

**Budget and Audit Committee – Meeting Agenda  
August 12, 2019 | 1:30 pm – 4:30 pm**

WSBA Offices, 1325 Fourth Ave, Suite 600, Seattle

Webcast: <https://event.on24.com/wcc/r/2064919/9697E44C73CF4B3BF29331C8015A80E6>

Conference Call: 1-866-577-9294, Access Code: 528266

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**DRAFT MINUTES**  
**Washington State Bar Association**  
**Budget and Audit Committee**  
**Seattle, WA**  
**June 27, 2019**

Treasurer Dan Bridges called the meeting to order at 10:05 a.m. Committee members present were President Bill Pickett (phone); Governors Dan Clark, P.J. Grabicki, , Athan Papailiou (phone), and Alec Stephens (phone); Interim Executive Director Terra Nevitt, and Chief Operations Officer Ann Holmes. Governor Chris Meserve was also present, along with Executive Assistant Margaret Shane, General Counsel Julie Shankland, Chief Regulatory Counsel Jean McElroy, Chief Disciplinary Counsel Doug Ende, Interim Director of Advancement Kevin Plachy, and Chief Communications Officer Sara Niegowski.

**Minutes of May 29, 2019 Meeting**

The Committee approved the minutes of the May 29, 2019 meeting as presented.

**Investment Update as of May 31, 2019**

The Committee acknowledged the Investment Report as of May 31, 2019, which confirmed the closeout of investments from the bond portfolio into the Federated Money Market per Board direction.

**Financial Statements as of May 31, 2019**

Ann Holmes provided an overview of actual revenues and expenses through May, two-thirds of FY19. Revenues and spending trends are continuing, with revenues exceeding budget (principally due to licensing and admissions revenue), direct expenses under budget, salaries and benefits on budget, and overhead expenses exceeding budget due to higher leasehold excise taxes and the unanticipated items that the Committee reviewed at its March and May meetings. Dan Bridges noted that the insurance company has indicated that WSBA will only pay one deductible for four claims, which the insurance carrier has deemed to be related. Ann Holmes noted that WSBA will be reimbursed for covered claims-related expenses in excess of the deductible.

**Update on Potential FY19 Budget Amendments**

As it did in March and May, the Committee reviewed updated information about unanticipated expenses and their potential impacts on the FY19 and FY20 budgets, which include: costs and potential costs associated with professional search firm fees for a new Executive Director, investigations and litigation matters, structural recommendations of the Supreme Court Structures Workgroup, insurance, and a potential supplemental audit. Ann Holmes advised the Committee that WSBA's broker will be reporting on insurance renewal results and options by conference call before the July Board meeting, and that all interested Committee members should participate in the call.

**FY20 Draft Budget**

Ann Holmes introduced the draft FY20 General Fund budget, which assumes revenue of \$20,818,314, expenses of \$21,379,234, and a budgeted net result of (\$560,920). Fund reserves are anticipated to be at least \$3.1 million at the end of FY20, assuming WSBA meets (rather than exceeds as it historically has done) both FY19 and FY20 budget expectations. Referring to the meeting materials, she noted that the FY20 General Fund budget as presented essentially supports the status quo as discussed with the Committee in March, addresses unanticipated costs, includes requests received from the Board, and incorporates cost center changes as directed by the Committee in May. She identified how the draft budget supports WSBA programs and services, and reviewed revenue and expense changes between FY19 and FY20.

The Committee discussed the cost of additional meetings, NWLawyer, and the importance of closely analyzing the budget and the programs, services, and operations that it supports. With respect to additional meetings, the Committee agreed that Terra Nevitt would research, and it would examine, the costs and benefits of Seattle vs. outside of Seattle meetings, and the opportunity and costs to cancel facilities contracts. With respect to NWLawyer, the Committee noted past financial losses, identified the goal of revenue neutrality, and indicated that an in-depth look at costs and advertising revenue is needed, as has been done with the Foundation. Dan Bridges would also like to look at costs associated with Job Target, in order to make it more affordable for small firms.

Discussion then ensued about ways to take a closer look at the budget, including percentage reductions and material trimming if and as appropriate. The Committee agreed that this is likely a yearlong process for the coming year. Dan Bridges advised that the Committee will dedicate time on its next agenda to address this more fully.

### **Sections Fund – Per Member Charge**

Ann Holmes provided an overview of how WSBA calculates the Per Member Charge (PMC); advising that the PMC has been \$18.75 since FY16, the FY20 calculated PMC cost is \$23.48, and the FY20 budget presented assumes the PMC will remain \$18.75. Discussion ensued about the important roles that sections play, WSBA's historic use of license fees to cover the differential between these costs, and the need for sections to have meaningful input about the PMC earlier in the budget development cycle. By straw poll, the Committee recommended that the PMC remain at \$18.75 in FY20, and that the sections be engaged in the coming year to consider the PMC and its components.

### **FY21 License Fees**

As discussed in March, the Committee agreed that it would be appropriate, in light of structural uncertainty, to maintain FY21 license fees at the FY20 rate of \$458.

### **Proposed Amendment to WSBA Fiscal Policies re Cost Centers**

In May, the Committee reviewed changes proposed by Dan Bridges to WSBA's Fiscal Policies and Procedures re cost centers to increase budget transparency and facilitate the Board of Governors' direct oversight of WSBA spending. At the Committee's direction, Dan Bridges and Ann Holmes worked after the May meeting to finalize proposed changes to the policy. Following discussion about coordinated admissions and licensing for all WSBA license types, the Committee unanimously decided to recommend that the Board approve these revisions (Athan Papailiou not present for the vote).

### **Washington State Bar Foundation Update**

Laura Sanford provided an update on the Foundation through June, indicating that it has exceeded revenue expectations to date, raising about \$290,000. The Foundation helped sponsor the Access to Justice Conference, and provided about 75 scholarships to enable attendance at the Conference. It is currently focusing on sponsorships for the APEX dinner. Sara Niegowski advised that the net income for the most recent APEX dinner was (-\$38,000). Terra Nevitt expects that sponsorships for the APEX dinner will drop this year.

Dan Bridges noted that the next scheduled Committee meeting was August 1, several days after the BOG meeting. The Committee asked Terra Nevitt to reschedule the meeting later in August, consistent with member schedules.

Dan Bridges adjourned the meeting at 12:57 am.

# WASHINGTON STATE BAR ASSOCIATION

To: Board of Governors  
Budget and Audit Committee

From: Terra Nevitt, Interim Executive Director  
Tiffany Lynch, Associate Director for Finance

Re: Results through June 30, 2019 (75% of fiscal year)

Date: August 1, 2019

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Attached are the year-to-date financial statements through June 2019, which show that most revenue and expenses are within acceptable ranges of the budgeted amounts. Below is a summary of revenue and expense highlights through June 30, 2019, 75% of the fiscal year completed.

## REVENUE AND EXPENSE ANALYSIS

### General Fund Revenues

- *Licensing revenue* is over budget at 76.62%. The majority of fees have been collected and we expect to exceed budget by at least \$200,000.
- *Gain/Loss on Investments and Interest Income* is currently over budget at 289.73%. Interest income is generated from WSBA's cash balances and CDs, which have performed better than expected. The gain/loss on investments is derived from our investment in bonds, which are more prone to market fluctuation and can be difficult to predict. In Q4 we will no longer accumulate gain/loss on investments because, at the direction of the Board of Governors, the bond portfolio has been liquidated and invested in money market funds. This will result in additional interest income.
- *Admission/Bar Exam* revenue is over budget at 87.55%. This revenue is driven mostly by the timing of licensing exams (February and July). We expect additional collections in Q4 and that revenue will be within budget range at the end of the year.
- *Recovery of Discipline Costs revenue* is currently under budget at 67.40% and will likely remain so at year-end. This revenue depends on the number of attorneys who choose to pay costs in order to resume practicing, as well as the amount owed by those attorneys.
- *Law Clerk revenue* is currently higher than budget at 98.74% and we expect to come in on budget. Our highest collection months are between December and February, although we collect funds throughout the year.
- *Mandatory CLE revenue* continues to be over budget at 92.88% due to the timing of collection with the licensing cycle. We expect to be on or slightly over budget at year-end.



- *Pro Hac Vice revenue* continues to be a solid revenue source for WSBA and is over budget at 110.35% of budget.
- *NWLawyer revenue* is under budget at 62.36% but is consistent with the number of issues produced for the year. To date we have produced 5 issues and expect to produce 4 more by year-end.
- *Reimbursement from Sections revenue* is currently at 97.31% of budget and the majority of funds have been collected for the year. We expect to come in slightly under budget due to declining membership.

### **Indirect Expenses**

*Salaries* for regular employees are on budget at 74.68%. *Overall salary expense (regular staff and temps)* is slightly over budget at 76.91% due to higher than anticipated temporary staffing needs and lower capital labor offset for software development. *Employee benefits* are under budget at 71.51% due to timing of expenses and savings from vacant positions. We anticipate that the combined cost of salaries and benefits will be on or slightly under budget by the end of the year.

Other Indirect Expenses are over budget at 85.31%. Expenses such as *insurance, personal property tax, furniture/maintenance/leasehold improvements, depreciation, telephone & internet, postage, staff training, bank fees, production maintenance & supplies, Human Resources and Computer Pooled (IT) expenses* are at or below budget. Areas higher than budget include: *Workplace Benefits* at 97.25% resulting from the timing of expenses for the annual staff celebration held in March; *Rent* at 79.73% resulting from higher than budgeted leasehold excise tax assessments; *Meeting Support Expenses* at 82.77% resulting from increased consumption of beverages and snacks during meetings, as well as shifting some meeting supplies from the CLE budget; *Office Supplies and Equipment* at 85.56% due to an increase in in-house print jobs and increased copier maintenance costs, these increased costs are offset by reduced costs in other areas; *Professional Fees-Audit* at 90.48%, no additional costs are expected to be incurred this year; *Professional Fees-Legal* at 859.84% from ongoing litigation of WSBA matters; and *Records Storage* at 90.18% from ongoing WSBA-wide records clean-up efforts.

### **General Fund Direct Expenses**

Direct expenses are under budget in a variety of areas. Some key areas follow:

- *Admission/Bar Exam* expenses are under budget at 43.44%; however, the largest individual expense for UBE Examinations will be paid in Q4.
- Overall expenses in the *Board of Governors* cost center is under budget at 61.91%. Expenses in this cost center are primarily related to BOG meetings with some of the larger expenses to be incurred in Q4 (such as the July BOG retreat and September meeting). Expenses trending under budget and likely to remain so through year-end are: BOG Travel & Outreach at 37.84%, BOG Conference Attendance at 42.74%, and BOG Committees at 48.32%.
- *Discipline* expenses remain under budget at 55.77% and will likely remain so through year-end. Variances from budget are fairly common because the majority of expenses are tied to the number of cases and where they are in the discipline process.

- *Licensing & Membership Records* expense is under budget at 66.12% and we expect to remain so through the rest of the year. Changes in process this year achieved significant savings in postage and licensing forms.
- *Casemaker & Fastcase* expense is slightly higher than budget at 86.94% due to the timing of payments.
- *Northwest Lawyer* expenses are under budget at 66.03% which are consistent with the number of issues published and revenue trends. We still have expenses for the remaining issues that will be paid in Q4 which should bring us in line with budget at year-end.
- *Outside Counsel (OGCDB)* expenses is under budget at 55.91% and is based on the number of contracted outside counsel needed for disciplinary board cases each year. We expect costs to remain under at year-end. (These expenses are different and separate from outside counsel fees budgeted under indirect expenses, which have already exceeded budget this year.)
- *Donations/Sponsorships/Grants* (Public Service Programs) are under budget at 50.76%. These are allocated funds for the Moderate Means Program at the three Washington law schools and will be paid out by the end of the year.

### **Continuing Legal Education (CLE)**

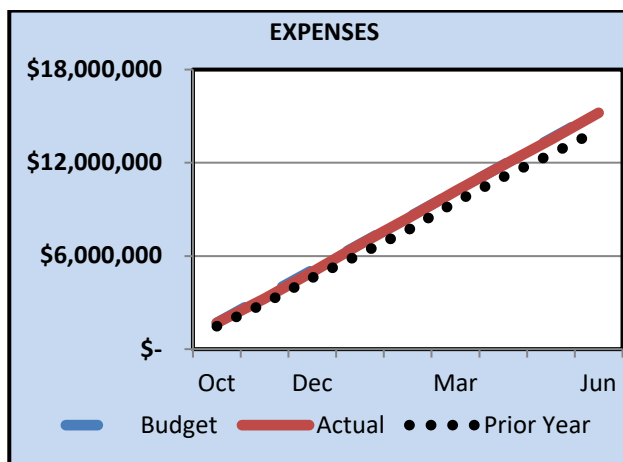
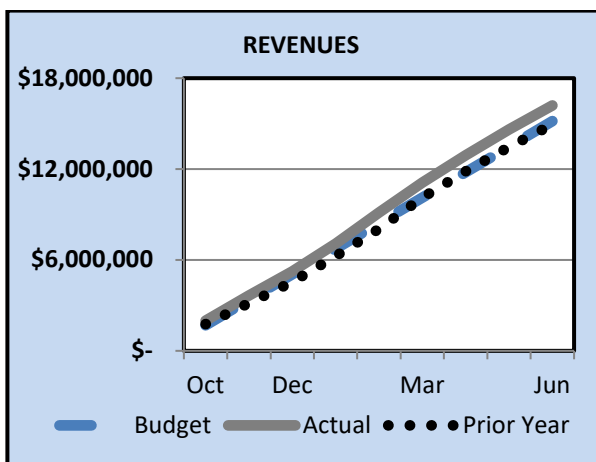
Total CLE revenue of \$1,483,651 came in slightly below budget at 72.75%, however this is consistent with prior year revenue trends. Seminar registration revenue is at 73.20%, which is typical for Q3. We expect revenue to pick up in the last quarter and come in on budget. Product revenue is at 70.06%, driven by lower online MP3 and video sales. We expect sales to pick up from the July summer sale. Overall deskbook revenue is over budget at 86.27%, mainly due to higher sales from new releases that occurred in Q3.

CLE indirect expenses are slightly higher than budget at 76.67% but we expect them to come in on budget at year-end. CLE direct expenses are below budget at 70.03% due to the timing of program expenses. Deskbook direct expenses are higher than budget at 174.58% because they are tied to deskbook sales, which are also higher budget.

### **Client Protection Fund (CPF)**

Most of the CPF revenue is collected during licensing season. Revenue through June is 108.61% mainly due to higher than expected interest income and member assessments. Direct expenses are below budget at 28.64%, due to the timing of gifts to injured clients which will occur in Q4 and are expected to trend to budget. Indirect expenses are under budget at 68.86% resulting from staff vacancies.

### GENERAL FUND (Supports regulatory functions and most services to members and the public)



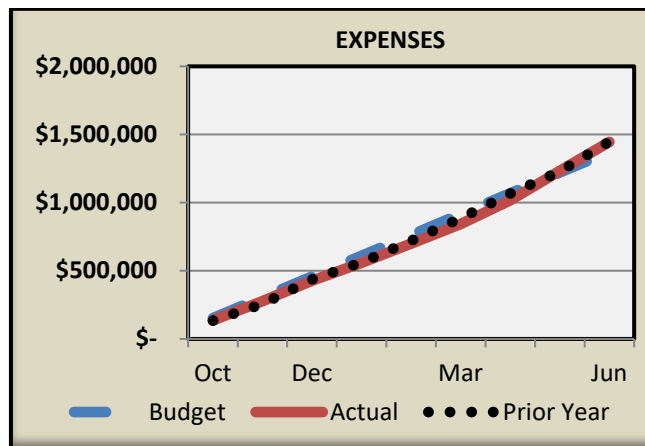
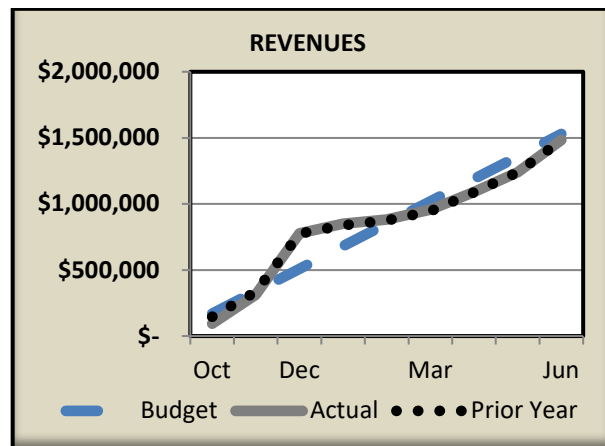
**REVENUES:** Revenues collected through June mainly consist of license fees, interest income, bar exam admissions, donation from the WSB Foundation, Section Per-Member Charge, and fees for Law Clerk, Pro Hac Vice, and MCLE. Overall revenue is over budget at **80.11%** due to higher than budgeted license fees, interest income, and timing of collection for the remaining revenue sources.

