

COMMITTEE OF BAR EXAMINERS OPEN SESSION AGENDA ITEM

AGENDA ITEM: October 2016 – O-300

DATE: September 29, 2016

TO: Subcommittee on Operations and Management

FROM: Greg Shin, Director, Operations and Management

SUBJECT: FINANCIAL ANALYSIS REPORT AS OF AUGUST 31, 2016

The following is a summary of the revenue and expense figures for the Admissions Fund, as of August 31, 2016. Revenues and expenses for the same period in 2015 were \$18,293,815 and \$12,530,832 respectively.

	YTD thru 8/31/2016		
	Actual	Budget	Variance to Budget Fav/(Unfav)
Revenues	\$18,353,446	\$18,955,774	\$(602,328)
Expenses	\$14,123,594	\$13,889,581	\$(234,013)

These variances are largely due to the way the State Bar allocates the funds, which is to equally distribute the annual budget over twelve months. The activities associated with the Admissions Fund, however, occur unevenly throughout the course of the year and revenues are recognized based on examination deadlines. Having said that, there were approximately 600 fewer applicants than anticipated for the July 2016 Bar Examination which equates to roughly \$500,000 less in revenue. Similarly, expenses are recognized as they are paid which typically occur following administration of each examination.

Below is a summary of 2016 and 2015 August YTD expenses for key functions within Admissions. The 2016 YTD costs are generally lower compared to 2015 because pursuant to the recent review of the State Bar's indirect cost allocation plan, indirect costs are no longer allocated at the cost center level but rather at the fund level.

Cost Centers	2016 YTD Actual	2015 YTD Actual
Admissions Overhead	\$425,977	\$551,302
Admissions Operations	\$6,392,224	\$6,822,614
Admissions Administration	\$587,354	\$804,898
Law School Regulation	\$212,062	\$290,966
Examination Development	\$668,728	\$795,028
Examination Grading	\$1,123,031	\$1,236,021
Moral Character Determinations	\$911,400	\$1,443,384