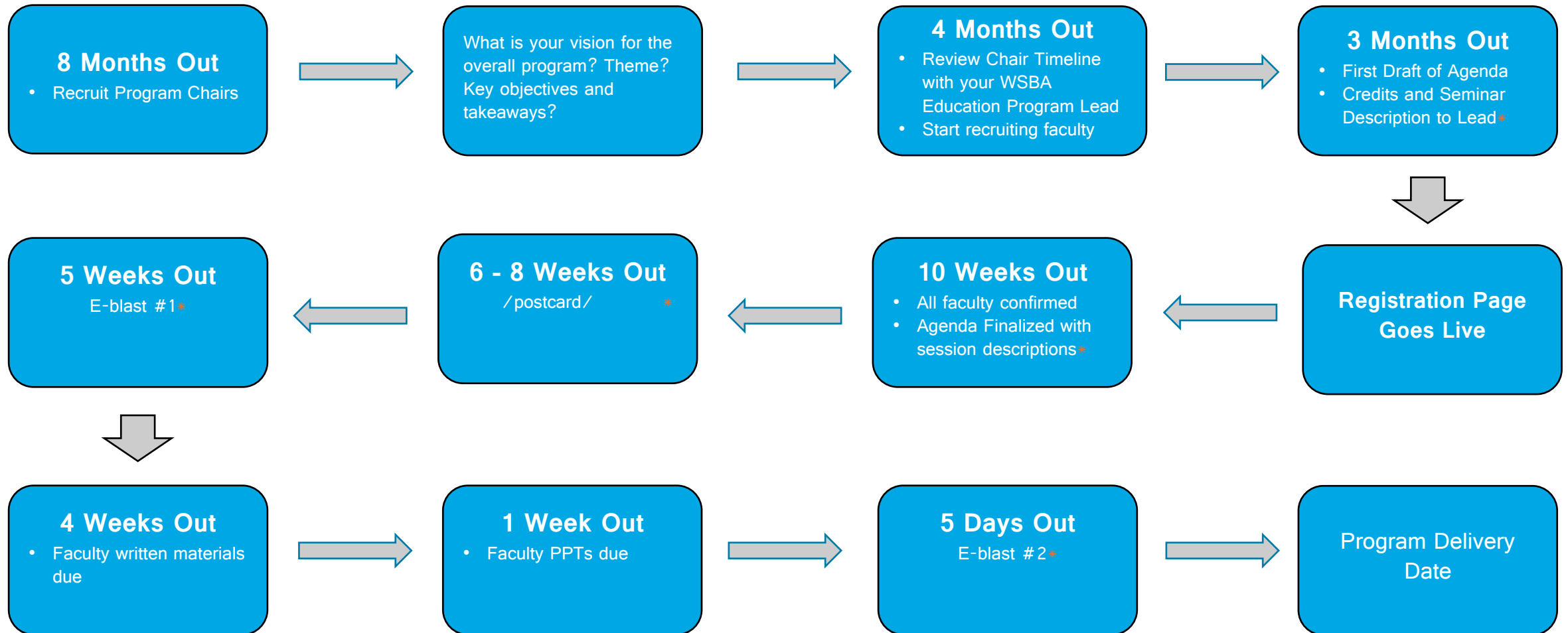
WSBA-CLE PORTFOLIO INCLUDES DEVELOPMENT & DELIVERY OF THE FOLLOWING PROGRAMS...

- Section CLEs
- WSBA Presents
- New Member Education
- Public Service Education
- Diversity Education
- Legal Lunchbox
- Regulatory Programming

SECTION CLE PROGRAMMING

- **Half, full, and multi-day programs** with section revenue splits.
- **Mini-CLEs** with or without webinar tool
 - No longer than two hours
 - No more than \$35.00 charge
 - No revenue split with WSBA-CLE

PROGRAM DESIGN AND TIMELINE



*Denotes marketing opportunity

IN FY17 WSBA-CLE...