**EXPENSES:** Indirect expenses (salaries, benefits, overhead) are higher than budget at **77.36%** due to a number of higher than budgeted expenses. Direct expenses are currently under budget at **57.34%** due to timing of activities required for spending.

**PROJECTED NET RESULT:** At this point we expect the General Fund to come in on budget at year-end.

	<u>FY19 Budget</u>	<u>FY19 Actuals</u>	<u>Variance</u>
Revenues	\$15,166,743	\$16,199,942	<b>\$1,033,199</b>
Expenses	\$15,242,955	\$15,217,278	<b>\$25,677</b>
Profit/(Loss)	<b>(\$76,212)</b>	<b>\$982,664</b>	<b>\$1,058,876</b>

### CLE FUND



**REVENUES:** Actual revenue is lower than budget at **72.75%** due to lower seminar registrations but we expect registration revenue to come in line with budget at year-end.

**EXPENSES:** Indirect expenses are slightly over budget at **76.67%**. Direct expenses are higher than budget at **85.69%** mainly due to higher deskbook sales.

**PROJECTED NET RESULT:** At this point the CLE fund is following historical trends as anticipated so we expect the Fund to come in on budget at year-end.

	<u>FY19 Budget</u>	<u>FY19 Actuals</u>	<u>Variance</u>
Revenues	\$1,529,625	\$1,483,651	<b>(\$45,974)</b>
Expenses	\$1,373,450	\$1,445,817	<b>(\$72,367)</b>
Profit/(Loss)	<b>\$156,175</b>	<b>\$37,834</b>	<b>(\$118,341)</b>

### CLIENT PROTECTION FUND

**REVENUES:** Actual revenues are over budget at **108.61%** due to the typical collection of member assessments in January and February with license fees, as well as higher than expected interest income.

**EXPENSES:** Actual expenses are under budget at **51.36%** due to timing of payments for gifts to injured clients which typically occur at the end of the fiscal year.

**PROJECTED NET RESULT:** At this point we expect the CPF fund to come in on budget however it will mainly depend on the gifts to injured clients expense that is determined in September.

### SECTIONS OPERATIONS

**REVENUES:** Actual revenues are higher than budget at **89.60%** however the majority of revenue from section dues is received during January and February. We expect there to be some remaining revenue during the summer months when members tend to renew their memberships when attending midyear CLE programs but it is likely that revenue will come in slightly under budget overall at year-end.

**EXPENSES:** Actual expenses are slightly under budget at **60.78%** due to the timing of activities required for spending.

**PROJECTED NET RESULT:** Expenses for sections will pick up in the second half of the year but we expect the Sections fund to come in on or under budget.

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

# **Financial Reports**

**(Unaudited)**

## **Year to Date June 30, 2019**

**Prepared by Maggie Yu, Senior Accounting & Financial Systems Manager**

**Submitted by**

**Terra Nevitt, Interim Executive Director**

**July 22, 2019**

Washington State Bar Association Financial Summary  
Year to Date as of June 30, 2019 75.00% of Year  
Compared to Fiscal Year 2019 Budget

Category	Actual Revenues	Budgeted Revenues	Actual Indirect Expenses	Budgeted Indirect Expenses	Actual Direct Expenses	Budgeted Direct Expenses	Actual Total Expenses	Budgeted Total Expenses	Actual Net Result	Budgeted Net Result
Access to Justice	-	7,500	209,708	271,867	22,869	62,957	232,577	334,824	(232,577)	(327,324)
Administration	289,730	100,000	885,521	1,138,769	949	4,885	886,470	1,143,654	(596,740)	(1,043,654)
Admissions/Bar Exam	1,162,090	1,327,400	647,491	841,048	181,106	416,931	828,597	1,257,979	333,493	69,421
Board of Governors	-	-	489,170	530,178	188,522	304,531	677,693	834,709	(677,693)	(834,709)
Communications Strategies	860	50,750	422,540	550,782	37,932	104,800	460,472	655,582	(459,612)	(604,832)
Conference & Broadcast Services	-	-	615,526	780,393	5,512	3,500	621,037	783,893	(621,037)	(783,893)
Discipline	66,852	96,200	4,273,586	5,664,008	122,840	220,267	4,396,426	5,884,275	(4,329,574)	(5,788,075)
Diversity	141,716	120,374	419,790	544,641	15,876	21,550	435,666	566,191	(293,950)	(445,817)
Foundation	-	-	118,996	150,663	2,942	14,200	121,937	164,863	(121,937)	(164,863)
Human Resources	-	-	309,505	204,958	-	-	309,505	204,958	(309,505)	(204,958)
Law Clerk Program	162,555	166,000	106,318	142,665	4,052	11,350	110,369	154,015	52,186	11,985
Legislative	-	-	105,935	135,416	12,686	18,650	118,621	154,066	(118,621)	(154,066)
Licensing and Membership Records	310,657	304,350	489,454	636,327	30,289	45,812	519,744	682,139	(209,087)	(377,789)
Licensing Fees	12,208,636	15,958,200	-	-	-	-	-	-	12,208,636	15,958,200
Limited License Legal Technician	-	-	160,034	215,591	12,411	25,600	172,445	241,191	(172,445)	(241,191)
Limited Practice Officers	-	-	121,425	168,653	2,091	3,000	123,517	156,182	(123,517)	(171,653)
Mandatory CLE	975,207	1,050,000	480,994	620,981	188,871	252,448	669,865	873,429	305,342	176,571
Member Assistance Program	8,794	10,000	108,153	141,224	1,179	1,275	109,332	142,499	(100,538)	(132,499)
Member Benefits	18,730	17,000.00	68,779	92,611	150,298	185,096	219,077	277,707	(200,347)	(260,707)
Member Services & Engagement	134,673	141,200.00	375,675	505,614	18,329	56,065	394,003	561,679	(259,330)	(420,479)
NW Lawyer	287,700	461,350	223,361	302,818	234,818	355,635	458,179	658,453	(170,479)	(197,103)
Office of General Counsel	331	-	618,123	928,680	2,768	13,076	620,891	941,756	(620,560)	(941,756)
OGC-Disciplinary Board	-	-	131,505	187,073	56,530	103,500	188,035	290,573	(188,035)	(290,573)
Outreach and Engagement	-	-	285,581	371,046	19,528	30,852	305,109	401,898	(305,109)	(401,898)
Practice of Law Board	-	-	34,422	74,063	8,786	16,000	43,208	90,063	(43,208)	(90,063)
Professional Responsibility Program	-	-	198,494	258,870	5,856	6,700	204,350	265,570	(204,350)	(265,570)
Public Service Programs	139,475	112,000	97,148	142,504	108,241	232,415	205,389	374,919	(65,914)	(262,919)
Publication and Design Services	-	-	113,912	141,602	4,280	5,263	118,192	146,865	(118,192)	(146,865)
Sections Administration	291,938	300,000	397,446	515,018	8,718	9,297	406,164	524,315	(114,227)	(224,315)
Technology	-	-	1,260,410	1,540,222	-	-	1,260,410	1,540,222	(1,260,410)	(1,540,222)
<b>Subtotal General Fund</b>	<b>16,199,942</b>	<b>20,222,324</b>	<b>13,769,001</b>	<b>17,798,285</b>	<b>1,448,278</b>	<b>2,525,655</b>	<b>15,217,278</b>	<b>20,323,940</b>	<b>982,664</b>	<b>(101,616)</b>
Expenses using reserve funds							15,217,278		-	-
<b>Total General Fund - Net Result from Operations</b>									<b>982,664</b>	<b>(101,616)</b>
<b>Percentage of Budget</b>	<b>80.11%</b>		<b>77.36%</b>		<b>57.34%</b>		<b>74.87%</b>			
CLE-Seminars and Products	1,345,614	1,879,500	880,184	1,150,797	275,750	393,776	1,155,934	1,544,573	189,680	334,927
CLE - Deskbooks	138,036	160,000	168,742	217,303	121,140	69,390	289,883	286,693	(151,846)	(126,693)
Total CLE	1,483,651	2,039,500	1,048,927	1,368,100	396,890	463,166	1,445,817	1,831,266	37,834	208,234
<b>Percentage of Budget</b>	<b>72.75%</b>		<b>76.67%</b>		<b>85.69%</b>		<b>78.95%</b>			
Total All Sections	487,569	544,140	-	-	510,845	841,025	510,845	841,025	(23,275)	(296,885)
Client Protection Fund-Restricted	1,077,959	992,500	113,074	164,210	144,341	504,000	257,415	668,210	820,544	324,290
Management of Western States Bar Conference (No WSBA Funds)	67,858	68,200	-	-	57,617	62,800	57,617	62,800	10,241	5,400
<b>Totals</b>	<b>19,316,979</b>	<b>23,866,664</b>	<b>14,931,001</b>	<b>19,330,595</b>	<b>2,557,970</b>	<b>4,396,646</b>	<b>17,488,971</b>	<b>23,727,241</b>	<b>1,828,008</b>	<b>139,423</b>
<b>Percentage of Budget</b>	<b>80.94%</b>		<b>77.24%</b>		<b>58.18%</b>		<b>73.71%</b>			

Summary of Fund Balances:	Fund Balances Sept. 30, 2018	2019 Budgeted Fund Balances	Fund Balances Year to date
<b>Restricted Funds:</b>			
Client Protection Fund	3,227,988	3,552,278	4,048,532.22
Western States Bar Conference	8,340	13,740	18,581.01
<b>Board-Designated Funds (Non-General Fund):</b>			
CLE Fund Balance	604,125	812,359	641,959
Section Funds	1,160,343	863,458	1,137,068
<b>Board-Designated Funds (General Fund):</b>			
Operating Reserve Fund	1,500,000	1,500,000	1,500,000
Facilities Reserve Fund	450,000	450,000	550,000
<b>Unrestricted Funds (General Fund):</b>			
Unrestricted General Fund	1,845,858	1,744,242	2,728,522
<b>Total General Fund Balance</b>	<b>3,795,858</b>	<b>3,694,242</b>	<b>4,778,521.91</b>
<b>Net Change in general Fund Balance</b>		<b>(101,616)</b>	<b>982,664</b>
<b>Total Fund Balance</b>	<b>8,796,654</b>	<b>8,936,077</b>	<b>10,624,662</b>
<b>Net Change In Fund Balance</b>		<b>139,423</b>	<b>1,828,008</b>

# Washington State Bar Association

Statement of Activities

For the Period from June 1, 2019 to June 30, 2019

**75.00% OF YEAR COMPLETE**

	<b>FISCAL 2019 BUDGET</b>	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>	<b>REMAINING BALANCE</b>	<b>% USED OF BUDGET</b>
<b>LICENSE FEES</b>					
<b>REVENUE:</b>					
LICENSE FEES	15,778,000.00	1,317,417.96	12,089,176.98	3,688,823.02	76.62%
LLLT LICENSE FEES	5,800.00	516.65	5,029.45	770.55	86.71%
LPO LICENSE FEES	174,400.00	14,126.44	114,429.84	59,970.16	65.61%
<b>TOTAL REVENUE:</b>	<b>15,958,200.00</b>	<b>1,332,061.05</b>	<b>12,208,636.27</b>	<b>3,749,563.73</b>	<b>76.50%</b>

**Washington State Bar Association**

## Statement of Activities

For the Period from June 1, 2019 to June 30, 2019

**75.00% OF YEAR COMPLETE**

	<b>FISCAL 2019 BUDGET</b>	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>	<b>REMAINING BALANCE</b>	<b>% USED OF BUDGET</b>
<b>ACCESS TO JUSTICE</b>					
<b>REVENUE:</b>					
CONFERENCES & INSTITUTES	7,500.00	-	-	7,500.00	0.00%
<b>TOTAL REVENUE:</b>	<b>7,500.00</b>	<b>-</b>	<b>-</b>	<b>7,500.00</b>	<b>0.00%</b>
<b>DIRECT EXPENSES:</b>					
ATJ BOARD RETREAT	2,000.00	-	-	2,000.00	0.00%
LEADERSHIP TRAINING	2,000.00	-	802.75	1,197.25	40.14%
ATJ BOARD EXPENSE	24,000.00	235.61	11,042.29	12,957.71	46.01%
STAFF TRAVEL/PARKING	3,500.00	1,792.84	3,545.57	(45.57)	101.30%
STAFF MEMBERSHIP DUES	120.00	-	100.00	20.00	83.33%
PUBLIC DEFENSE	7,000.00	410.30	1,899.56	5,100.44	27.14%
CONFERENCE/INSTITUTE EXPENSE	14,837.00	2,195.80	2,195.80	12,641.20	14.80%
RECEPTION/FORUM EXPENSE	9,500.00	1,458.82	3,283.29	6,216.71	34.56%
<b>TOTAL DIRECT EXPENSES:</b>	<b>62,957.00</b>	<b>6,093.37</b>	<b>22,869.26</b>	<b>40,087.74</b>	<b>36.33%</b>
<b>INDIRECT EXPENSES:</b>					
SALARY EXPENSE (2.10 FTE)	160,817.00	14,147.90	122,884.41	37,932.59	76.41%
BENEFITS EXPENSE	59,156.00	4,481.15	42,598.60	16,557.40	72.01%
OTHER INDIRECT EXPENSE	51,894.00	7,013.97	44,224.75	7,669.25	85.22%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>271,867.00</b>	<b>25,643.02</b>	<b>209,707.76</b>	<b>62,159.24</b>	<b>77.14%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>334,824.00</b>	<b>31,736.39</b>	<b>232,577.02</b>	<b>102,246.98</b>	<b>69.46%</b>
<b>NET INCOME (LOSS):</b>	<b>(327,324.00)</b>	<b>(31,736.39)</b>	<b>(232,577.02)</b>		

# Washington State Bar Association

## Statement of Activities

For the Period from June 1, 2019 to June 30, 2019

**75.00% OF YEAR COMPLETE**

	<b>FISCAL 2019 BUDGET</b>	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>	<b>REMAINING BALANCE</b>	<b>% USED OF BUDGET</b>
<b>ADMINISTRATION</b>					
<b>REVENUE:</b>					
INTEREST INCOME	70,000.00	31,357.43	191,283.23	(121,283.23)	273.26%
GAIN/LOSS ON INVESTMENTS	30,000.00	4,672.02	98,446.79	(68,446.79)	328.16%
<b>TOTAL REVENUE:</b>	<b>100,000.00</b>	<b>36,029.45</b>	<b>289,730.02</b>	<b>(189,730.02)</b>	<b>289.73%</b>
<b>DIRECT EXPENSES:</b>					
CREDIT CARD MERCHANT FEES	-	327.25	(2,450.22)	2,450.22	
STAFF TRAVEL/PARKING	4,200.00	-	2,800.00	1,400.00	66.67%
STAFF MEMBERSHIP DUES	685.00	-	599.17	85.83	87.47%
<b>TOTAL DIRECT EXPENSES:</b>	<b>4,885.00</b>	<b>327.25</b>	<b>948.95</b>	<b>3,936.05</b>	<b>19.43%</b>
<b>INDIRECT EXPENSES:</b>					
SALARY EXPENSE ( 7.97 FTE)	700,100.00	59,767.82	542,855.94	157,244.06	77.54%
BENEFITS EXPENSE	241,718.00	18,329.81	174,670.24	67,047.76	72.26%
OTHER INDIRECT EXPENSE	196,951.00	26,643.81	167,995.12	28,955.88	85.30%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>1,138,769.00</b>	<b>104,741.44</b>	<b>885,521.30</b>	<b>253,247.70</b>	<b>77.76%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>1,143,654.00</b>	<b>105,068.69</b>	<b>886,470.25</b>	<b>257,183.75</b>	<b>77.51%</b>
<b>NET INCOME (LOSS):</b>	<b>(1,043,654.00)</b>	<b>(69,039.24)</b>	<b>(596,740.23)</b>		



