

GRAPHICALLY SPEAKING:

# Strategic Fiscal Oversight Keeps License Fees Steady

BY WSBA STAFF

Since 2018, Washington’s active attorney license fee has increased by a total of \$9, and 2025 will mark the sixth year in a row with no increase at all. That’s a calculated effort, quite literally. WSBA leaders have made strategic financial decisions to prioritize license-fee stability for members, even as inflation rates in the Puget Sound region have grown by more than 8 percent annually in recent years.<sup>1</sup>

That’s quite a feat. License fees are, by far, the WSBA’s primary source of revenue, and the rate of membership growth is slowing, not nearly keeping pace with the rising cost of business. In 2024, we issued the fewest new bar cards since 1996 while the percentage of retirement-aged members continued to grow. When it comes to expenditures, the bulk of programs and services performed by the WSBA are not optional.

With such constraints on revenue and expenditures, our streak of years with no license fee increase has been possible because of significant, strategic fiscal counterbalances in the form of operational efficiencies, capitalization on market conditions, and careful shepherding of reserve funds. We have adhered to a budgeting value, spearheaded by our Board of Governors, whereby we responsibly utilize all available options before leaning on the license fee for additional revenue.

The most recent example is the renegotiation of our office space lease. After extensive research, outreach, and long-term analysis, we took advantage of the downtown Seattle

rental market this year to negotiate a new lease that will save us over \$900,000 (about \$25 per member) *per year*, for the next 10 years, compared to our previous agreement. Pulling on this thread, one of the main money-saving factors in our new lease is a significantly consolidated floorplan for WSBA staff (a 45 percent reduction in square footage), born from emergency-induced changes in workforce operations during the COVID-19 pandemic that have now become best practices for employees and volunteers; these in-

THOUGHTS FROM YOUR WSBA GOVERNORS

**“The WSBA has always managed to get a really good deal on property. This newest deal though has used lessons from the pandemic, market pressures, and the threat of moving as leverage to secure a contract that allows us to maintain a presence that is easily accessible to the majority of members while saving substantial amounts of money in both rent and moving costs.”**

Jordan L. Couch, *At-Large Governor*



**“Our predecessors on the Board of Governors did a fantastic job selecting modest office space owned by the University of Washington. With the use of electronic meeting and document storage technologies, we were able to significantly reduce our rented space while retaining the hearing room, meeting spaces, and communication technologies that had already been built out for us. The confluence of the present office market and our landlord’s desire to retain our tenancy resulted in a lease renewal with spectacular savings to the WSBA and its members.”**

Kevin Fay, *District 9 Governor*



clude a robust technology network and protocols to support fully remote participation.

Since 2020, we estimate we have saved about \$150,000 annually in travel and meeting expenses because of this revolution. Better yet, we have been able to achieve greater coverage and engagement across the state, not just for volunteers but also for WSBA staff, to the benefit of all members. The locations from which our employees work remotely span from Pasco to Bellingham, from Spokane to Yelm.

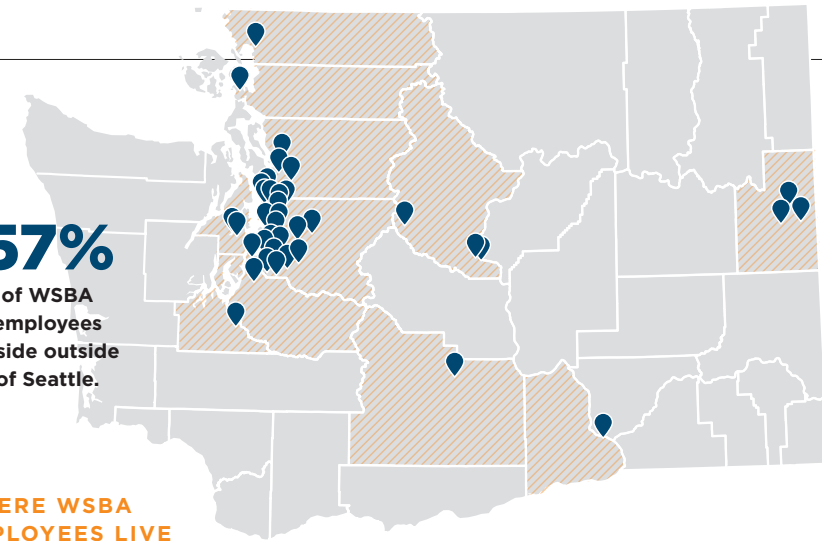
License fees have also benefited from recent unexpectedly high returns on investments. As a rule, we are conservative investors, aiming to safeguard our association’s reserves while taking advantage of market opportunities. Since 2022, we’ve earned over \$1.8 million in interest income and have continued to lock in healthy interest rates on conservative fixed-income investments. These larger-than-anticipated returns, alongside operational savings, have helped us bank money each year when we would have otherwise run a deficit.