- Developed and delivered a total of **71 programs***.
- Supported and acted as Form One sponsor for an additional **36 Mini-CLE programs**.

**Section & WSBA Presents programs only.*

CLE EXPENSES

Direct Seminar Costs

*venue, food, volunteer
reimbursement, webcasting, etc.*

Direct Product Costs

hardware, online hosting

Indirect Seminar Costs*

staff, overhead

Indirect Product Costs*

staff, overhead

CLE REVENUE

Live Seminar Revenue

In-Person & webcast registrations

Product Revenue

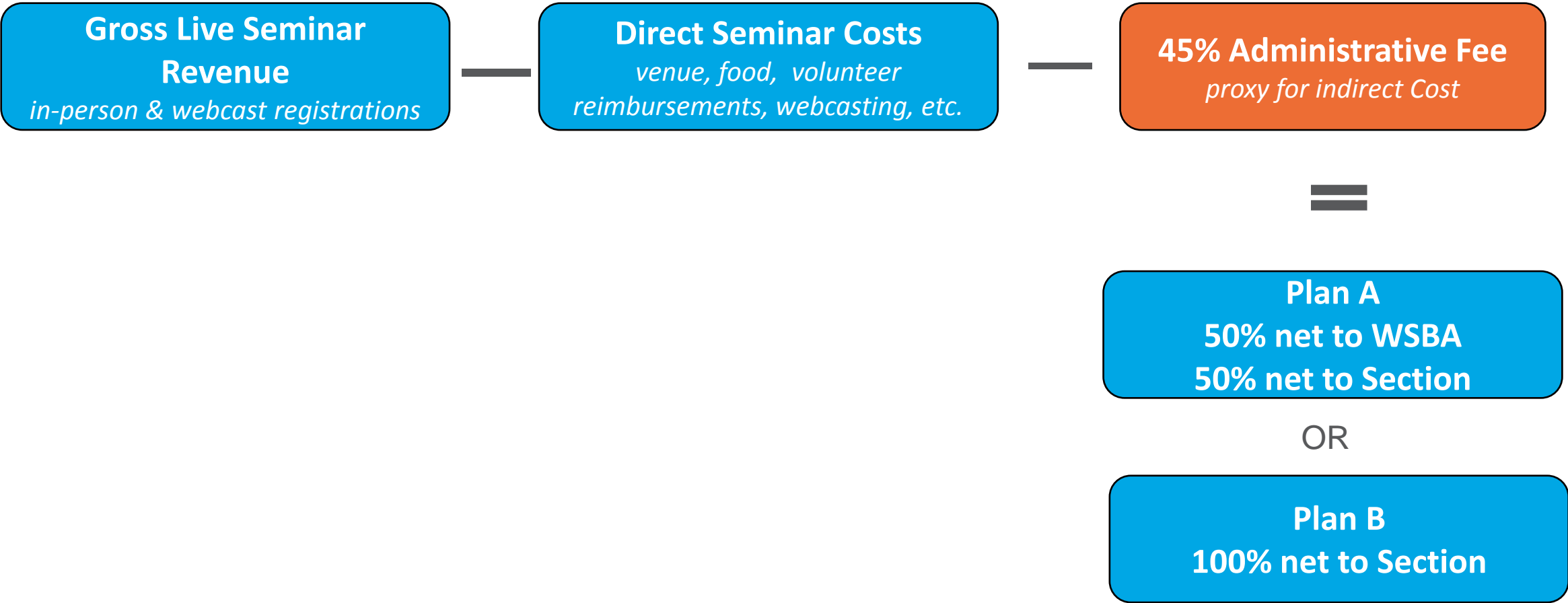
*recorded products on
WSBA-CLE Store for 3 years*

45% Administrative Fee

proxy for indirect Costs

**calculated on a per-credit-hour basis.*

CURRENT WSBA-CLE & SECTIONS COLLABORATION MODEL



CURRENT WSBA-CLE MARKET TRENDS



MARKET TRENDS: FY16 v. FY17

- **35% decrease** in live (in-person & webcast) attendance.
- **41% decrease** in live registration revenue.
- **51% decrease** in overall section-splits.
- **14% increase** product sales.