# Washington State Bar Association

## Statement of Activities

For the Period from June 1, 2019 to June 30, 2019

**75.00% OF YEAR COMPLETE**

	<b>FISCAL 2019 BUDGET</b>	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>	<b>REMAINING BALANCE</b>	<b>% USED OF BUDGET</b>
<b>ADMISSIONS</b>					
<b>REVENUE:</b>					
EXAM SOFT REVENUE	35,000.00	-	10,885.00	24,115.00	31.10%
BAR EXAM FEES	1,200,000.00	37,860.00	1,091,525.00	108,475.00	90.96%
RPC BOOKLETS	-	-	150.00	(150.00)	
SPECIAL ADMISSIONS	60,000.00	2,410.00	27,920.00	32,080.00	46.53%
LLLT EXAM FEES	7,500.00	-	2,910.00	4,590.00	38.80%
LLLT WAIVER FEES	900.00	-	300.00	600.00	33.33%
LPO EXAMINATION FEES	24,000.00	-	28,400.00	(4,400.00)	118.33%
<b>TOTAL REVENUE:</b>	<b>1,327,400.00</b>	<b>40,270.00</b>	<b>1,162,090.00</b>	<b>165,310.00</b>	<b>87.55%</b>
<b>DIRECT EXPENSES:</b>					
DEPRECIATION	17,776.00	-	-	17,776.00	0.00%
POSTAGE	4,000.00	161.19	3,246.16	753.84	81.15%
STAFF TRAVEL/PARKING	13,000.00	394.43	9,131.48	3,868.52	70.24%
STAFF MEMBERSHIP DUES	400.00	300.00	300.00	100.00	75.00%
SUPPLIES	2,500.00	1,024.80	1,403.82	1,096.18	56.15%
FACILITY, PARKING, FOOD	70,000.00	-	34,969.18	35,030.82	49.96%
EXAMINER FEES	35,000.00	14,500.00	24,500.00	10,500.00	70.00%
UBE EXMINATIONS	130,000.00	-	36,936.00	93,064.00	28.41%
BOARD OF BAR EXAMINERS	25,000.00	-	10,548.35	14,451.65	42.19%
BAR EXAM PROCTORS	31,000.00	-	14,369.75	16,630.25	46.35%
CHARACTER & FITNESS BOARD	20,000.00	608.20	11,662.10	8,337.90	58.31%
DISABILITY ACCOMMODATIONS	20,000.00	-	9,792.22	10,207.78	48.96%
CHARACTER & FITNESS INVESTIGATIONS	900.00	-	-	900.00	0.00%
LAW SCHOOL VISITS	1,000.00	-	659.12	340.88	65.91%
EXAM WRITING	28,355.00	-	14,175.00	14,180.00	49.99%
COURT REPORTERS	18,000.00	807.00	9,311.30	8,688.70	51.73%
PRINTING & COPYING	-	-	101.70	(101.70)	
<b>TOTAL DIRECT EXPENSES:</b>	<b>416,931.00</b>	<b>17,795.62</b>	<b>181,106.18</b>	<b>235,824.82</b>	<b>43.44%</b>
<b>INDIRECT EXPENSES:</b>					
SALARY EXPENSE (6.30 FTE)	496,503.00	41,692.49	378,242.06	118,260.94	76.18%
BENEFITS EXPENSE	188,862.00	14,349.34	136,277.43	52,584.57	72.16%
OTHER INDIRECT EXPENSE	155,683.00	21,089.05	132,971.22	22,711.78	85.41%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>841,048.00</b>	<b>77,130.88</b>	<b>647,490.71</b>	<b>193,557.29</b>	<b>76.99%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>1,257,979.00</b>	<b>94,926.50</b>	<b>828,596.89</b>	<b>429,382.11</b>	<b>65.87%</b>
<b>NET INCOME (LOSS):</b>	<b>69,421.00</b>	<b>(54,656.50)</b>	<b>333,493.11</b>		

**Washington State Bar Association**

## Statement of Activities

For the Period from June 1, 2019 to June 30, 2019

**75.00% OF YEAR COMPLETE**

	<b>FISCAL 2019 BUDGET</b>	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>	<b>REMAINING BALANCE</b>	<b>% USED OF BUDGET</b>
<b>BOG/OED</b>					
<b>REVENUE:</b>					
<b>TOTAL REVENUE:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>DIRECT EXPENSES:</b>					
STAFF TRAVEL/PARKING	5,400.00	-	2,420.52	2,979.48	44.82%
STAFF MEMBERSHIP DUES	2,131.00	200.00	1,125.00	1,006.00	52.79%
TELEPHONE	1,000.00	-	421.19	578.81	42.12%
WASHINGTON LEADERSHIP INSTITUTE	60,000.00	-	60,000.00	-	100.00%
BOG MEETINGS	117,000.00	1,270.86	72,968.90	44,031.10	62.37%
BOG COMMITTEES' EXPENSES	30,000.00	2,715.16	14,495.61	15,504.39	48.32%
BOG CONFERENCE ATTENDANCE	49,000.00	2,461.96	20,944.37	28,055.63	42.74%
BOG TRAVEL & OUTREACH	35,000.00	805.69	13,243.37	21,756.63	37.84%
ED TRAVEL & OUTREACH	5,000.00	311.65	2,671.47	2,328.53	53.43%
BAR STRUCTURE WORKGROUP	-	101.88	231.86	(231.86)	
<b>TOTAL DIRECT EXPENSES:</b>	<b>304,531.00</b>	<b>7,867.20</b>	<b>188,522.29</b>	<b>116,008.71</b>	<b>61.91%</b>
<b>INDIRECT EXPENSES:</b>					
SALARY EXPENSE (2.45 FTE)	361,878.00	43,342.45	356,953.48	4,924.52	98.64%
BENEFITS EXPENSE	107,757.00	8,950.18	80,571.68	27,185.32	74.77%
OTHER INDIRECT EXPENSE	60,543.00	8,190.81	51,645.07	8,897.93	85.30%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>530,178.00</b>	<b>60,483.44</b>	<b>489,170.23</b>	<b>41,007.77</b>	<b>92.27%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>834,709.00</b>	<b>68,350.64</b>	<b>677,692.52</b>	<b>157,016.48</b>	<b>81.19%</b>
<b>NET INCOME (LOSS):</b>	<b>(834,709.00)</b>	<b>(68,350.64)</b>	<b>(677,692.52)</b>		

**Washington State Bar Association**

## Statement of Activities

For the Period from June 1, 2019 to June 30, 2019

**75.00% OF YEAR COMPLETE**

	<b>FISCAL 2019 BUDGET</b>	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>	<b>REMAINING BALANCE</b>	<b>% USED OF BUDGET</b>
<b>COMMUNICATION STRATEGIES</b>					
<b>REVENUE:</b>					
APEX LUNCH/DINNER	50,000.00	-	-	50,000.00	0.00%
50 YEAR MEMBER TRIBUTE LUNCH	750.00	-	300.00	450.00	40.00%
WSBA LOGO MERCHANDISE SALES	-	-	560.00	(560.00)	
<b>TOTAL REVENUE:</b>	<b>50,750.00</b>	<b>-</b>	<b>860.00</b>	<b>49,890.00</b>	<b>1.69%</b>
<b>DIRECT EXPENSES:</b>					
STAFF TRAVEL/PARKING	4,700.00	350.00	3,150.00	1,550.00	67.02%
STAFF MEMBERSHIP DUES	1,000.00	135.00	1,195.00	(195.00)	119.50%
SUBSCRIPTIONS	10,050.00	35.06	6,974.05	3,075.95	69.39%
DIGITAL/ONLINE DEVELOPMENT	1,450.00	-	406.36	1,043.64	28.02%
APEX DINNER	63,000.00	-	6,562.50	56,437.50	10.42%
50 YEAR MEMBER TRIBUTE LUNCH	8,000.00	-	8,458.95	(458.95)	105.74%
COMMUNICATIONS OUTREACH	15,000.00	91.97	10,551.00	4,449.00	70.34%
SPEAKERS & PROGRAM DEVELOP	1,600.00	-	-	1,600.00	0.00%
EQUIPMENT, HARDWARE & SOFTWARE	-	-	384.25	(384.25)	
TELEPHONE	-	26.67	213.52	(213.52)	
CONFERENCE CALLS	-	1.35	36.09	(36.09)	
<b>TOTAL DIRECT EXPENSES:</b>	<b>104,800.00</b>	<b>640.05</b>	<b>37,931.72</b>	<b>66,868.28</b>	<b>36.19%</b>
<b>INDIRECT EXPENSES:</b>					
SALARY EXPENSE (4.62 FTE)	312,393.00	25,530.04	238,104.14	74,288.86	76.22%
BENEFITS EXPENSE	124,221.00	9,143.89	87,082.00	37,139.00	70.10%
OTHER INDIRECT EXPENSE	114,168.00	15,440.21	97,353.99	16,814.01	85.27%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>550,782.00</b>	<b>50,114.14</b>	<b>422,540.13</b>	<b>128,241.87</b>	<b>76.72%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>655,582.00</b>	<b>50,754.19</b>	<b>460,471.85</b>	<b>195,110.15</b>	<b>70.24%</b>
<b>NET INCOME (LOSS):</b>	<b>(604,832.00)</b>	<b>(50,754.19)</b>	<b>(459,611.85)</b>		

**Washington State Bar Association**

## Statement of Activities

For the Period from June 1, 2019 to June 30, 2019

**75.00% OF YEAR COMPLETE**

	<b>FISCAL 2019 BUDGET</b>	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>	<b>REMAINING BALANCE</b>	<b>% USED OF BUDGET</b>
<b>CONFERENCE &amp; BROADCAST SERVICES</b>					
<b>REVENUE:</b>					
<b>TOTAL REVENUE:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>DIRECT EXPENSES:</b>					
TRANSLATION SERVICES	3,500.00	782.10	5,511.50	(2,011.50)	157.47%
<b>TOTAL DIRECT EXPENSES:</b>	<b>3,500.00</b>	<b>782.10</b>	<b>5,511.50</b>	<b>(2,011.50)</b>	<b>157.47%</b>
<b>INDIRECT EXPENSES:</b>					
SALARY EXPENSE (7.15 FTE)	429,625.00	37,096.53	340,834.17	88,790.83	79.33%
BENEFITS EXPENSE	174,080.00	13,256.52	123,911.55	50,168.45	71.18%
OTHER INDIRECT EXPENSE	176,688.00	23,913.48	150,779.85	25,908.15	85.34%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>780,393.00</b>	<b>74,266.53</b>	<b>615,525.57</b>	<b>164,867.43</b>	<b>78.87%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>783,893.00</b>	<b>75,048.63</b>	<b>621,037.07</b>	<b>162,855.93</b>	<b>79.22%</b>
<b>NET INCOME (LOSS):</b>	<b>(783,893.00)</b>	<b>(75,048.63)</b>	<b>(621,037.07)</b>		

# Washington State Bar Association

## Statement of Activities

For the Period from June 1, 2019 to June 30, 2019

**75.00% OF YEAR COMPLETE**

	<b>FISCAL 2019 BUDGET</b>	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>	<b>REMAINING BALANCE</b>	<b>% USED OF BUDGET</b>
<b>DISCIPLINE</b>					
<b>REVENUE:</b>					
AUDIT REVENUE	3,200.00	255.00	1,447.50	1,752.50	45.23%
RECOVERY OF DISCIPLINE COSTS	80,000.00	2,831.75	53,918.75	26,081.25	67.40%
DISCIPLINE HISTORY SUMMARY	13,000.00	1,408.73	11,485.62	1,514.38	88.35%
<b>TOTAL REVENUE:</b>	<b>96,200.00</b>	<b>4,495.48</b>	<b>66,851.87</b>	<b>29,348.13</b>	<b>69.49%</b>
<b>DIRECT EXPENSES:</b>					
DEPRECIATION-SOFTWARE	7,123.00	328.00	6,665.56	457.44	93.58%
PUBLICATIONS PRODUCTION	444.00	-	211.25	232.75	47.58%
STAFF TRAVEL/PARKING	35,000.00	3,615.40	21,927.89	13,072.11	62.65%
STAFF MEMBERSHIP DUES	3,900.00	870.00	2,635.05	1,264.95	67.57%
TELEPHONE	2,300.00	186.40	1,678.08	621.92	72.96%
COURT REPORTERS	55,000.00	939.45	16,794.81	38,205.19	30.54%
OUTSIDE COUNSEL/AIC	2,000.00	-	37.49	1,962.51	1.87%
LITIGATION EXPENSES	25,000.00	1,572.38	15,238.93	9,761.07	60.96%
DISABILITY EXPENSES	7,500.00	-	5,475.00	2,025.00	73.00%
ONLINE LEGAL RESEARCH	68,000.00	5,597.15	44,867.33	23,132.67	65.98%
LAW LIBRARY	12,500.00	950.55	7,047.73	5,452.27	56.38%
TRANSLATION SERVICES	1,500.00	-	247.89	1,252.11	16.53%
CONFERENCE CALLS	-	-	12.84	(12.84)	
<b>TOTAL DIRECT EXPENSES:</b>	<b>220,267.00</b>	<b>14,059.33</b>	<b>122,839.85</b>	<b>97,427.15</b>	<b>55.77%</b>
<b>INDIRECT EXPENSES:</b>					
SALARY EXPENSE (36.88 FTE)	3,556,329.00	287,670.21	2,636,644.78	919,684.22	74.14%
BENEFITS EXPENSE	1,196,316.00	89,803.43	859,593.65	336,722.35	71.85%
OTHER INDIRECT EXPENSE	911,363.00	123,286.31	777,347.75	134,015.25	85.30%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>5,664,008.00</b>	<b>500,759.95</b>	<b>4,273,586.18</b>	<b>1,390,421.82</b>	<b>75.45%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>5,884,275.00</b>	<b>514,819.28</b>	<b>4,396,426.03</b>	<b>1,487,848.97</b>	<b>74.71%</b>
<b>NET INCOME (LOSS):</b>	<b>(5,788,075.00)</b>	<b>(510,323.80)</b>	<b>(4,329,574.16)</b>		

**Washington State Bar Association**

## Statement of Activities

For the Period from June 1, 2019 to June 30, 2019

**75.00% OF YEAR COMPLETE**

	<b>FISCAL 2019 BUDGET</b>	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>	<b>REMAINING BALANCE</b>	<b>% USED OF BUDGET</b>
<b>DIVERSITY</b>					
<b>REVENUE:</b>					
DONATIONS	110,000.00	-	137,500.00	(27,500.00)	125.00%
WORK STUDY GRANTS	10,374.00	-	4,215.75	6,158.25	40.64%
<b>TOTAL REVENUE:</b>	<b>120,374.00</b>	<b>-</b>	<b>141,715.75</b>	<b>(21,341.75)</b>	<b>117.73%</b>
<b>DIRECT EXPENSES:</b>					
STAFF TRAVEL/PARKING	6,000.00	76.58	4,933.96	1,066.04	82.23%
STAFF MEMBERSHIP DUES	350.00	150.00	150.00	200.00	42.86%
COMMITTEE FOR DIVERSITY	5,000.00	827.25	4,574.13	425.87	91.48%
DIVERSITY EVENTS & PROJECTS	10,000.00	1,994.02	6,147.49	3,852.51	61.47%
INTERNAL DIVERSITY OUTREACH	200.00	-	70.24	129.76	35.12%
<b>TOTAL DIRECT EXPENSE:</b>	<b>21,550.00</b>	<b>3,047.85</b>	<b>15,875.82</b>	<b>5,674.18</b>	<b>73.67%</b>
<b>INDIRECT EXPENSES:</b>					
SALARY EXPENSE (4.05 FTE)	328,835.00	28,606.26	250,697.93	78,137.07	76.24%
BENEFITS EXPENSE	115,724.00	8,787.95	83,610.31	32,113.69	72.25%
OTHER INDIRECT EXPENSE	100,082.00	13,557.28	85,481.63	14,600.37	85.41%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>544,641.00</b>	<b>50,951.49</b>	<b>419,789.87</b>	<b>124,851.13</b>	<b>77.08%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>566,191.00</b>	<b>53,999.34</b>	<b>435,665.69</b>	<b>130,525.31</b>	<b>76.95%</b>
<b>NET INCOME (LOSS):</b>	<b>(445,817.00)</b>	<b>(53,999.34)</b>	<b>(293,949.94)</b>		

**Washington State Bar Association**

## Statement of Activities

For the Period from June 1, 2019 to June 30, 2019

**75.00% OF YEAR COMPLETE**

	<b>FISCAL 2019 BUDGET</b>	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>	<b>REMAINING BALANCE</b>	<b>% USED OF BUDGET</b>
<b>FOUNDATION</b>					
<b>REVENUE:</b>					
<b>TOTAL REVENUE:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>DIRECT EXPENSES:</b>					
CONSULTING SERVICES	3,000.00	-	2,000.00	1,000.00	66.67%
PRINTING & COPYING	800.00	41.29	649.96	150.04	81.25%
STAFF TRAVEL/PARKING	1,400.00	-	11.99	1,388.01	0.86%
SUPPLIES	500.00	-	-	500.00	0.00%
SPECIAL EVENTS	5,000.00	-	-	5,000.00	0.00%
BOARD OF TRUSTEES	3,000.00	32.47	272.73	2,727.27	9.09%
POSTAGE	500.00	6.85	6.85	493.15	1.37%
<b>TOTAL DIRECT EXPENSES:</b>	<b>14,200.00</b>	<b>80.61</b>	<b>2,941.53</b>	<b>11,258.47</b>	<b>20.72%</b>
<b>INDIRECT EXPENSES:</b>					
SALARY EXPENSE (1.15 FTE)	89,538.00	5,906.29	71,002.08	18,535.92	79.30%
BENEFITS EXPENSE	32,707.00	2,516.79	23,655.23	9,051.77	72.32%
OTHER INDIRECT EXPENSE	28,418.00	3,860.03	24,338.38	4,079.62	85.64%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>150,663.00</b>	<b>12,283.11</b>	<b>118,995.69</b>	<b>31,667.31</b>	<b>78.98%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>164,863.00</b>	<b>12,363.72</b>	<b>121,937.22</b>	<b>42,925.78</b>	<b>73.96%</b>
<b>NET INCOME (LOSS):</b>	<b>(164,863.00)</b>	<b>(12,363.72)</b>	<b>(121,937.22)</b>		

