

# COMMITTEE OF BAR EXAMINERS CLOSED SESSION AGENDA ITEM

**AGENDA ITEM:** O-301

**DATE:** January 21, 2014

**TO:** Subcommittee on Operations and Management

**FROM:** Gayle Murphy, Senior Director, Admissions

**SUBJECT:** 2014 Office of Admissions Budget

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## BACKGROUND

During its January 2014 meeting, the Board of Trustees (Board) approved the State Bar of California's 2014 budget, which included the budget for the Admissions Fund and a potential increase in the admissions fees. According to the memorandum to the Board from State Bar Executive Director and CEO Joe Dunn:

### Admissions Fund

The costs of conducting the bar exam are rising – driven in part by the costs of special accommodations facilities – while the population taking the exam is expected to remain flat, or even decline. These trends will make an increase in Admissions fees necessary in the relatively near future.

The Admissions Fund is expected to begin 2014 with a balance of \$3.8 million. The budget assumes a 5% increase in exam-related and moral character fees in 2015 and an equal increase in 2016. Even so, the Admissions Fund balance is projected to fall to just \$0.6 million at the end of 2016, so further fee increases or other action may be needed.

Finance and Admissions will monitor these trends closely and keep the Board of Trustees apprised of developments.

The Admissions Fund Budgets for the next three years, as adopted by the Board, are as follows:

2014 Revenue:	\$19,509,824	Expense:	\$20,667,679
2015 Revenue:	\$20,439,775	Expense:	\$21,457,890
2016 Revenue:	\$21,369,726	Expense:	\$22,390,883

## The current Admissions Fees are:

Registration as a Law Student	\$108.00
Registration as an Attorney Applicant	\$194.00
Intention to Study Law in a Law Office or Judge's Chambers and Semi-Annual Report	\$ 40.00
Law Office or Judge's Chambers Initial Study and Semi-Annual Report	\$ 30.00
Evaluation of Study Completed or Contemplated	\$100.00
Application for Determination of Moral Character	\$500.00
Appeal of Adverse Determination of Moral Character	\$500.00
Application for Extension of Determination Of Moral Character	\$240.00
First-Year Law Students' Examination	\$566.00

### **FYLSX Late Fees:**

Filed Between the First and Last Business Days of April for the June Administration and Between the First and Last Business Days of August for the October Administration	\$ 25.00
Filed Between the Last Business Day of April and May 15 for the June Administration and Between the Last Business Day of August and September 15 for the October Administration	\$200.00
Laptop Computer Fee	\$139.00
Late Laptop Computer Fee	\$ 15.00
Application to Take the California Bar Examination:	
General Applicant	\$614.00
Attorney Applicant	\$892.00

### **CBX Late Filing Fees:**

Filed Between the First and Last Business Days of April for the July Bar Examination and Between the First and Last Business Days of November for the February Bar Examination	\$ 50.00
Filed Between the Last Business Day of April and June 15 for the July Bar Examination and Between the Last Business Day of November and January 15 for the February Bar Examination	\$250.00
Admission Certificate	\$ 81.00
Supreme Court Enrollment Fee	\$ 5.00

## **DISCUSSION**

Before proceeding with a proposal for increased admissions fees for consideration by the Board, it is important to compile a more detailed picture of the Admissions Fund and how the money is currently being allocated and spent. For instance, there are activities outside of the general admissions functions under the umbrella of the Admissions Fund, i.e., the MCLE provider certification program, Pro Hac Vice, OSAAC, MJP and the Practical Training of Law Students' Program. It is important to ensure that the fees being charged for these programs are adequately covering the cost of administering them. This is also true for the law school regulation program, which, historically, has been subsidized by the general admissions fees; the cost of the program has not been covered by the fees charged for regulating the law schools. This review, with the assistance from the State Bar's Finance Department, will be undertaken immediately.

The results of that review and proposed increases, if it is determined that such are needed, will be placed on the agenda for review by the Committee during its March 2014 meeting. It is possible, for instance, that the Committee may want to consider seeking subsidies from the General Fund to fund certain activities, such as the testing accommodations process or law school regulation. The possibility of a two-day examination, which would save money – although not to the degree that would be necessary to fund the program in the future, as part of these considerations will also be discussed.

## **RECOMMENDATION**

It is recommended that staff be directed to prepare a proposal regarding increasing admissions fees for consideration by the Committee during its March meeting. If fees are to be increased effective January 1, 2015, the process would have to start that early as the materials related to the February 2015 California Bar Examination are published in October, and any proposal recommended by the Committee would have to be considered by the Board before that.

## **PROPOSED MOTION**

Should the Subcommittee agree with this recommendation, the following motion is suggested:

Move that staff be directed to prepare a proposal regarding increasing admissions fees for consideration by the Committee during its March 2014 meeting.