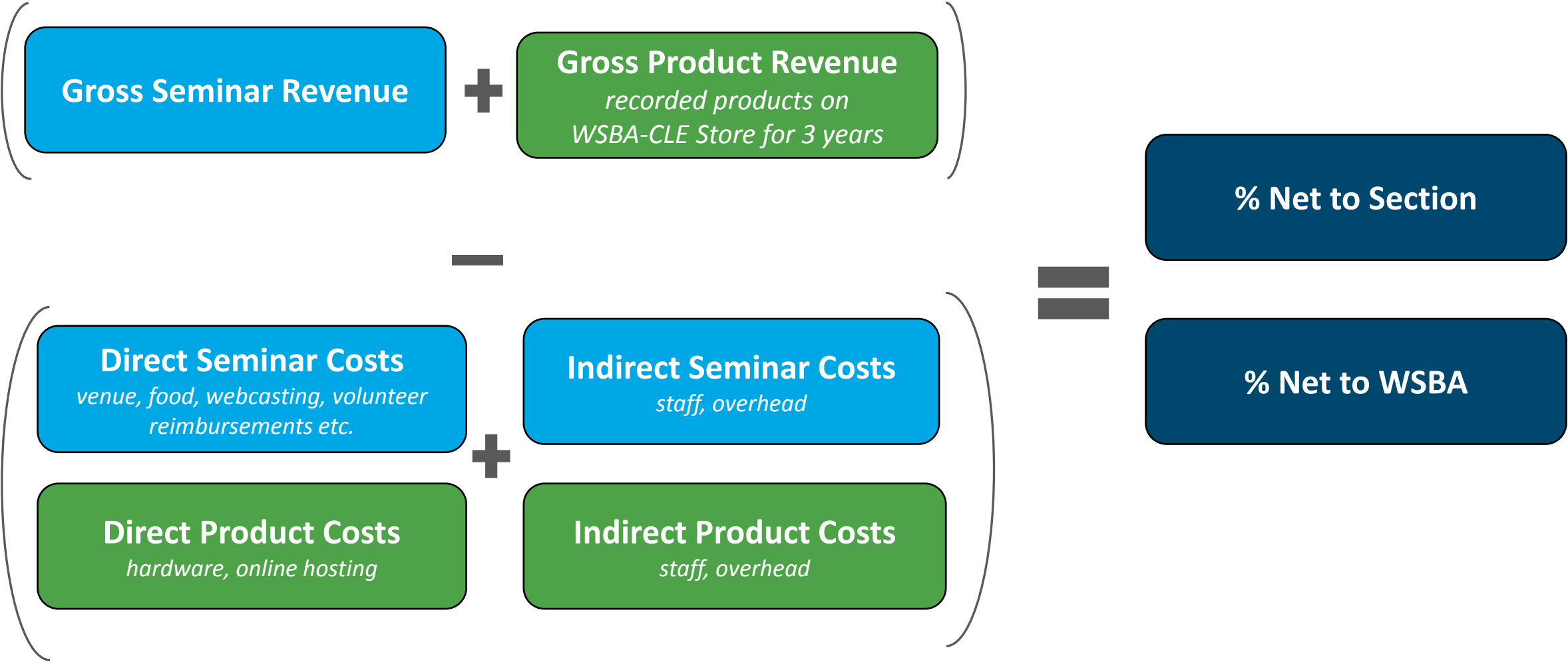
LOOKING AT A DIFFERENT APPROACH



OUR GOALS IN LOOKING A DIFFERENT APPROACH WERE...