**Washington State Bar Association**

## Statement of Activities

For the Period from June 1, 2019 to June 30, 2019

**75.00% OF YEAR COMPLETE**

	<b>FISCAL 2019 BUDGET</b>	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>	<b>REMAINING BALANCE</b>	<b>% USED OF BUDGET</b>
<b>HUMAN RESOURCES</b>					
<b>REVENUE:</b>					
<b>TOTAL REVENUE:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<b>DIRECT EXPENSES:</b>					
STAFF TRAVEL/PARKING	150.00	-	220.00	(70.00)	146.67%
STAFF MEMBERSHIP DUES	1,250.00	-	778.00	472.00	62.24%
SUBSCRIPTIONS	2,100.00	-	1,799.30	300.70	85.68%
STAFF TRAINING- GENERAL	30,000.00	532.60	9,616.08	20,383.92	32.05%
RECRUITING AND ADVERTISING	7,000.00	256.05	2,803.95	4,196.05	40.06%
PAYROLL PROCESSING	49,000.00	3,275.32	34,541.61	14,458.39	70.49%
SALARY SURVEYS	2,900.00	-	2,510.30	389.70	86.56%
CONSULTING SERVICES	10,000.00	5,994.10	5,994.10	4,005.90	59.94%
TRANSFER TO INDIRECT EXPENSE	(102,400.00)	(10,058.07)	(58,263.34)	(44,136.66)	56.90%
<b>TOTAL DIRECT EXPENSES:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<b>INDIRECT EXPENSES:</b>					
SALARY EXPENSE (2.45 FTE)	260,398.00	28,771.50	197,107.50	63,290.50	75.69%
ALLOWANCE FOR OPEN POSITIONS	(200,000.00)	-	-	(200,000.00)	0.00%
BENEFITS EXPENSE	84,017.00	6,359.66	60,752.44	23,264.56	72.31%
OTHER INDIRECT EXPENSE	60,543.00	8,190.83	51,645.07	8,897.93	85.30%
<b>TOTAL INDIRECT EXPENSES:</b>	<u>204,958.00</u>	<u>43,321.99</u>	<u>309,505.01</u>	<u>(104,547.01)</u>	<u>151.01%</u>
<b>TOTAL ALL EXPENSES:</b>	<u>204,958.00</u>	<u>43,321.99</u>	<u>309,505.01</u>	<u>(104,547.01)</u>	<u>151.01%</u>
<b>NET INCOME (LOSS):</b>	<u>(204,958.00)</u>	<u>(43,321.99)</u>	<u>(309,505.01)</u>		



**Washington State Bar Association**

## Statement of Activities

For the Period from June 1, 2019 to June 30, 2019

**75.00% OF YEAR COMPLETE**

	<b>FISCAL 2019 BUDGET</b>	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>	<b>REMAINING BALANCE</b>	<b>% USED OF BUDGET</b>
<b>LAW CLERK PROGRAM</b>					
<b>REVENUE:</b>					
LAW CLERK FEES	162,000.00	2,000.00	159,955.00	2,045.00	98.74%
LAW CLERK APPLICATION FEES	4,000.00	700.00	2,600.00	1,400.00	65.00%
<b>TOTAL REVENUE:</b>	<b>166,000.00</b>	<b>2,700.00</b>	<b>162,555.00</b>	<b>3,445.00</b>	<b>97.92%</b>
<b>DIRECT EXPENSES:</b>					
SUBSCRIPTIONS	250.00	-	-	250.00	0.00%
CHARACTER & FITNESS INVESTIGATIONS	100.00	-	-	100.00	0.00%
LAW CLERK BOARD EXPENSE	6,000.00	219.52	3,876.32	2,123.68	64.61%
STAFF TRAVEL/PARKING	-	-	33.33	(33.33)	
LAW CLERK OUTREACH	5,000.00	52.92	142.01	4,857.99	2.84%
<b>TOTAL DIRECT EXPENSES:</b>	<b>11,350.00</b>	<b>272.44</b>	<b>4,051.66</b>	<b>7,298.34</b>	<b>35.70%</b>
<b>INDIRECT EXPENSES:</b>					
SALARY EXPENSE (1.10 FTE)	84,449.00	5,550.16	60,872.22	23,576.78	72.08%
BENEFITS EXPENSE	31,033.00	2,352.27	22,294.14	8,738.86	71.84%
OTHER INDIRECT EXPENSE	27,183.00	3,671.78	23,151.26	4,031.74	85.17%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>142,665.00</b>	<b>11,574.21</b>	<b>106,317.62</b>	<b>36,347.38</b>	<b>74.52%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>154,015.00</b>	<b>11,846.65</b>	<b>110,369.28</b>	<b>43,645.72</b>	<b>71.66%</b>
<b>NET INCOME (LOSS):</b>	<b>11,985.00</b>	<b>(9,146.65)</b>	<b>52,185.72</b>		

**Washington State Bar Association**

## Statement of Activities

For the Period from June 1, 2019 to June 30, 2019

**75.00% OF YEAR COMPLETE**

	<b>FISCAL 2019 BUDGET</b>	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>	<b>REMAINING BALANCE</b>	<b>% USED OF BUDGET</b>
<b>LEGISLATIVE</b>					
<b>REVENUE:</b>					
<b>TOTAL REVENUE:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>DIRECT EXPENSES:</b>					
STAFF TRAVEL/PARKING	4,550.00	142.72	1,998.46	2,551.54	43.92%
STAFF MEMBERSHIP DUES	450.00	-	130.00	320.00	28.89%
SUBSCRIPTIONS	2,000.00	-	1,981.80	18.20	99.09%
TELEPHONE	400.00	-	-	400.00	0.00%
OLYMPIA RENT	2,500.00	-	1,143.12	1,356.88	45.72%
CONTRACT LOBBYIST	5,000.00	-	5,000.00	-	100.00%
LOBBYIST CONTACT COSTS	1,000.00	-	-	1,000.00	0.00%
LEGISLATIVE COMMITTEE	2,500.00	1.10	2,432.50	67.50	97.30%
BOG LEGISLATIVE COMMITTEE	250.00	-	-	250.00	0.00%
<b>TOTAL DIRECT EXPENSES:</b>	<b>18,650.00</b>	<b>143.82</b>	<b>12,685.88</b>	<b>5,964.12</b>	<b>68.02%</b>
<b>INDIRECT EXPENSES:</b>					
SALARY EXPENSE (1.10 FTE)	80,340.00	6,775.67	60,977.34	19,362.66	75.90%
BENEFITS EXPENSE	27,893.00	2,293.35	21,806.40	6,086.60	78.18%
OTHER INDIRECT EXPENSE	27,183.00	3,671.74	23,151.24	4,031.76	85.17%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>135,416.00</b>	<b>12,740.76</b>	<b>105,934.98</b>	<b>29,481.02</b>	<b>78.23%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>154,066.00</b>	<b>12,884.58</b>	<b>118,620.86</b>	<b>35,445.14</b>	<b>76.99%</b>
<b>NET INCOME (LOSS):</b>	<b>(154,066.00)</b>	<b>(12,884.58)</b>	<b>(118,620.86)</b>		

**Washington State Bar Association**

## Statement of Activities

For the Period from June 1, 2019 to June 30, 2019

**75.00% OF YEAR COMPLETE**

	<b>FISCAL 2019 BUDGET</b>	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>	<b>REMAINING BALANCE</b>	<b>% USED OF BUDGET</b>
<b>LICENSING &amp; MEMBERSHIP RECORDS</b>					
<b>REVENUE:</b>					
STATUS CERTIFICATE FEES	22,000.00	1,337.71	14,393.59	7,606.41	65.43%
RULE 9/LEGAL INTERN FEES	11,000.00	2,150.00	11,350.00	(350.00)	103.18%
INVESTIGATION FEES	22,000.00	2,000.00	22,400.00	(400.00)	101.82%
PRO HAC VICE	230,000.00	16,761.00	253,810.00	(23,810.00)	110.35%
MEMBER CONTACT INFORMATION	19,000.00	121.32	8,414.93	10,585.07	44.29%
PHOTO BAR CARD SALES	350.00	24.00	288.00	62.00	82.29%
<b>TOTAL REVENUE:</b>	<b>304,350.00</b>	<b>22,394.03</b>	<b>310,656.52</b>	<b>(6,306.52)</b>	<b>102.07%</b>
<b>DIRECT EXPENSES:</b>					
DEPRECIATION	13,812.00	1,151.00	10,355.00	3,457.00	74.97%
POSTAGE	29,000.00	-	17,493.10	11,506.90	60.32%
LICENSING FORMS	3,000.00	-	2,441.11	558.89	81.37%
<b>TOTAL DIRECT EXPENSES:</b>	<b>45,812.00</b>	<b>1,151.00</b>	<b>30,289.21</b>	<b>15,522.79</b>	<b>66.12%</b>
<b>INDIRECT EXPENSES:</b>					
SALARY EXPENSE (4.35 FTE)	395,080.00	32,322.24	301,142.43	93,937.57	76.22%
BENEFITS EXPENSE	133,752.00	10,138.50	96,597.33	37,154.67	72.22%
OTHER INDIRECT EXPENSE	107,495.00	14,545.80	91,714.54	15,780.46	85.32%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>636,327.00</b>	<b>57,006.54</b>	<b>489,454.30</b>	<b>146,872.70</b>	<b>76.92%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>682,139.00</b>	<b>58,157.54</b>	<b>519,743.51</b>	<b>162,395.49</b>	<b>76.19%</b>
<b>NET INCOME (LOSS):</b>	<b>(377,789.00)</b>	<b>(35,763.51)</b>	<b>(209,086.99)</b>		

**Washington State Bar Association**

## Statement of Activities

For the Period from June 1, 2019 to June 30, 2019

**75.00% OF YEAR COMPLETE**

	<b>FISCAL 2019 BUDGET</b>	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>	<b>REMAINING BALANCE</b>	<b>% USED OF BUDGET</b>
<b>LIMITED LICENSE LEGAL TECHNICIAN PROGRAM</b>					
<b>REVENUE:</b>					
<b>TOTAL REVENUE:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<b>DIRECT EXPENSES:</b>					
STAFF TRAVEL/PARKING	600.00	-	431.49	168.51	71.92%
LLLT BOARD	17,000.00	1,367.42	9,571.96	7,428.04	56.31%
LLLT OUTREACH	8,000.00	-	2,407.66	5,592.34	30.10%
<b>TOTAL DIRECT EXPENSES:</b>	<u><b>25,600.00</b></u>	<u><b>1,367.42</b></u>	<u><b>12,411.11</b></u>	<u><b>13,188.89</b></u>	<u><b>48.48%</b></u>
<b>INDIRECT EXPENSES:</b>					
SALARY EXPENSE (1.55 FTE)	135,526.00	8,365.88	93,389.98	42,136.02	68.91%
BENEFITS EXPENSE	41,762.00	3,589.84	33,994.83	7,767.17	81.40%
OTHER INDIRECT EXPENSE	38,303.00	5,178.13	32,649.24	5,653.76	85.24%
<b>TOTAL INDIRECT EXPENSES:</b>	<u><b>215,591.00</b></u>	<u><b>17,133.85</b></u>	<u><b>160,034.05</b></u>	<u><b>55,556.95</b></u>	<u><b>74.23%</b></u>
<b>TOTAL ALL EXPENSES:</b>	<u><b>241,191.00</b></u>	<u><b>18,501.27</b></u>	<u><b>172,445.16</b></u>	<u><b>68,745.84</b></u>	<u><b>71.50%</b></u>
<b>NET INCOME (LOSS):</b>	<u><u><b>(241,191.00)</b></u></u>	<u><u><b>(18,501.27)</b></u></u>	<u><u><b>(172,445.16)</b></u></u>		

**Washington State Bar Association**

## Statement of Activities

For the Period from June 1, 2019 to June 30, 2019

**75.00% OF YEAR COMPLETE**

	<b>FISCAL 2019 BUDGET</b>	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>	<b>REMAINING BALANCE</b>	<b>% USED OF BUDGET</b>
<b>LIMITED PRACTICE OFFICERS</b>					
<b>REVENUE:</b>					
<b>TOTAL REVENUE:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>DIRECT EXPENSES:</b>					
LPO BOARD	3,000.00	26.48	2,091.39	908.61	69.71%
<b>TOTAL DIRECT EXPENSES:</b>	<b>3,000.00</b>	<b>26.48</b>	<b>2,091.39</b>	<b>908.61</b>	<b>69.71%</b>
<b>INDIRECT EXPENSES:</b>					
SALARY EXPENSE (1.17 FTE)	99,089.00	6,704.97	71,678.40	27,410.60	72.34%
BENEFITS EXPENSE	40,651.00	2,649.43	25,111.68	15,539.32	61.77%
OTHER INDIRECT EXPENSE	28,913.00	3,907.13	24,635.32	4,277.68	85.20%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>168,653.00</b>	<b>13,261.53</b>	<b>121,425.40</b>	<b>47,227.60</b>	<b>72.00%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>171,653.00</b>	<b>13,288.01</b>	<b>123,516.79</b>	<b>48,136.21</b>	<b>71.96%</b>
<b>NET INCOME (LOSS):</b>	<b>(171,653.00)</b>	<b>(13,288.01)</b>	<b>(123,516.79)</b>		

# Washington State Bar Association

## Statement of Activities

For the Period from June 1, 2019 to June 30, 2019

**75.00% OF YEAR COMPLETE**

	<b>FISCAL 2019 BUDGET</b>	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>	<b>REMAINING BALANCE</b>	<b>% USED OF BUDGET</b>
<b>MANDATORY CONTINUING LEGAL EDUCATION</b>					
<b>REVENUE:</b>					
ACCREDITED PROGRAM FEES	540,000.00	49,100.00	479,245.00	60,755.00	88.75%
FORM 1 LATE FEES	150,000.00	18,100.00	158,637.50	(8,637.50)	105.76%
MEMBER LATE FEES	203,000.00	1,650.00	187,475.00	15,525.00	92.35%
ANNUAL ACCREDITED SPONSOR FEES	43,000.00	-	43,000.00	-	100.00%
ATTENDANCE LATE FEES	85,000.00	11,550.00	73,780.00	11,220.00	86.80%
COMITY CERTIFICATES	29,000.00	175.00	33,069.06	(4,069.06)	114.03%
<b>TOTAL REVENUE:</b>	<b>1,050,000.00</b>	<b>80,575.00</b>	<b>975,206.56</b>	<b>74,793.44</b>	<b>92.88%</b>
<b>DIRECT EXPENSES:</b>					
DEPRECIATION	249,948.00	20,841.00	187,408.00	62,540.00	74.98%
STAFF MEMBERSHIP DUES	500.00	-	500.00	-	100.00%
MCLE BOARD	2,000.00	142.75	962.93	1,037.07	48.15%
<b>TOTAL DIRECT EXPENSES:</b>	<b>252,448.00</b>	<b>20,983.75</b>	<b>188,870.93</b>	<b>63,577.07</b>	<b>74.82%</b>
<b>INDIRECT EXPENSES:</b>					
SALARY EXPENSE (4.90 FTE)	374,898.00	26,249.70	287,446.09	87,451.91	76.67%
BENEFITS EXPENSE	124,996.00	9,517.04	90,257.70	34,738.30	72.21%
OTHER INDIRECT EXPENSE	121,087.00	16,381.68	103,290.17	17,796.83	85.30%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>620,981.00</b>	<b>52,148.42</b>	<b>480,993.96</b>	<b>139,987.04</b>	<b>77.46%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>873,429.00</b>	<b>73,132.17</b>	<b>669,864.89</b>	<b>203,564.11</b>	<b>76.69%</b>
<b>NET INCOME (LOSS):</b>	<b>176,571.00</b>	<b>7,442.83</b>	<b>305,341.67</b>		

**Washington State Bar Association**  
Statement of Activities  
For the Period from June 1, 2019 to June 30, 2019  
**75.00% OF YEAR COMPLETE**