These reserve funds are a foundational pillar in all of our short- and long-term financial plans. We have been thinking carefully about our policies to sufficiently build these “rainy day” reserves, and behind the minutia and complexity of our decisions, here’s what is important to know: Our oper-

**57%**  
of WSBA employees reside outside of Seattle.

WHERE WSBA EMPLOYEES LIVE

Of the WSBA’s 145 employees, 63 call Seattle home. While many live in and around King County, WSBA employees now represent 11 counties across the state.



ational and investment strategies have been paying off, contributing to a healthy general reserve fund, in excess of the minimum policy requirement of \$2 million at all times. That allows us, when budgeting, to factor in a planned spend down of the unrestricted reserve fund to prioritize license fee stability for members.

Which brings us to the close of fiscal year 2024 on September 30. For the first time in almost a decade, we do anticipate spending a small portion of our reserves; however, we expect to outperform against the fiscal year 2024 budget that anticipated a use of reserves of \$970,000. This means our reserves would decrease compared to a year ago when we had net positive revenue and added to our reserves. That’s OK—as expected. But the outcome of the fiscal year 2024 budget is a harbinger. In the not-too-distant future, we are going to need to reconcile the ever-rising cost of business (inflation) with our primary revenue source (fees) to remain solvent. We have stretched our efficiencies and investments to the max. Our crystal ball is not a perfect predictor of what the future may hold, and we may even see a growth in membership due to some licensing initiatives from the Washington Supreme Court.

Given all this information, the WSBA Budget and Audit Committee (B&A) is coalescing around the idea of a “soft landing” for members—that is, gradual annual increases in the license fee to align with the true cost of doing business rather than remaining steady until there must be a substantial fee hike. (The latter, for example, is what is happening in California this year, with fees increasing \$88 after remaining flat since 2020.) Toward that end, B&A is recom-

mending a \$10 net increase to fees in 2026. In March, the Board of Governors will meet for a budget retreat where they will explore developing a philosophy that can be applied long-term and would incorporate a plan to translate the “soft landing” approach to support change in the next few years into a philosophy.

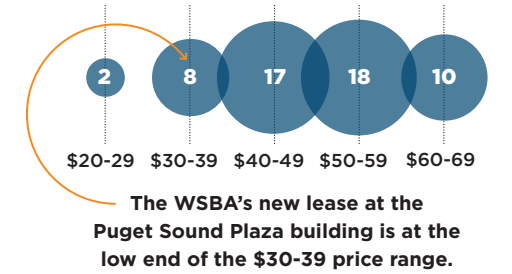
What does that mean? The main idea under consideration is an automatic inflation factor built into the fee each year, which can be mitigated by use of reserves. Put in practice for 2026—at the November 7-8 Board of Governors meeting, B&A recommended setting attorney license fees at \$468, which is a \$10 increase. This amount was arrived at by applying the Washington L&I COLA adjustment for 2024-2025 of 5.9 percent, resulting in a \$27 fee increase, minus a \$17 use of reserve funds. Looking to the future, this type of budgeting approach might allow us to be mindful of the “soft landing” we need to operate sustainably while respecting members’ pocketbooks.

We are going to expand these conversations to include you in the coming months as we continue to explore a long-term, sustainable license fee philosophy. We want you to know about the strategic financial decisions we have made to keep the license fee flat for so long. We want you to understand the gap we are facing between rising costs and flat revenue. Mostly, we want your input about a sustainable fiscal future for the WSBA. Look for more information in *Bar News* in the months ahead. [BN](#)

NOTE

1. [www.bls.gov/regions/west/news-release/consumerpriceindex\\_seattle.htm](http://www.bls.gov/regions/west/news-release/consumerpriceindex_seattle.htm).

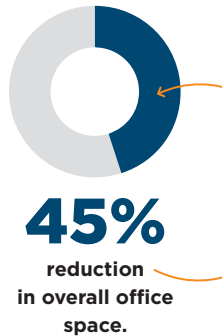
RENT PER SQUARE FOOT  
Number of properties in each price category



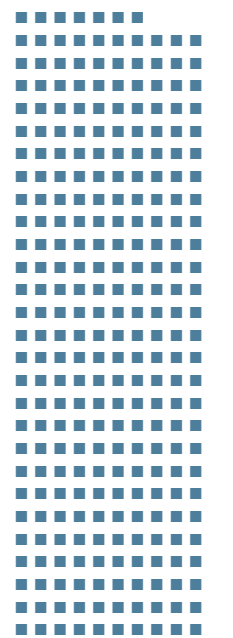
OLD LEASE



**50,590**  
square feet spread over 3.5 floors



NEW LEASE



**27,685**  
square feet spread over 2 floors

Note: Each square represents 100 square feet