- responsive
- simplicity
- true costs, real numbers
- shared accountability
- mutual benefit
- opportunity for feedback

LOOKING AT A DIFFERENT APPROACH TO COLLABORATION BETWEEN WSBA-CLE & SECTIONS



WHEN LOOKING AT A DIFFERENT APPROACH; SOME ITEMS TO NOTE

- Recorded products are on the WSBA-CLE store for **3 years**.
- Sections would share in the **revenue for the lifespan of the product**.
- Revenue would be disbursed periodically.
- Multi-day **midyears would be recorded** and converted to product.
- More flexible programming, w/ recommendation that CLEs be **at least 2.0 credit hours**.
- Mini-CLE model would not change at this time.

FOR EXAMPLE: REAL PROPERTY, PROBATE & TRUST SECTION

WSBA Real Property, Probate & Trust Section			
Seminar & Post-Seminar Online Products			
FY14 - FY17			
	Seminar	Date	Code
FY14	20 th Annual Fall Real Estate Seminar	6-Dec-13	14702
FY15	A Focus on Residential Real Estate Transactions	5-Dec-14	15702
FY16	Current Events Explosion	16-Dec-15	16702
FY17**	RPPT Fall Real Estate Seminar	16-Dec-16	17702

Note: The Administrative Fee to the Section is a proxy for the trust cost of the seminar. In FY16, the fee was raised to 45% from 35% Gross Live Seminar Revenue. The Direct and Indirect Costs for a Live Seminar do not include the Administrative Fee.

***Indirect costs Estimated based on Budgeted Figures for FY17.*

FOR EXAMPLE: REAL PROPERTY, PROBATE & TRUST SECTION FALL ESTATE SEMINAR

	GROSS REVENUE (1)		
Code	Gross - Live Seminar	Gross - Product	Total Gross
14702	\$52,530	\$15,774	\$68,304
15702	\$60,125	\$29,170	\$89,295
16702	\$65,474	\$29,963	\$95,437
17702	\$18,754	\$16,428	\$35,182
Total	\$196,883	\$91,335	\$288,218

(1) **Gross Revenue** includes all revenue earned from a program including live seminar plus product sales through 9/30/2017.

FOR EXAMPLE: REAL PROPERTY, PROBATE & TRUST SECTION FALL ESTATE SEMINAR

	COSTS (2)				
Code	Direct - Live Seminar (only expense section is charged for above the admin fee)	Indirect - Live Seminars (paid by WSBA)	Direct - Product (paid by WSBA)	Indirect - Product (paid by WSBA)	Total Costs for Live Seminar and Product Development
14702	\$6,225	\$22,200	\$1,418	\$9,174	\$39,017
15702	\$4,512	\$20,569	\$1,228	\$9,369	\$35,677
16702	\$4,418	\$13,774	\$995	\$7,248	\$26,434
17707	\$5,514	\$14,382	\$990	\$6,431	\$27,317
Total	\$20,669	\$70,924	\$4,630	\$32,222	\$128,445

(2) All costs incurred from a program (live and product).

Direct costs are out of pocket costs associated with the development of a live seminar and product development. Indirect costs include staffing costs and overhead allocated to a specific program.

FOR EXAMPLE: REAL PROPERTY, PROBATE & TRUST SECTION FALL ESTATE SEMINAR

	Admin Fee (3)
Code	35%/45% Admin Fee from Section to WSBA (35%/45% of gross revenue from live seminar only)
14702	\$18,386
15702	\$21,044
16702	\$29,463
17702	\$8,439
Total	\$77,332

(3) This is the **administrative fee** paid by the section to WSBA for the live seminar – it is equal to 35% (through FY15) or 45% (FY16 forward) of gross live seminar revenue.

FOR EXAMPLE: REAL PROPERTY, PROBATE & TRUST SECTION FALL ESTATE SEMINAR

Code	Plan A - Net to Section after Split Live Seminar (4)
14702	\$13,960
15702	\$17,285
16702	\$15,796
17702	\$2,400
Total	\$49,441

(4) This figure represents the **split** to the section for the live seminar, after gross live revenue has been reduced by the Administrative Fee and live seminar direct costs.