	<b>FISCAL 2019 BUDGET</b>	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>	<b>REMAINING BALANCE</b>	<b>% USED OF BUDGET</b>
<b>MEMBER ASSISTANCE PROGRAM</b>					
<b>REVENUE:</b>					
DIVERSIONS	10,000.00	375.00	7,141.80	2,858.20	71.42%
SEMINAR REGISTRATIONS	-	-	1,372.00	(1,372.00)	
LAP GROUPS REVENUE	-	-	280.00	(280.00)	
<b>TOTAL REVENUE:</b>	<b>10,000.00</b>	<b>375.00</b>	<b>8,793.80</b>	<b>1,206.20</b>	<b>87.94%</b>
<b>DIRECT EXPENSES:</b>					
PUBLICATIONS PRODUCTION	200.00	-	127.86	72.14	63.93%
STAFF MEMBERSHIP DUES	225.00	-	226.00	(1.00)	100.44%
PROF LIAB INSURANCE	850.00	-	825.00	25.00	97.06%
<b>TOTAL DIRECT EXPENSES:</b>	<b>1,275.00</b>	<b>-</b>	<b>1,178.86</b>	<b>96.14</b>	<b>92.46%</b>
<b>INDIRECT EXPENSES:</b>					
SALARY EXPENSE (0.90 FTE)	84,582.00	6,606.16	64,424.47	20,157.53	76.17%
BENEFITS EXPENSE	34,402.00	2,610.05	24,732.39	9,669.61	71.89%
OTHER INDIRECT EXPENSE	22,240.00	3,012.76	18,995.99	3,244.01	85.41%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>141,224.00</b>	<b>12,228.97</b>	<b>108,152.85</b>	<b>33,071.15</b>	<b>76.58%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>142,499.00</b>	<b>12,228.97</b>	<b>109,331.71</b>	<b>33,167.29</b>	<b>76.72%</b>
<b>NET INCOME (LOSS):</b>	<b>(132,499.00)</b>	<b>(11,853.97)</b>	<b>(100,537.91)</b>		

# Washington State Bar Association

## Statement of Activities

For the Period from June 1, 2019 to June 30, 2019

**75.00% OF YEAR COMPLETE**

	<b>FISCAL 2019 BUDGET</b>	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>	<b>REMAINING BALANCE</b>	<b>% USED OF BUDGET</b>
<b>MEMBER SERVICES &amp; ENGAGEMENT</b>					
<b>REVENUE:</b>					
ROYALTIES	30,000.00	1,074.00	35,057.37	(5,057.37)	116.86%
NMP PRODUCT SALES	70,000.00	4,077.00	68,119.64	1,880.36	97.31%
SPONSORSHIPS	1,200.00	-	725.00	475.00	60.42%
SEMINAR REGISTRATIONS	30,000.00	7,259.06	15,816.06	14,183.94	52.72%
TRIAL ADVOCACY PROGRAM	10,000.00	-	14,955.00	(4,955.00)	149.55%
<b>TOTAL REVENUE:</b>	<b>141,200.00</b>	<b>12,410.06</b>	<b>134,673.07</b>	<b>6,526.93</b>	<b>95.38%</b>
<b>DIRECT EXPENSES:</b>					
STAFF TRAVEL/PARKING	4,500.00	-	241.49	4,258.51	5.37%
SUBSCRIPTIONS	480.00	-	784.60	(304.60)	163.46%
CONFERENCE CALLS	200.00	8.38	79.24	120.76	39.62%
YLL SECTION PROGRAM	1,100.00	-	740.00	360.00	67.27%
WYLC CLE COMPS	1,000.00	-	250.00	750.00	25.00%
WYLC OUTREACH EVENTS	2,500.00	4.53	521.46	1,978.54	20.86%
WYL COMMITTEE	15,000.00	26.78	1,189.94	13,810.06	7.93%
OPEN SECTIONS NIGHT	4,400.00	-	2,999.64	1,400.36	68.17%
RURAL PLACEMENT PROGRAM	10,500.00	-	16.76	10,483.24	0.16%
TRIAL ADVOCACY EXPENSES	2,500.00	-	2,347.00	153.00	93.88%
RECEPTION/FORUM EXPENSE	4,000.00	-	3,658.02	341.98	91.45%
WYLC SCHOLARSHIPS/DONATIONS/GRANT	2,500.00	-	835.90	1,664.10	33.44%
STAFF MEMBERSHIP DUES	385.00	109.00	109.00	276.00	28.31%
LENDING LIBRARY	5,500.00	700.77	2,765.79	2,734.21	50.29%
NMP SPEAKERS & PROGRAM DEVELOPMENT	1,500.00	993.28	1,789.85	(289.85)	119.32%
<b>TOTAL DIRECT EXPENSES:</b>	<b>56,065.00</b>	<b>1,842.74</b>	<b>18,328.69</b>	<b>37,736.31</b>	<b>32.69%</b>
<b>INDIRECT EXPENSES:</b>					
SALARY EXPENSE (3.98 FTE)	296,941.00	19,987.24	212,074.26	84,866.74	71.42%
BENEFITS EXPENSE	110,321.00	8,372.94	79,603.00	30,718.00	72.16%
OTHER INDIRECT EXPENSE	98,352.00	13,321.87	83,997.42	14,354.58	85.40%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>505,614.00</b>	<b>41,682.05</b>	<b>375,674.68</b>	<b>129,939.32</b>	<b>74.30%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>561,679.00</b>	<b>43,524.79</b>	<b>394,003.37</b>	<b>167,675.63</b>	<b>70.15%</b>
<b>NET INCOME (LOSS):</b>	<b>(420,479.00)</b>	<b>(31,114.73)</b>	<b>(259,330.30)</b>		



**Washington State Bar Association**

## Statement of Activities

For the Period from June 1, 2019 to June 30, 2019

**75.00% OF YEAR COMPLETE**

	<b>FISCAL 2019 BUDGET</b>	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>	<b>REMAINING BALANCE</b>	<b>% USED OF BUDGET</b>
<b>MEMBERSHIP BENEFITS</b>					
<b>REVENUE:</b>					
SPONSORSHIPS	8,000.00	-	5,500.00	2,500.00	68.75%
INTERNET SALES	9,000.00	490.00	13,230.00	(4,230.00)	147.00%
<b>TOTAL REVENUE:</b>	<b>17,000.00</b>	<b>490.00</b>	<b>18,730.00</b>	<b>(1,730.00)</b>	<b>110.18%</b>
<b>DIRECT EXPENSES:</b>					
LEGAL LUNCHBOX COURSEBOOK PRODUCTION	500.00	-	-	500.00	0.00%
LEGAL LUNCHBOX SPEAKERS & PROGRAM	1,700.00	-	476.41	1,223.59	28.02%
WSBA CONNECTS	46,560.00	-	31,040.00	15,520.00	66.67%
CASEMAKER & FASTCASE	136,336.00	5,416.00	118,524.95	17,811.05	86.94%
CONFERENCE CALLS	-	-	256.53	(256.53)	
<b>TOTAL DIRECT EXPENSES:</b>	<b>185,096.00</b>	<b>5,416.00</b>	<b>150,297.89</b>	<b>34,798.11</b>	<b>81.20%</b>
<b>INDIRECT EXPENSES:</b>					
INDIRECT EXPENSES:	54,366.00	3,374.74	38,695.13	15,670.87	71.18%
SALARY EXPENSE (0.73 FTE)	20,206.00	1,542.00	14,649.58	5,556.42	72.50%
BENEFITS EXPENSE	18,039.00	2,447.86	15,434.37	2,604.63	85.56%
OTHER INDIRECT EXPENSE					
<b>TOTAL INDIRECT EXPENSES:</b>	<b>92,611.00</b>	<b>7,364.60</b>	<b>68,779.08</b>	<b>23,831.92</b>	<b>74.27%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>277,707.00</b>	<b>12,780.60</b>	<b>219,076.97</b>	<b>58,630.03</b>	<b>78.89%</b>
<b>NET INCOME (LOSS):</b>	<b>(260,707.00)</b>	<b>(12,290.60)</b>	<b>(200,346.97)</b>		

**Washington State Bar Association**

## Statement of Activities

For the Period from June 1, 2019 to June 30, 2019

**75.00% OF YEAR COMPLETE**

	<b>FISCAL 2019 BUDGET</b>	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>	<b>REMAINING BALANCE</b>	<b>% USED OF BUDGET</b>
<b>NORTHWEST LAWYER</b>					
<b>REVENUE:</b>					
ROYALTIES	-	-	1,267.59	(1,267.59)	
DISPLAY ADVERTISING	297,500.00	25,562.60	127,201.90	170,298.10	42.76%
SUBSCRIPT/SINGLE ISSUES	350.00	36.00	93.36	256.64	26.67%
CLASSIFIED ADVERTISING	12,500.00	568.00	12,107.50	392.50	96.86%
GEN ANNOUNCEMENTS	17,500.00	327.60	2,766.40	14,733.60	15.81%
PROF ANNOUNCEMENTS	21,000.00	1,505.00	7,548.80	13,451.20	35.95%
JOB TARGET ADVERTISING	112,500.00	17,012.70	136,714.19	(24,214.19)	121.52%
<b>TOTAL REVENUE:</b>	<b>461,350.00</b>	<b>45,011.90</b>	<b>287,699.74</b>	<b>173,650.26</b>	<b>62.36%</b>
<b>DIRECT EXPENSES:</b>					
BAD DEBT EXPENSE	2,000.00	(500.00)	(2,950.00)	4,950.00	-147.50%
POSTAGE	89,000.00	-	60,008.60	28,991.40	67.43%
PRINTING, COPYING & MAILING	250,000.00	-	171,040.40	78,959.60	68.42%
DIGITAL/ONLINE DEVELOPMENT	10,200.00	1,950.00	6,250.00	3,950.00	61.27%
GRAPHICS/ARTWORK	3,500.00	-	-	3,500.00	0.00%
EDITORIAL ADVISORY COMMITTEE	800.00	61.21	451.66	348.34	56.46%
STAFF MEMBERSHIP DUES	135.00	-	-	135.00	0.00%
SUPPLIES	-	-	17.79	(17.79)	
<b>TOTAL DIRECT EXPENSES:</b>	<b>355,635.00</b>	<b>1,511.21</b>	<b>234,818.45</b>	<b>120,816.55</b>	<b>66.03%</b>
<b>INDIRECT EXPENSES:</b>					
SALARY EXPENSE (2.25 FTE)	177,211.00	15,255.24	133,966.41	43,244.59	75.60%
BENEFITS EXPENSE	70,006.00	5,320.81	41,904.37	28,101.63	59.86%
OTHER INDIRECT EXPENSE	55,601.00	7,531.84	47,489.81	8,111.19	85.41%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>302,818.00</b>	<b>28,107.89</b>	<b>223,360.59</b>	<b>79,457.41</b>	<b>73.76%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>658,453.00</b>	<b>29,619.10</b>	<b>458,179.04</b>	<b>200,273.96</b>	<b>69.58%</b>
<b>NET INCOME (LOSS):</b>	<b>(197,103.00)</b>	<b>15,392.80</b>	<b>(170,479.30)</b>		

**Washington State Bar Association**

## Statement of Activities

For the Period from June 1, 2019 to June 30, 2019

**75.00% OF YEAR COMPLETE**

	<b>FISCAL 2019 BUDGET</b>	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>	<b>REMAINING BALANCE</b>	<b>% USED OF BUDGET</b>
<b>OFFICE OF GENERAL COUNSEL</b>					
<b>REVENUE:</b>					
COPY FEES	-	1.26	331.26	(331.26)	
<b>TOTAL REVENUE:</b>	<b>-</b>	<b>1.26</b>	<b>331.26</b>	<b>(331.26)</b>	
<b>DIRECT EXPENSES:</b>					
DEPRECIATION	3,336.00	-	-	3,336.00	0.00%
STAFF TRAVEL/PARKING	3,240.00	-	-	3,240.00	0.00%
STAFF MEMBERSHIP DUES	1,500.00	500.00	700.00	800.00	46.67%
COURT RULES COMMITTEE	2,000.00	38.83	1,766.59	233.41	88.33%
DISCIPLINE ADVISORY ROUNDTABLE	500.00	-	-	500.00	0.00%
CUSTODIANSHIPS	2,500.00	33.00	33.00	2,467.00	1.32%
LITIGATION EXPENSES	-	7.90	268.29	(268.29)	
<b>TOTAL DIRECT EXPENSES:</b>	<b>13,076.00</b>	<b>579.73</b>	<b>2,767.88</b>	<b>10,308.12</b>	<b>21.17%</b>
<b>INDIRECT EXPENSES:</b>					
SALARY EXPENSE (5.75 FTE)	588,978.00	37,269.68	361,121.55	227,856.45	61.31%
BENEFITS EXPENSE	197,610.00	14,175.49	135,605.76	62,004.24	68.62%
OTHER INDIRECT EXPENSE	142,092.00	19,253.19	121,395.66	20,696.34	85.43%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>928,680.00</b>	<b>70,698.36</b>	<b>618,122.97</b>	<b>310,557.03</b>	<b>66.56%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>941,756.00</b>	<b>71,278.09</b>	<b>620,890.85</b>	<b>320,865.15</b>	<b>65.93%</b>
<b>NET INCOME (LOSS):</b>	<b>(941,756.00)</b>	<b>(71,276.83)</b>	<b>(620,559.59)</b>		

**Washington State Bar Association**

## Statement of Activities

For the Period from June 1, 2019 to June 30, 2019

**75.00% OF YEAR COMPLETE**

	<b>FISCAL 2019 BUDGET</b>	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>	<b>REMAINING BALANCE</b>	<b>% USED OF BUDGET</b>
<b>OFFICE OF GENERAL COUNSEL - DISCIPLINARY BOARD</b>					
<b>REVENUE:</b>					
<b>TOTAL REVENUE:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>DIRECT EXPENSE:</b>					
STAFF MEMBERSHIP DUES	500.00	150.00	150.00	350.00	30.00%
DISCIPLINARY BOARD EXPENSES	10,000.00	130.57	3,621.43	6,378.57	36.21%
CHIEF HEARING OFFICER	33,000.00	2,500.00	22,500.00	10,500.00	68.18%
HEARING OFFICER EXPENSES	3,000.00	-	134.43	2,865.57	4.48%
HEARING OFFICER TRAINING	2,000.00	-	-	2,000.00	0.00%
OUTSIDE COUNSEL	55,000.00	3,000.00	29,500.00	25,500.00	53.64%
DISCIPLINARY SELECTION PANEL	-	624.53	624.53	(624.53)	
<b>TOTAL DIRECT EXPENSES:</b>	<b>103,500.00</b>	<b>6,405.10</b>	<b>56,530.39</b>	<b>46,969.61</b>	<b>54.62%</b>
<b>INDIRECT EXPENSES:</b>					
SALARY EXPENSE (1.45 FTE)	110,578.00	7,799.49	71,956.40	38,621.60	65.07%
BENEFITS EXPENSE	40,663.00	3,042.26	28,977.11	11,685.89	71.26%
OTHER INDIRECT EXPENSE	35,832.00	4,848.61	30,571.57	5,260.43	85.32%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>187,073.00</b>	<b>15,690.36</b>	<b>131,505.08</b>	<b>55,567.92</b>	<b>70.30%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>290,573.00</b>	<b>22,095.46</b>	<b>188,035.47</b>	<b>102,537.53</b>	<b>64.71%</b>
<b>NET INCOME (LOSS):</b>	<b>(290,573.00)</b>	<b>(22,095.46)</b>	<b>(188,035.47)</b>		

**Washington State Bar Association**

## Statement of Activities

For the Period from June 1, 2019 to June 30, 2019

**75.00% OF YEAR COMPLETE**

	<b>FISCAL 2019 BUDGET</b>	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>	<b>REMAINING BALANCE</b>	<b>% USED OF BUDGET</b>
<b>OUTREACH &amp; ENGAGEMENT</b>					
<b>REVENUE:</b>					
<b>TOTAL REVENUE:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>DIRECT EXPENSE:</b>					
STAFF TRAVEL/PARKING	1,400.00	-	39.92	1,360.08	2.85%
STAFF MEMBERSHIP DUES	1,152.00	-	-	1,152.00	0.00%
CONFERENCE CALLS	200.00	-	-	200.00	0.00%
ABA DELEGATES	4,500.00	-	2,970.84	1,529.16	66.02%
ANNUAL CHAIR MEETINGS	600.00	-	496.74	103.26	82.79%
JUDICIAL RECOMMENDATIONS COMMITTEE	4,500.00	-	2,320.32	2,179.68	51.56%
BOG ELECTIONS	6,500.00	-	4,900.00	1,600.00	75.38%
BAR OUTREACH	10,000.00	5,889.74	8,800.18	1,199.82	88.00%
PROFESSIONALISM	2,000.00	-	-	2,000.00	0.00%
<b>TOTAL DIRECT EXPENSES:</b>	<b>30,852.00</b>	<b>5,889.74</b>	<b>19,528.00</b>	<b>11,324.00</b>	<b>63.30%</b>
<b>INDIRECT EXPENSES:</b>					
SALARY EXPENSE (2.73 FTE)	224,397.00	18,923.62	170,014.74	54,382.26	75.77%
BENEFITS EXPENSE	79,186.00	6,094.37	57,984.93	21,201.07	73.23%
OTHER INDIRECT EXPENSE	67,463.00	9,132.35	57,581.34	9,881.66	85.35%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>371,046.00</b>	<b>34,150.34</b>	<b>285,581.01</b>	<b>85,464.99</b>	<b>76.97%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>401,898.00</b>	<b>40,040.08</b>	<b>305,109.01</b>	<b>96,788.99</b>	<b>75.92%</b>
<b>NET INCOME (LOSS):</b>	<b>(401,898.00)</b>	<b>(40,040.08)</b>	<b>(305,109.01)</b>		

