

COMMITTEE OF BAR EXAMINERS OPEN SESSION AGENDA ITEM

AGENDA ITEM: December 2016 – O-300

DATE: November 16, 2016

TO: Subcommittee on Operations and Management

FROM: Greg Shin, Director, Operations and Management

SUBJECT: FINANCIAL ANALYSIS REPORT AS OF SEPTEMBER 30, 2016

The following is a summary of the revenue and expense figures for the Admissions Fund, as of September 30, 2016. Revenues and expenses for the same period in 2015 were \$18,839,008 and \$16,205,030 respectively.

	YTD thru 9/30/2016		
	Actual	Budget	Variance to Budget Fav/(Unfav)
Revenues	\$18,895,843	\$19,468,858	\$(573,015)
Expenses	\$16,005,140	\$17,703,776	\$1,698,636

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 September 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	\$490,120	\$617,910
Admissions Operations	\$6,944,964	\$7,666,754
Admissions Administration	\$618,454	\$888,005
Law School Regulation	\$240,126	\$325,252
Examination Development	\$722,008	\$884,587
Examination Grading	\$1,686,200	\$2,084,367
Moral Character Determinations	\$1,027,902	\$1,599,626