(4) Formula:
live seminar revenue – (Admin Fee + direct costs) /2 - for live seminar only

FOR EXAMPLE: REAL PROPERTY, PROBATE & TRUST SECTION FALL ESTATE SEMINAR

Code	Net to WSBA after Split for Live Seminar only - under Plan A this amount is the same as the Section Split (5)
14702	\$13,960
15702	\$17,285
16702	\$15,796
17702	\$2,400
Total	\$49,441

(5) This is the **net income earned by WSBA** after all expenses and the section split has been paid on the live seminar.

FOR EXAMPLE: REAL PROPERTY, PROBATE & TRUST SECTION FALL ESTATE SEMINAR

Code	WSBA Net for Live Seminar (after section split) and Product (6)
14702	\$15,327
15702	\$36,333
16702	\$53,207
17702	\$5,464
Total	\$110,332

(6) This is the **net profit/loss** **WSBA** realizes on the live seminar and product sales after accounting all costs.

(6) Formula:
(Admin Fee + Net to WSBA after Split for Live Seminar + Gross Product Revenue) – (Indirect Costs Live Seminar + Direct Costs Product + Indirect Costs Product) = WSBA Net for Live Seminar and Product

FOR EXAMPLE: REAL PROPERTY, PROBATE & TRUST SECTION FALL ESTATE SEMINAR

PRO FORMA

Seminar & Post Seminar Online Products – FY18 – <i>pro forma</i>														
	Seminar	Code	Gross – Live Seminar	Gross - Product	Total Gross	Direct-Live Seminar (only expense section)	Indirect – Live Seminars (paid by WSBA)	Direct – Product (paid by WSBA)	Indirect – Product (paid by WSBA)	Total Costs for Live Seminar & Product	35%/45% Admin Fee from Section to WSBA	Plan A – Net to Section after Split Live Seminar	Net to WSBA after Split for Live Seminar only – under Plan A	WSBA Net for Live Seminar (after section split) and
FY18*	2018 Fall Probate Seminar	18702	\$15,000	\$25,000	\$40,000	\$5,500	\$14,769	\$694	\$3,200	\$24,163	\$6,750	\$1,375	\$1,375	\$14,462



\$15,837

Assumes 400 credit hours will be provided in FY18.
 The total number of credit hours developed in FY17 was 380.5 and 186.25 were section program credit hours.

**based on FY18 budget estimates and gross product sales are an estimate for three years.*

DISCUSSION & QUESTIONS

NEXT STEPS CLOSING REMARKS



NEXT STEPS: REVIEW & FEEDBACK

- We will **distribute individual section** data within a week.
- **Take time** to review your section's **data/pro forma** spreadsheets provided.
- **Talk** with your Executive Committee.
- **Invite Kevin** to your next Executive Committee meeting.
- Take the **Different Approach Feedback Survey**. Deadline is Dec. 29, 2017.
- **Call in** to our scheduled conference call opportunities.
- **Ask questions.** Ask for information.
- Attend the next meeting: **January 26, 2018.**

Drop-In Conference Call Schedule:

Mon. Nov. 6 @ 9:30am

Fri. Dec. 1 @ 11:30am

Wed. Jan. 10 @ 3:30pm

Mon. Jan. 29 @ 12:30pm

NEXT STEPS: DECISION-MAKING

- After Jan. 26 meeting, **WSBA staff** circulates draft proposal.
- **WSBA Budget & Audit*** to review in February.
- **BOG Discussion***: first reading in March.
- BOG Discussion & **Action*** in May.
- **If approved**, WSBA will work with each section to budget for FY19.

*feedback opportunity!

THANK YOU!