# Washington State Bar Association

## Statement of Activities

For the Period from June 1, 2019 to June 30, 2019

**75.00% OF YEAR COMPLETE**

	<b>FISCAL 2019 BUDGET</b>	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>	<b>REMAINING BALANCE</b>	<b>% USED OF BUDGET</b>
<b>PRACTICE OF LAW BOARD</b>					
<b>REVENUE:</b>					
<b>TOTAL REVENUE:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<b>DIRECT EXPENSES:</b>					
PRACTICE OF LAW BOARD	16,000.00	1,692.84	8,785.52	7,214.48	54.91%
<b>TOTAL DIRECT EXPENSES:</b>	<u>16,000.00</u>	<u>1,692.84</u>	<u>8,785.52</u>	<u>7,214.48</u>	<u>54.91%</u>
<b>INDIRECT EXPENSES:</b>					
SALARY EXPENSE (0.40 FTE)	50,676.00	1,743.62	16,290.84	34,385.16	32.15%
BENEFITS EXPENSE	13,502.00	1,016.62	9,820.40	3,681.60	72.73%
OTHER INDIRECT EXPENSE	<u>9,885.00</u>	<u>1,318.09</u>	<u>8,310.78</u>	<u>1,574.22</u>	<u>84.07%</u>
<b>TOTAL INDIRECT EXPENSES:</b>	<u>74,063.00</u>	<u>4,078.33</u>	<u>34,422.02</u>	<u>39,640.98</u>	<u>46.48%</u>
<b>TOTAL ALL EXPENSES:</b>	<u>90,063.00</u>	<u>5,771.17</u>	<u>43,207.54</u>	<u>46,855.46</u>	<u>47.97%</u>
<b>NET INCOME (LOSS):</b>	<u>(90,063.00)</u>	<u>(5,771.17)</u>	<u>(43,207.54)</u>		

**Washington State Bar Association**

Statement of Activities

For the Period from June 1, 2019 to June 30, 2019

**75.00% OF YEAR COMPLETE**

	<b>FISCAL 2019 BUDGET</b>	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>	<b>REMAINING BALANCE</b>	<b>% USED OF BUDGET</b>
<b>PROFESSIONAL RESPONSIBILITY PROGRAM</b>					
<b>REVENUE:</b>					
<b>TOTAL REVENUE:</b>	-	-	-	-	
<b>DIRECT EXPENSES:</b>					
STAFF TRAVEL/PARKING	2,000.00	-	1,396.13	603.87	69.81%
STAFF MEMBERSHIP DUES	500.00	250.00	250.00	250.00	50.00%
CPE COMMITTEE	4,200.00	812.40	4,209.87	(9.87)	100.24%
<b>TOTAL DIRECT EXPENSES:</b>	<b>6,700.00</b>	<b>1,062.40</b>	<b>5,856.00</b>	<b>844.00</b>	<b>87.40%</b>
<b>INDIRECT EXPENSES:</b>					
SALARY EXPENSE (1.65 FTE)	160,192.00	13,482.61	121,956.26	38,235.74	76.13%
BENEFITS EXPENSE	57,904.00	4,395.19	41,810.55	16,093.45	72.21%
OTHER INDIRECT EXPENSE	40,774.00	5,507.60	34,726.76	6,047.24	85.17%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>258,870.00</b>	<b>23,385.40</b>	<b>198,493.57</b>	<b>60,376.43</b>	<b>76.68%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>265,570.00</b>	<b>24,447.80</b>	<b>204,349.57</b>	<b>61,220.43</b>	<b>76.95%</b>
<b>NET INCOME (LOSS):</b>	<b>(265,570.00)</b>	<b>(24,447.80)</b>	<b>(204,349.57)</b>		

# Washington State Bar Association

## Statement of Activities

For the Period from June 1, 2019 to June 30, 2019

**75.00% OF YEAR COMPLETE**

	<b>FISCAL 2019 BUDGET</b>	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>	<b>REMAINING BALANCE</b>	<b>% USED OF BUDGET</b>
<b>PUBLIC SERVICE PROGRAMS</b>					
<b>REVENUE:</b>					
DONATIONS & GRANTS	110,000.00	-	137,500.00	(27,500.00)	125.00%
PSP PRODUCT SALES	2,000.00	-	1,975.00	25.00	98.75%
<b>TOTAL REVENUE:</b>	<b>112,000.00</b>	<b>-</b>	<b>139,475.00</b>	<b>(27,475.00)</b>	<b>124.53%</b>
<b>DIRECT EXPENSES:</b>					
DONATIONS/SPONSORSHIPS/GRANTS	207,915.00	-	105,531.50	102,383.50	50.76%
STAFF TRAVEL/PARKING	2,000.00	146.41	499.89	1,500.11	24.99%
PRO BONO & PUBLIC SERVICE COMMITTEE	2,000.00	117.04	1,149.33	850.67	57.47%
PUBLIC SERVICE EVENTS AND PROJECTS	20,500.00	898.20	1,060.47	19,439.53	5.17%
<b>TOTAL DIRECT EXPENSES:</b>	<b>232,415.00</b>	<b>1,161.65</b>	<b>108,241.19</b>	<b>124,173.81</b>	<b>46.57%</b>
<b>INDIRECT EXPENSES:</b>					
SALARY EXPENSE (1.03 FTE)	87,057.00	6,176.52	53,842.82	33,214.18	61.85%
BENEFITS EXPENSE	29,994.00	2,271.26	21,637.61	8,356.39	72.14%
OTHER INDIRECT EXPENSE	25,453.00	3,436.40	21,667.29	3,785.71	85.13%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>142,504.00</b>	<b>11,884.18</b>	<b>97,147.72</b>	<b>45,356.28</b>	<b>68.17%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>374,919.00</b>	<b>13,045.83</b>	<b>205,388.91</b>	<b>169,530.09</b>	<b>54.78%</b>
<b>NET INCOME (LOSS):</b>	<b>(262,919.00)</b>	<b>(13,045.83)</b>	<b>(65,913.91)</b>		



**Washington State Bar Association**

## Statement of Activities

For the Period from June 1, 2019 to June 30, 2019

**75.00% OF YEAR COMPLETE**

	<b>FISCAL 2019 BUDGET</b>	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>	<b>REMAINING BALANCE</b>	<b>% USED OF BUDGET</b>
<b>PUBLICATION &amp; DESIGN SERVICES</b>					
<b>REVENUE:</b>					
<b>TOTAL REVENUE:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>DIRECT EXPENSES:</b>					
STAFF MEMBERSHIP DUES	500.00	-	-	500.00	0.00%
SUBSCRIPTIONS	83.00	-	79.98	3.02	96.36%
IMAGE LIBRARY	4,680.00	-	4,200.00	480.00	89.74%
<b>TOTAL DIRECT EXPENSES:</b>	<b>5,263.00</b>	<b>-</b>	<b>4,279.98</b>	<b>983.02</b>	<b>81.32%</b>
<b>INDIRECT EXPENSES:</b>					
SALARY EXPENSE (1.22 FTE)	80,074.00	6,619.95	65,735.29	14,338.71	82.09%
BENEFITS EXPENSE	31,380.00	2,384.17	22,354.73	9,025.27	71.24%
OTHER INDIRECT EXPENSE	30,148.00	4,095.41	25,822.42	4,325.58	85.65%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>141,602.00</b>	<b>13,099.53</b>	<b>113,912.44</b>	<b>27,689.56</b>	<b>80.45%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>146,865.00</b>	<b>13,099.53</b>	<b>118,192.42</b>	<b>28,672.58</b>	<b>80.48%</b>
<b>NET INCOME (LOSS):</b>	<b>(146,865.00)</b>	<b>(13,099.53)</b>	<b>(118,192.42)</b>		

**Washington State Bar Association**

## Statement of Activities

For the Period from June 1, 2019 to June 30, 2019

**75.00% OF YEAR COMPLETE**

	<b>FISCAL 2019 BUDGET</b>	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>	<b>REMAINING BALANCE</b>	<b>% USED OF BUDGET</b>
<b>SECTIONS ADMINISTRATION</b>					
<b>REVENUE:</b>					
REIMBURSEMENTS FROM SECTIONS	300,000.00	1,143.75	291,937.50	8,062.50	97.31%
<b>TOTAL REVENUE:</b>	<b>300,000.00</b>	<b>1,143.75</b>	<b>291,937.50</b>	<b>8,062.50</b>	<b>97.31%</b>
<b>DIRECT EXPENSES:</b>					
STAFF TRAVEL/PARKING	1,200.00	1,116.95	1,938.24	(738.24)	161.52%
SUBSCRIPTIONS	372.00	-	372.00	-	100.00%
CONFERENCE CALLS	300.00	-	231.88	68.12	77.29%
MISCELLANEOUS	300.00	-	-	300.00	0.00%
SECTION/COMMITTEE CHAIR MTGS	1,000.00	-	590.39	409.61	59.04%
DUES STATEMENTS	6,000.00	-	5,585.18	414.82	93.09%
STAFF MEMBERSHIP DUES	125.00	-	-	125.00	0.00%
<b>TOTAL DIRECT EXPENSES:</b>	<b>9,297.00</b>	<b>1,116.95</b>	<b>8,717.69</b>	<b>579.31</b>	<b>93.77%</b>
<b>INDIRECT EXPENSES:</b>					
SALARY EXPENSE (4.25 FTE)	297,955.00	25,083.07	226,980.60	70,974.40	76.18%
BENEFITS EXPENSE	112,039.00	8,507.95	80,828.87	31,210.13	72.14%
OTHER INDIRECT EXPENSE	105,024.00	14,216.28	89,636.87	15,387.13	85.35%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>515,018.00</b>	<b>47,807.30</b>	<b>397,446.34</b>	<b>117,571.66</b>	<b>77.17%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>524,315.00</b>	<b>48,924.25</b>	<b>406,164.03</b>	<b>118,150.97</b>	<b>77.47%</b>
<b>NET INCOME (LOSS):</b>	<b>(224,315.00)</b>	<b>(47,780.50)</b>	<b>(114,226.53)</b>		

**Washington State Bar Association**

## Statement of Activities

For the Period from June 1, 2019 to June 30, 2019

**75.00% OF YEAR COMPLETE**

	<b>FISCAL 2019 BUDGET</b>	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>	<b>REMAINING BALANCE</b>	<b>% USED OF BUDGET</b>
<b>TECHNOLOGY</b>					
<b>REVENUE:</b>					
<b>TOTAL REVENUE:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>DIRECT EXPENSES:</b>					
CONSULTING SERVICES	85,000.00	5,399.97	59,477.80	25,522.20	69.97%
STAFF TRAVEL/PARKING	2,500.00	343.39	343.39	2,156.61	13.74%
STAFF MEMBERSHIP DUES	110.00	-	-	110.00	0.00%
TELEPHONE	24,000.00	1,909.18	15,037.52	8,962.48	62.66%
COMPUTER HARDWARE	29,000.00	1,680.75	13,289.41	15,710.59	45.83%
COMPUTER SOFTWARE	29,000.00	-	14,268.13	14,731.87	49.20%
HARDWARE SERVICE & WARRANTIES	60,000.00	-	31,468.64	28,531.36	52.45%
SOFTWARE MAINTENANCE & LICENSING	270,000.00	14,748.03	212,022.66	57,977.34	78.53%
TELEPHONE HARDWARE & MAINTENANCE	10,000.00	394.16	531.51	9,468.49	5.32%
COMPUTER SUPPLIES	15,000.00	101.49	5,713.37	9,286.63	38.09%
THIRD PARTY SERVICES	143,000.00	5,835.02	114,384.72	28,615.28	79.99%
TRANSFER TO INDIRECT EXPENSES	(667,610.00)	(30,411.99)	(466,537.15)	(201,072.85)	69.88%
<b>TOTAL DIRECT EXPENSES:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>INDIRECT EXPENSES:</b>					
SALARY EXPENSE (12.10 FTE)	1,059,680.00	91,653.70	828,643.41	231,036.59	78.20%
BENEFITS EXPENSE	370,332.00	28,075.45	263,196.10	107,135.90	71.07%
CAPITAL LABOR & OVERHEAD	(188,800.00)	(10,722.00)	(86,687.37)	(102,112.63)	45.91%
OTHER INDIRECT EXPENSE	299,010.00	40,483.47	255,257.38	43,752.62	85.37%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>1,540,222.00</b>	<b>149,490.62</b>	<b>1,260,409.52</b>	<b>279,812.48</b>	<b>81.83%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>1,540,222.00</b>	<b>149,490.62</b>	<b>1,260,409.52</b>	<b>279,812.48</b>	<b>81.83%</b>
<b>NET INCOME (LOSS):</b>	<b>(1,540,222.00)</b>	<b>(149,490.62)</b>	<b>(1,260,409.52)</b>		

**Washington State Bar Association**

Statement of Activities

For the Period from June 1, 2019 to June 30, 2019

**75.00% OF YEAR COMPLETE**

	<b>FISCAL 2019 BUDGET</b>	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>	<b>REMAINING BALANCE</b>	<b>% USED OF BUDGET</b>
<b>CONTINUING LEGAL EDUCATION (CLE)</b>					
<b>REVENUE:</b>					
SEMINAR REGISTRATIONS	876,000.00	194,169.25	660,628.65	215,371.35	75.41%
SEMINAR-EXHIB/SPNSR/ETC	41,500.00	9,500.00	11,000.00	30,500.00	26.51%
SHIPPING & HANDLING	1,000.00	18.00	313.14	686.86	31.31%
COURSEBOOK SALES	11,000.00	782.00	9,090.00	1,910.00	82.64%
MP3 AND VIDEO SALES	950,000.00	20,912.90	664,582.48	285,417.52	69.96%
<b>TOTAL REVENUE:</b>	<b>1,879,500.00</b>	<b>225,382.15</b>	<b>1,345,614.27</b>	<b>533,885.73</b>	<b>71.59%</b>
<b>DIRECT EXPENSES:</b>					
COURSEBOOK PRODUCTION	3,000.00	366.96	1,170.63	1,829.37	39.02%
POSTAGE - FLIERS/CATALOGS	10,685.00	52.46	6,500.89	4,184.11	60.84%
POSTAGE - MISC./DELIVERY	2,500.00	70.00	546.50	1,953.50	21.86%
DEPRECIATION	5,540.00	485.00	5,391.12	148.88	97.31%
ONLINE EXPENSES	40,000.00	3,658.91	33,267.98	6,732.02	83.17%
ACCREDITATION FEES	4,696.00	(72.00)	1,906.00	2,790.00	40.59%
SEMINAR BROCHURES	20,770.00	5,560.74	17,977.16	2,792.84	86.55%
FACILITIES	223,500.00	50,757.75	168,344.60	55,155.40	75.32%
SPEAKERS & PROGRAM DEVELOP	68,100.00	5,713.97	26,444.56	41,655.44	38.83%
SPLITS TO SECTIONS	-	-	3,784.24	(3,784.24)	
CLE SEMINAR COMMITTEE	500.00	-	122.66	377.34	24.53%
BAD DEBT EXPENSE	600.00	-	(523.00)	1,123.00	-87.17%
STAFF TRAVEL/PARKING	5,675.00	4,682.43	7,207.97	(1,532.97)	127.01%
STAFF MEMBERSHIP DUES	1,260.00	-	1,007.00	253.00	79.92%
SUPPLIES	3,650.00	143.21	439.31	3,210.69	12.04%
TELEPHONE	-	-	13.88	(13.88)	
COST OF SALES - COURSEBOOKS	1,200.00	63.33	1,348.03	(148.03)	112.34%
A/V DEVELOP COSTS (RECORDING)	1,500.00	-	466.82	1,033.18	31.12%
SHIPPING SUPPLIES	100.00	-	-	100.00	0.00%
POSTAGE & DELIVERY-COURSEBOOKS	500.00	19.53	333.60	166.40	66.72%
POSTAGE - FLIERS/CATALOGS	-	(746.95)	-	-	
<b>TOTAL DIRECT EXPENSES:</b>	<b>393,776.00</b>	<b>70,755.34</b>	<b>275,749.95</b>	<b>118,026.05</b>	<b>70.03%</b>
<b>INDIRECT EXPENSES:</b>					
SALARY EXPENSE (9.72 FTE)	656,422.00	56,386.89	496,987.19	159,434.81	75.71%
BENEFITS EXPENSE	254,178.00	18,499.06	178,100.82	76,077.18	70.07%
OTHER INDIRECT EXPENSE	240,197.00	32,528.01	205,096.38	35,100.62	85.39%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>1,150,797.00</b>	<b>107,413.96</b>	<b>880,184.39</b>	<b>270,612.61</b>	<b>76.48%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>1,544,573.00</b>	<b>178,169.30</b>	<b>1,155,934.34</b>	<b>388,638.66</b>	<b>74.84%</b>
<b>NET INCOME (LOSS):</b>	<b>334,927.00</b>	<b>47,212.85</b>	<b>189,679.93</b>		