RPPT FALL REAL ESTATE SECTION PROGRAM CLE REVENUE/COSTS

WSBA RPPT Section				GROSS REVENUE (1)			COSTS (2)					Admin Fee (3)			
Seminar & Post-Seminar Online Products				Gross - Live Seminar	Gross - Product	Total Gross	Direct - Live Seminar (only expense section is charged for above the admin fee)	Indirect - Live Seminars (paid by WSBA)	Direct - Product (paid by WSBA)	Indirect - Product (paid by WSBA)	Total Costs for Live Seminar and Product Development	35%/45% Admin Fee from Section to WSBA (35%/45% of gross revenue from live seminar only)	Plan A - Net to Section after Split Live Seminar (= live seminar revenue minus admin fee and direct costs divided by 2 - for live seminar only) (4)	Net to WSBA after Split for Live Seminar only - under Plan A this amount is the same as the Section Split (5)	WSBA Net for Live Seminar (after section split) and Product (6)
FY14 - FY17															
	Seminar	Date	Code												
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FY15	A Focus on the Residential Real Estate Trans	12-Dec-14	15702	\$60,125	\$29,170	\$89,295	\$4,512	\$20,569	\$1,228	\$9,369	\$35,677	\$21,044	\$17,285	\$17,285	\$36,333
FY16	Current Events Explosion: Recent Developm	16-Dec-15	16702	\$65,474	\$29,963	\$95,437	\$4,418	\$13,774	\$995	\$7,248	\$26,434	\$29,463	\$15,796	\$15,796	\$53,207
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*The Administrative Fee to the Section is a proxy for the true cost of the				\$196,883	\$91,335	\$288,218	\$20,669	\$70,924	\$4,630	\$32,222	\$128,445	\$77,332	\$49,441	\$49,441	\$110,332

*The Administrative Fee to the Section is a proxy for the true cost of the seminar. In FY16 the fee was raised to 45% from 35% of Gross Live Seminar Revenue. The Direct and Indirect Costs for a Live Seminar do not include the Administrative Fee.

** Indirect Costs Estimated Based on Budgeted Figures for FY17

Explanation of numbered columns above:

- (1) Gross Revenue includes all revenue earned from a program including live seminar plus product sales through 9/30/2017
- (2) All costs incurred from a program (live and product). Direct costs are out of pocket costs associated with the development of a live seminar and product development. Indirect costs include staffing costs and overhead allocated to a specific program
- (3) This is the administrative fee paid by the section to WSBA for the live seminar - it is equal to 35% (through FY15) or 45% (FY16 forward) of gross live seminar revenue
- (4) This figure represents the split to the section for the live seminar, after gross live revenue has been reduced by the Administrative Fee and live seminar direct costs.
- (5) This is the net income earned by WSBA after all expenses and the section split has been paid on the live seminar
- (6) This is the net profit/loss WSBA realizes on the live seminar and product sales after accounting for all costs

The formula for figuring (6) is as follows: (Admin Fee + Net to WSBA after Split for Live Seminar + Gross Product Revenue) - (Indirect Costs Live Seminar + Direct Costs Product + Indirect Costs Product) = WSBA Net for Live Seminar and Product

Seminar & Post-Seminar Online Products				Gross - Live Seminar	Gross - Product	Total Gross	Direct - Live Seminar (only expense section is charged for above the admin fee)	Indirect - Live Seminars (paid by WSBA)	Direct - Product (paid by WSBA)	Indirect - Product (paid by WSBA)	Total Costs for Live Seminar and Product Development	35%/45% Admin Fee from Section to WSBA (35%/45% of gross revenue from live seminar only)	Plan A - Net to Section after Split Live Seminar (= live seminar revenue minus admin fee and direct costs divided by 2 - for live seminar only) (4)	Net to WSBA after Split for Live Seminar only - under Plan A this amount is the same as the Section Split (5)	WSBA Net for Live Seminar (after section split) and Product (6)
FY18 Proforma															
	Seminar	Date	Code												
FY18*	2018 Fall Real Estate Seminar	Dec-18	18702	\$15,000	\$25,000	\$40,000	\$5,500	\$14,769	\$694	\$3,200	\$24,163	\$6,750	\$1,375	\$1,375	\$14,462

*Based on FY18 budget estimates and gross product sales are an estimate for three years - 400 estimated live credit hours and 345 estimated product credit hours/61 programs live and 61 one day or less products
Prepared October 20, 2017