# Washington State Bar Association

## Statement of Activities

For the Period from June 1, 2019 to June 30, 2019

**75.00% OF YEAR COMPLETE**

	<b>FISCAL 2019 BUDGET</b>	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>	<b>REMAINING BALANCE</b>	<b>% USED OF BUDGET</b>
<b>DESKBOOKS</b>					
<b>REVENUE:</b>					
SHIPPING & HANDLING	2,000.00	684.00	3,745.86	(1,745.86)	187.29%
DESKBOOK SALES	80,000.00	13,650.34	98,207.68	(18,207.68)	122.76%
SECTION PUBLICATION SALES	3,000.00	290.00	3,250.00	(250.00)	108.33%
CASEMAKER ROYALTIES	75,000.00	3,298.18	32,832.91	42,167.09	43.78%
<b>TOTAL REVENUE:</b>	<b>160,000.00</b>	<b>17,922.52</b>	<b>138,036.45</b>	<b>21,963.55</b>	<b>86.27%</b>
<b>DIRECT EXPENSES:</b>					
COST OF SALES - DESKBOOKS	50,000.00	10,161.01	92,445.31	(42,445.31)	184.89%
COST OF SALES - SECTION PUBLICATION	750.00	42.66	549.92	200.08	73.32%
SPLITS TO SECTIONS	1,000.00	-	713.82	286.18	71.38%
DESKBOOK ROYALTIES	1,000.00	-	659.92	340.08	65.99%
SHIPPING SUPPLIES	150.00	-	-	150.00	0.00%
POSTAGE & DELIVER-DESKBOOKS	2,000.00	1,083.59	6,143.68	(4,143.68)	307.18%
FLIERS/CATALOGS	3,000.00	-	1,932.18	1,067.82	64.41%
POSTAGE - FLIERS/CATALOGS	1,500.00	746.95	746.95	753.05	49.80%
COMPLIMENTARY BOOK PROGRAM	2,000.00	-	3,024.84	(1,024.84)	151.24%
OBSOLETE INVENTORY	-	439.58	7,975.79	(7,975.79)	
BAD DEBT EXPENSE	100.00	-	-	100.00	0.00%
RECORDS STORAGE - OFF SITE	7,440.00	675.00	6,695.00	745.00	89.99%
STAFF MEMBERSHIP DUES	250.00	30.00	198.00	52.00	79.20%
MISCELLANEOUS	200.00	-	55.00	145.00	27.50%
<b>TOTAL DIRECT EXPENSES:</b>	<b>69,390.00</b>	<b>13,178.79</b>	<b>121,140.41</b>	<b>(51,750.41)</b>	<b>174.58%</b>
<b>INDIRECT EXPENSES:</b>					
SALARY EXPENSE (2.05 FTE)	117,663.00	9,920.65	90,123.79	27,539.21	76.59%
BENEFITS EXPENSE	48,981.00	3,724.80	35,284.14	13,696.86	72.04%
OTHER INDIRECT EXPENSE	50,659.00	6,872.76	43,334.44	7,324.56	85.54%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>217,303.00</b>	<b>20,518.21</b>	<b>168,742.37</b>	<b>48,560.63</b>	<b>77.65%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>286,693.00</b>	<b>33,697.00</b>	<b>289,882.78</b>	<b>(3,189.78)</b>	<b>101.11%</b>
<b>NET INCOME (LOSS):</b>	<b>(126,693.00)</b>	<b>(15,774.48)</b>	<b>(151,846.33)</b>		

**Washington State Bar Association**

## Statement of Activities

For the Period from June 1, 2019 to June 30, 2019

**75.00% OF YEAR COMPLETE**

	<b>FISCAL 2019 BUDGET</b>	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>	<b>REMAINING BALANCE</b>	<b>% USED OF BUDGET</b>
<b>CLIENT PROTECTION FUND</b>					
<b>REVENUE:</b>					
DONATIONS	-	200.00	200.00	(200.00)	
CPF RESTITUTION	3,000.00	441.70	5,358.27	(2,358.27)	178.61%
CPF MEMBER ASSESSMENTS	982,000.00	3,660.00	1,015,332.50	(33,332.50)	103.39%
INTEREST INCOME	7,500.00	7,212.01	57,068.00	(49,568.00)	760.91%
<b>TOTAL REVENUE:</b>	<b>992,500.00</b>	<b>11,513.71</b>	<b>1,077,958.77</b>	<b>(85,458.77)</b>	<b>108.61%</b>
<b>DIRECT EXPENSES:</b>					
BANK FEES - WELLS FARGO	1,000.00	191.36	1,933.74	(933.74)	193.37%
GIFTS TO INJURED CLIENTS	500,000.00	58,900.00	141,599.00	358,401.00	28.32%
CPF BOARD EXPENSES	3,000.00	158.91	808.27	2,191.73	26.94%
<b>TOTAL DIRECT EXPENSES:</b>	<b>504,000.00</b>	<b>59,250.27</b>	<b>144,341.01</b>	<b>359,658.99</b>	<b>28.64%</b>
<b>INDIRECT EXPENSES:</b>					
SALARY EXPENSE (1.25 FTE)	97,740.00	6,820.03	61,375.78	36,364.22	62.79%
BENEFITS EXPENSE	35,581.00	2,654.32	25,281.52	10,299.48	71.05%
OTHER INDIRECT EXPENSE	30,889.00	4,189.59	26,416.24	4,472.76	85.52%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>164,210.00</b>	<b>13,663.94</b>	<b>113,073.54</b>	<b>51,136.46</b>	<b>68.86%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>668,210.00</b>	<b>72,914.21</b>	<b>257,414.55</b>	<b>410,795.45</b>	<b>38.52%</b>
<b>NET INCOME (LOSS):</b>	<b>324,290.00</b>	<b>(61,400.50)</b>	<b>820,544.22</b>		

**Washington State Bar Association**

Statement of Activities

For the Period from June 1, 2019 to June 30, 2019

**75.00% OF YEAR COMPLETE**

	<b>FISCAL 2019 BUDGET</b>	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>	<b>REMAINING BALANCE</b>	<b>% USED OF BUDGET</b>
<b>MANAGEMENT OF WESTERN STATES BAR CONFERENCE (NO WSBA FUNDS)</b>					
<b>REVENUE:</b>					
REGISTRATION REVENUE	33,000.00	-	34,632.50	(1,632.50)	104.95%
OTHER ACTIVITIES REGISTRATION REVENUE	20,000.00	-	22,525.00	(2,525.00)	112.63%
WESTERN STATES BAR MEMBERSHIP DUES	3,200.00	-	3,000.00	200.00	93.75%
SPONSORSHIPS	12,000.00	-	7,700.00	4,300.00	64.17%
<b>TOTAL REVENUE:</b>	<b>68,200.00</b>	<b>-</b>	<b>67,857.50</b>	<b>342.50</b>	<b>99.50%</b>
<b>DIRECT EXPENSES:</b>					
FACILITIES	55,000.00	-	47,383.58	7,616.42	86.15%
SPEAKERS & PROGRAM DEVELOPMENT	1,000.00	-	501.23	498.77	50.12%
BANK FEES	-	-	1.00	(1.00)	
WSBC PRESIDENT TRAVEL	500.00	-	-	500.00	0.00%
OPTIONAL ACTIVITIES EXPENSE	3,500.00	-	6,952.30	(3,452.30)	198.64%
MARKETING EXPENSE	800.00	-	601.05	198.95	75.13%
STAFF TRAVEL/PARKING	2,000.00	-	2,177.35	(177.35)	108.87%
<b>TOTAL DIRECT EXPENSES:</b>	<b>62,800.00</b>	<b>-</b>	<b>57,616.51</b>	<b>5,183.49</b>	<b>91.75%</b>
<b>INDIRECT EXPENSES:</b>					
<b>TOTAL INDIRECT EXPENSES:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>TOTAL ALL EXPENSES:</b>	<b>62,800.00</b>	<b>-</b>	<b>57,616.51</b>	<b>5,183.49</b>	<b>91.75%</b>
<b>NET INCOME (LOSS):</b>	<b>5,400.00</b>	<b>-</b>	<b>10,240.99</b>		

**Washington State Bar Association**

## Statement of Activities

For the Period from June 1, 2019 to June 30, 2019

**75.00% OF YEAR COMPLETE**

	<b>FISCAL 2019 BUDGET</b>	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>	<b>REMAINING BALANCE</b>	<b>% USED OF BUDGET</b>
<b>SECTIONS OPERATIONS</b>					
<b>REVENUE:</b>					
SECTION DUES	472,490.00	1,707.50	443,040.62	29,449.38	93.77%
SEMINAR PROFIT SHARE	15,000.00	-	13,556.00	1,444.00	90.37%
INTEREST INCOME	1,900.00	-	-	1,900.00	0.00%
PUBLICATIONS REVENUE	4,000.00	-	2,747.95	1,252.05	68.70%
OTHER	50,750.00	7,815.00	28,224.75	22,525.25	55.62%
<b>TOTAL REVENUE:</b>	<b>544,140.00</b>	<b>9,522.50</b>	<b>487,569.32</b>	<b>56,570.68</b>	<b>89.60%</b>
<b>DIRECT EXPENSES:</b>					
DIRECT EXPENSES OF SECTION ACTIVITIES	531,505.00	43,473.38	218,907.04	312,597.96	41.19%
REIMBURSEMENT TO WSBA FOR INDIRECT EXPENSES	309,019.50	1,143.75	291,937.50	17,082.00	94.47%
<b>TOTAL DIRECT EXPENSES:</b>	<b>840,524.50</b>	<b>44,617.13</b>	<b>510,844.54</b>	<b>329,679.96</b>	<b>60.78%</b>
<b>NET INCOME (LOSS):</b>	<b>(296,384.50)</b>	<b>(35,094.63)</b>	<b>(23,275.22)</b>		



# Washington State Bar Association

Statement of Activities

For the Period from June 1, 2019 to June 30, 2019

**75.00% OF YEAR COMPLETE**

	<b>FISCAL 2019 BUDGET</b>	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>	<b>REMAINING BALANCE</b>	<b>% USED OF BUDGET</b>
<b>INDIRECT EXPENSES:</b>					
SALARIES	11,868,980.00	964,845.27	8,863,987.47	3,004,992.53	74.68%
ALLOWANCE FOR OPEN POSITIONS	(200,000.00)	-	-	(200,000.00)	0.00%
TEMPORARY SALARIES	141,330.00	20,758.05	161,034.42	(19,704.42)	113.94%
CAPITAL LABOR & OVERHEAD	(188,800.00)	(10,722.00)	(86,687.37)	(102,112.63)	45.91%
EMPLOYEE ASSISTANCE PLAN	4,800.00	-	3,600.00	1,200.00	75.00%
EMPLOYEE SERVICE AWARDS	2,230.00	-	2,129.12	100.88	95.48%
FICA (EMPLOYER PORTION)	879,000.00	71,211.62	638,013.98	240,986.02	72.58%
L&I INSURANCE	47,250.00	-	19,980.39	27,269.61	42.29%
WA STATE FAMILY MEDICAL LEAVE (EMPLOYER PORTION)	-	1,385.32	8,588.49	(8,588.49)	
MEDICAL (EMPLOYER PORTION)	1,590,000.00	122,748.74	1,099,549.59	490,450.41	69.15%
RETIREMENT (EMPLOYER PORTION)	1,494,000.00	116,989.70	1,088,525.49	405,474.51	72.86%
TRANSPORTATION ALLOWANCE	119,250.00	540.00	107,998.20	11,251.80	90.56%
UNEMPLOYMENT INSURANCE	87,500.00	6,330.51	56,171.83	31,328.17	64.20%
STAFF DEVELOPMENT-GENERAL	6,900.00	407.96	1,012.35	5,887.65	14.67%
<b>TOTAL SALARY &amp; BENEFITS EXPENSE:</b>	<b>15,852,440.00</b>	<b>1,294,495.17</b>	<b>11,963,903.96</b>	<b>3,888,536.04</b>	<b>75.47%</b>
WORKPLACE BENEFITS	39,000.00	2,127.72	37,928.54	1,071.46	97.25%
HUMAN RESOURCES POOLED EXP	102,400.00	10,058.07	58,263.34	44,136.66	56.90%
MEETING SUPPORT EXPENSES	12,500.00	593.67	10,345.79	2,154.21	82.77%
RENT	1,802,000.00	149,183.94	1,436,675.03	365,324.97	79.73%
PERSONAL PROP TAXES-WSBA	14,000.00	900.84	10,246.83	3,753.17	73.19%
FURNITURE, MAINT, LH IMP	35,200.00	4,300.80	18,867.21	16,332.79	53.60%
OFFICE SUPPLIES & EQUIPMENT	46,000.00	3,241.62	39,356.63	6,643.37	85.56%
FURN & OFFICE EQUIP DEPRECIATION	51,300.00	4,126.00	37,780.78	13,519.22	73.65%
COMPUTER HARDWARE DEPRECIATION	51,800.00	3,975.00	34,774.00	17,026.00	67.13%
COMPUTER SOFTWARE DEPRECIATION	162,700.00	10,257.00	88,982.00	73,718.00	54.69%
INSURANCE	143,000.00	11,916.18	107,245.62	35,754.38	75.00%
PROFESSIONAL FEES-AUDIT	35,000.00	-	31,669.20	3,330.80	90.48%
PROFESSIONAL FEES-LEGAL	50,000.00	215,477.93	429,919.07	(379,919.07)	859.84%
TELEPHONE & INTERNET	47,000.00	6,704.94	31,952.97	15,047.03	67.99%
POSTAGE - GENERAL	36,000.00	1,867.63	18,425.19	17,574.81	51.18%
RECORDS STORAGE	40,000.00	7,135.15	36,072.80	3,927.20	90.18%
STAFF TRAINING	95,245.00	4,328.33	40,877.28	54,367.72	42.92%
BANK FEES	35,400.00	2,034.90	24,879.44	10,520.56	70.28%
PRODUCTION MAINTENANCE & SUPPLIES	12,000.00	1,688.46	6,298.10	5,701.90	52.48%
COMPUTER POOLED EXPENSES	667,610.00	30,411.99	466,537.15	201,072.85	69.88%
<b>TOTAL OTHER INDIRECT EXPENSES:</b>	<b>3,478,155.00</b>	<b>470,330.17</b>	<b>2,967,096.97</b>	<b>511,058.03</b>	<b>85.31%</b>
<b>TOTAL INDIRECT EXPENSES:</b>	<b>19,330,595.00</b>	<b>1,764,825.34</b>	<b>14,931,000.93</b>		

# Washington State Bar Association

## Statement of Activities

For the Period from June 1, 2019 to June 30, 2019

**75.00% OF YEAR COMPLETE**

	FISCAL 2019 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE
<b>SUMMARY PAGE</b>				
LICENSE FEES	15,958,200.00	1,332,061.05	12,208,636.27	3,749,563.73
ACCESS TO JUSTICE	(327,324.00)	(31,736.39)	(232,577.02)	(94,746.98)
ADMINISTRATION	(1,043,654.00)	(69,039.24)	(596,740.23)	(446,913.77)
ADMISSIONS/BAR EXAM	69,421.00	(54,656.50)	333,493.11	(264,072.11)
BOARD OF GOVERNORS	(834,709.00)	(68,350.64)	(677,692.52)	(157,016.48)
COMMUNICATIONS	(604,832.00)	(50,754.19)	(459,611.85)	(145,220.15)
CONFERENCE & BROADCAST SERVICES	(783,893.00)	(75,048.63)	(621,037.07)	(162,855.93)
DISCIPLINE	(5,788,075.00)	(510,323.80)	(4,329,574.16)	(1,458,500.84)
DIVERSITY	(445,817.00)	(53,999.34)	(293,949.94)	(151,867.06)
FOUNDATION	(164,863.00)	(12,363.72)	(121,937.22)	(42,925.78)
HUMAN RESOURCES	(204,958.00)	(43,321.99)	(309,505.01)	104,547.01
LAP	(132,499.00)	(11,853.97)	(100,537.91)	(31,961.09)
LEGISLATIVE	(154,066.00)	(12,884.58)	(118,620.86)	(35,445.14)
LICENSING AND MEMBERSHIP	(377,789.00)	(35,763.51)	(209,086.99)	(168,702.01)
LIMITED LICENSE LEGAL TECHNICIAN	(241,191.00)	(18,501.27)	(172,445.16)	(68,745.84)
LIMITED PRACTICE OFFICERS	(171,653.00)	(13,288.01)	(123,516.79)	(48,136.21)
MANDATORY CLE ADMINISTRATION	176,571.00	7,442.83	305,341.67	(128,770.67)
MEMBER BENEFITS	(260,707.00)	(12,290.60)	(200,346.97)	(60,360.03)
MEMBER SERVICES & ENGAGEMENT	(420,479.00)	(31,114.73)	(259,330.30)	(161,148.70)
NW LAWYER	(197,103.00)	15,392.80	(170,479.30)	(26,623.70)
OFFICE OF GENERAL COUNSEL	(941,756.00)	(71,276.83)	(620,559.59)	(321,196.41)
OGC-DISCIPLINARY BOARD	(290,573.00)	(22,095.46)	(188,035.47)	(102,537.53)
OUTREACH & ENGAGEMENT	(401,898.00)	(40,040.08)	(305,109.01)	(96,788.99)
PRACTICE OF LAW BOARD	(90,063.00)	(5,771.17)	(43,207.54)	(46,855.46)
PROFESSIONAL RESPONSIBILITY PROGRAM	(265,570.00)	(24,447.80)	(204,349.57)	(61,220.43)
PUBLICATION & DESIGN SERVICES	(146,865.00)	(13,099.53)	(118,192.42)	(28,672.58)
PUBLIC SERVICE PROGRAMS	(262,919.00)	(13,045.83)	(65,913.91)	(197,005.09)
LAW CLERK PROGRAM	11,985.00	(9,146.65)	52,185.72	(40,200.72)
SECTIONS ADMINISTRATION	(224,315.00)	(47,780.50)	(114,226.53)	(110,088.47)
TECHNOLOGY	(1,540,222.00)	(149,490.62)	(1,260,409.52)	(279,812.48)
CLE - PRODUCTS	733,919.00	846.93	491,576.85	242,342.15
CLE - SEMINARS	(398,992.00)	46,365.92	(301,896.92)	(97,095.08)
SECTIONS OPERATIONS	(296,384.50)	(35,094.63)	(23,275.22)	(273,109.28)
DESKBOOKS	(126,693.00)	(15,774.48)	(151,846.33)	25,153.33
CLIENT PROTECTION FUND	324,290.00	(61,400.50)	820,544.22	(496,254.22)
WESTERN STATES BAR CONFERENCE (No WSBA Funds)	5,400.00	-	10,240.99	(4,840.99)
INDIRECT EXPENSES	(19,330,595.00)	(1,764,825.34)	(14,931,000.93)	(4,399,594.07)
<b>TOTAL OF ALL</b>	<b>19,190,671.50</b>	<b>1,976,471.00</b>	<b>13,102,993.43</b>	<b>6,087,678.07</b>
<b>NET INCOME (LOSS)</b>	<b>139,923.50</b>	<b>(211,645.66)</b>	<b>1,828,007.50</b>	

**Washington State Bar Association  
Analysis of Cash Investments  
As of June 30, 2019**

**Checking & Savings Accounts**

**General Fund**

**Checking**

<b><u>Bank</u></b>	<b><u>Account</u></b>	<b><u>Amount</u></b>
Wells Fargo	General	\$ 786,784

Total

<b><u>Investments</u></b>	<b><u>Rate</u></b>	<b><u>Amount</u></b>
Wells Fargo Money Market	2.38%	\$ 3,975,079
UBS Financial Money Market	2.37%	\$ 590,438
Morgan Stanley Money Market	2.35%	\$ 3,309,044
Merrill Lynch Money Market	2.50%	\$ 1,948,374
Short Term Investments	Varies	\$ 3,730,000

**General Fund Total \$ 14,339,720**

**Client Protection Fund**

**Checking**

<b><u>Bank</u></b>	<b><u>Amount</u></b>
Wells Fargo	\$ 371,043

<b><u>Investments</u></b>	<b><u>Rate</u></b>	<b><u>Amount</u></b>
Wells Fargo Money Market	2.38%	\$ 3,939,425
Morgan Stanley Money Market	2.11%	\$ 105,674
Wells Fargo Investments	Varies	\$ -

**Client Protection Fund Total \$ 4,416,141**

**Grand Total Cash & Investments \$ 18,755,861**

**Washington State Bar Association**  
**Analysis of Cash Investments**  
**As of June 30, 2019**

**Short Term Investments- General Fund**

<b><u>Bank</u></b>	<b><u>Interest Rate</u></b>	<b><u>Yield</u></b>	<b><u>Term</u></b>	<b><u>Maturity Date</u></b>	<b><u>Amount</u></b>
Fidelity Bank Atlanta	2.30%	2.30%	4 months	7/15/2019	250,000.00
Pacific Premier Bank	2.30%	2.30%	4 months	7/15/2019	250,000.00
City National Bank	2.40%	2.40%	6 months	7/18/2019	240,000.00
Stifel Bank & Trust	2.40%	2.40%	4 months	7/26/2019	250,000.00
Bank of Baroda	2.30%	2.30%	6 months	7/30/2019	250,000.00
Valley National Bank	2.30%	2.30%	6 months	7/30/2019	250,000.00
Old National Bank	2.35%	2.35%	6 months	8/15/2019	250,000.00
Banc of California	2.35%	2.35%	6 months	9/11/2019	250,000.00
Western Alliance Bank	2.30%	2.30%	6 months	9/16/2019	250,000.00
Citizens Bank Rhode Island	2.40%	2.40%	6 months	9/20/2019	250,000.00
Umpqua Bank	2.50%	2.50%	8 months	9/23/2019	250,000.00
Bank of NY Mellon	2.45%	2.45%	9 months	10/15/2019	250,000.00
UBS Bank	2.50%	2.50%	9 months	10/16/2019	240,000.00
Investors Bank	2.55%	2.55%	9 months	10/18/2019	250,000.00
US Bank National Association	2.45%	2.45%	9 months	11/6/2019	250,000.00

**Total Short Term Investments- General Fund** 3,730,000.00

**Client Protection Fund**

<b><u>Bank</u></b>	<b><u>Interest Rate</u></b>	<b><u>Yield</u></b>	<b><u>Term Mths</u></b>	<b><u>Maturity Date</u></b>	<b><u>Amount</u></b>
					<b>Total CPF</b> <u><u>-</u></u>

# WASHINGTON STATE BAR ASSOCIATION

To: Budget and Audit Committee

From: Terra Nevitt, Interim Executive Director

Re: Proposed Fiscal Policy Revisions

Date: August 8, 2019

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In July, the Board of Governors had a first reading of the Fiscal Policy revisions proposed by this committee, which would require that certain revenues and costs be separated into individual cost centers.

Attached are additional revisions to the policy, which would narrow the scope of the revision to revenue and expenses related to the Board of Governors, the Office of the Executive Director, the LLLT Program, and the LPO Program and provide some flexibility for how other committees and activities are grouped. The attached also seeks to clarify language about how staff time can be allocated among the Board of Governor and Office of Executive Director cost centers.

## **ATTACHMENT A**

### **Recommended Revisions to Fiscal Policies and Procedures re Cost Centers**

#### **Budget Policies and Process**

##### **Overall Philosophy**

The WSBA should prepare an annual budget and establish its budget by function ("cost center") insofar as practical to permit subsequent cost-benefit analysis. The budget should be transparent so it is easy for the Board of Governors and members to see how the WSBA is spending its money. ~~7~~

The budget for each cost center should include its revenues, its direct expenses, and its share of the WSBA's overhead (indirect) expenses. By knowing the total cost of each program or function, the Board can make policy decisions about which programs should be supported by member license fees, which programs should be self-supporting, which programs should generate revenue for other WSBA functions or programs. To that end, The revenue and costs associated with specific program areas; committees, boards and other entities; and other activities should be grouped into cost centers in order to further the Board's ability to make such policy decisions. all revenues costs, and expenses and income arising from each program, committee, bBoard (whether of the WSBA or as directed by the Supreme Court), the Limited License Legal Technician (LLLT) license type, and the Limited Practice Officer (LPO) license type and non-attorney license type shall be reflected in a cost center specific to it provided however that standing Board of Governor committees (for example, Budget and Audit committee and personnel committee) shall be budgeted in the Board of Governors cost center. To the extent expenses costs are shared between cost centers, they shall be allocated in accord with standing practices with the intention of ensuring all costs incurred by unique costs centers are attributed to them. More specifically, In particular, that shall include, but is not limited to, all revenues and expenses (direct and indirect) shall being presented in separate cost centers for: (1) the Board of Governors; (2) the Office of the Executive Director; and (3) the LLLT limited license legal technician program; (4) the LPO program, and (54) all Supreme Court boards and committeseach limited license program.

The only allocation of full time employee units to the Board of Governor cost center shall be the direct time of any administrative staff among whose primary purposes is to assist the Board. The full cost of the position of Executive Director shall be reflected in that cost center without allocation to any other cost center and shall include an allocation in full time employee units the staff tasked the direct time of any administrative staff among whose primary purposes is to assist the Executive Director. Both the Board of Governors cost center and Executive Director cost center shall be allocated their pro rata share of enterprise expenses in accord with standing practices. Where those are shared enterprise expenses, they shall be clearly identified as such.

The budget should be a tool to plan for the coming year and help guide decision making. It is both a policy-making tool for the Board of Governors and provides the Board of Governors the ability to provide direct oversight over WSBA Spending. Additionally, it, and gives employees direction on how and where to spend its resources. In order to be a useful tool, the budget should not be a rigid document that can never be amended – it can and should be amended if necessary. The budget can be amended by the Board of Governors, Budget and Audit Committee or Executive Director via decisions made under the Fiscal Responsibilities Matrix.

WSBA should budget revenues and expenses as accurately as possible. Revenues should be realistic, but not overly conservative. Expenses should be estimated not on remote possibilities, but rather on historical spending patterns and actual planned expenses. There should be some flexibility in the budget to allow for contingencies and necessary adjustments.

~~The budget should be transparent so it is easy for the Board of Governors and members to see how the WSBA is spending its money.~~

##### **Long-range Forecasting and Planning**

The Chief Operations Officer may prepare long-range forecasts, prior to the annual budgeting process, to get

## **ATTACHMENT A**

### **Recommended Revisions to Fiscal Policies and Procedures re Cost Centers**

an indication of the parameters around the upcoming annual budget; and whenever requested by the Board of Governors, usually for planning for license fee increases and as part of the long-range planning process. WSBA should annually update its long-range financial plan to anticipate the needs of a growing Bar, and so that, if increased funds become necessary, the Bar can plan logically and in advance on what additional funding will be required to meet such needs

#### **Annual Budgeting Time Line/Process**

- The budgeting process begins in April for the coming fiscal year (October 1 – September 30). The Chief Operations Officer and Associate Director of Finance request budgets from each Department Director, Section Chair, and liaison to the WSBA's various committees and boards. These individual budgets are compiled and reviewed by the Chief Operations Officer and the Executive Director.
- The Chief Operations Officer and Associate Director of Finance meet with department directors, employees, section leaders, etc. to conduct a thorough review of all budgets and comparison of budget figures to historical and year-to-date fiscal information.
- The Budget and Audit Committee reviews drafts of the entire WSBA budget (general fund, CLE, CPF, and sections) in June, July, and August, and provides guidance where necessary.
- The Board of Governors reviews a preliminary budget in July and approves the final entire WSBA budget at its last meeting of the fiscal year (September).

#### **Capital Budget**

A capital budget is prepared each year as part of the annual budget process. The capital budget forecasts capital purchases anticipated in the coming fiscal year that are over \$2,500 and have a useful life over 1 year (the depreciation for which is included in the expense budgets). The Board of Governors reviews a preliminary capital budget in July and approves the final capital budget with the entire WSBA budget at its last meeting of the fiscal year (September).

#### **Cash Flow Budget**

From time to time, when necessary, a cash flow budget may be prepared both to anticipate the timing and amount of cash and liquidity needs of the WSBA for the current year and the excess funds available for longer-term investments.

#### **Additional Budget Requests**

Department directors, committee/board employee liaisons, or section leaders who anticipate a need for funds in excess of their approved budget should make a request to the Chief Operations Officer, indicating the additional amount requested and the purpose of the additional funds. (Note: Sections are required to obtain approval from the WSBA Treasurer for any unbudgeted expense which totals either 25% or more of the section's annual expense budget or \$1,000 (whichever option is greater) – see Chapter 10 for details.) This request will be handled according to the Fiscal Responsibilities Matrix. If necessary, a request can be taken to the Budget and Audit Committee at its next meeting.

#### **Ongoing Program Review**

WSBA should anticipate both new initiatives and planning for potential termination or decreased funding for some older programs, depending on relevance for and needs of WSBA. WSBA should maintain a scheduled program review process for all non-regulatory WSBA programs.

## **ATTACHMENT A**

### **Recommended Revisions to Fiscal Policies and Procedures re Cost Centers**

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The WSBA should prepare an annual budget and establish its budget by function ("cost center") insofar as practical to permit subsequent cost-benefit analysis. The budget should be transparent so it is easy for the Board of Governors and members to see how the WSBA is spending its money.

The budget for each cost center should include its revenues, its direct expenses, and its share of the WSBA's overhead (indirect) expenses. By knowing the total cost of each program or function, the Board can make policy decisions about which programs should be supported by member license fees, which programs should be self-supporting, which programs should generate revenue for other WSBA functions or programs. The revenue and costs associated with specific program areas; committees, boards and other entities; and other activities should be grouped into cost centers in order to further the Board's ability to make such policy decisions. More specifically, that shall include, but is not limited to, all revenues and expenses (direct and indirect) being presented in separate cost centers for: (1) the Board of Governors; (2) the Executive Director; (3) the LLLT program; (4) the LPO program, and (5) all Supreme Court boards and committees

The only allocation of full time employee units to the Board of Governor cost center shall be the direct time of any administrative staff among whose primary purposes is to assist the Board. The full cost of the position of Executive Director shall be reflected in that cost center without allocation to any other cost center and shall include the direct time of any administrative staff among whose primary purposes is to assist the Executive Director. Both the Board of Governors cost center and Executive Director cost center shall be allocated their pro rata share of enterprise expenses in accord with standing practices. Where those are shared enterprise expenses, they shall be clearly identified as such.

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## **ATTACHMENT A**

### **Recommended Revisions to Fiscal Policies and Procedures re Cost Centers**

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#### **Ongoing Program Review**

WSBA should anticipate both new initiatives and planning for potential termination or decreased funding for some older programs, depending on relevance for and needs of WSBA. WSBA should maintain a scheduled program review process for all non-regulatory WSBA programs.

# WASHINGTON STATE BAR ASSOCIATION

To: Budget and Audit Committee

From: Terra Nevitt, Interim Executive Director

Re: FY20 Draft Budget

Date: August 8, 2019

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Attached is the Draft FY20 Budget as presented to the Board of Governors in July. We will make additional changes to the budget as directed by this Committee and present a revised draft budget at our September 5 meeting.

# WASHINGTON STATE BAR ASSOCIATION

To: Budget and Audit Committee

From: Budget & Audit Committee

Re: Draft FY 2020 Budgets

Date: July 8, 2019

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## FISCAL CONTEXT

The WSBA budget is a policy document and management tool that allocates funds to fulfill our regulatory responsibilities, serve and protect the public, and support our members in maintaining success in the practice of law. Each year, we work to build a fiscally responsible budget designed to meet the needs of our members in a diverse, rapidly changing profession. We set budget parameters based on current and multi-year projections of revenues, expenses, and reserves.

This year, in light of potential structural change, the Committee determined that the FY20 budget would essentially support the status quo of programs, services, and operations. To that end, the FY20 draft budget advances WSBA's mission to serve the public and the members of the Bar, to ensure the integrity of the legal profession, and to champion justice. It enables WSBA to support members, and to advance and promote: (1) access to the justice system, (2) diversity, equity, and cultural understanding throughout the legal community, (3) the public's understanding of the rule of law and its confidence in the legal system, (4) a fair and impartial judiciary, and (5) the ethics, civility, professionalism, and competence of the Bar.

The FY20 draft budget also supports programs and services such as the following, which help assure competent and qualified legal professionals, and promote the role of legal professionals in society:

- Over 140 credit hours of free and low cost CLE programs, including the Legal Lunchbox series and New and Young Lawyer education programs
- Help from our confidential Ethics Line
- Career consultation, including Job Seekers Group
- Free legal research tools
- Mentorship programming
- Member Assistance consultation programming; and WSBAConnects, a 24/7 confidential statewide wellness benefit to help address issues related to mental health and addiction, career management, family, caregiving, daily living, health and well-being, and more

- Practice management consultation and resources to help achieve and maintain a successful law practice, including: ABA publications and retirement plans; professional liability insurance; and billing, document management, file sharing, conflict check, cloud practice management, merchant accounting, and other business systems
- Public Service training and programs (Moderate Means and Call to Duty)
- 29 practice sections and numerous WSBA committees, task forces, and panels
- Financial accommodations through the WSBA Hardship Option and Payment Plan

After providing a high level comparison of the FY20 draft and FY19 budgets, this memorandum takes a deeper look at the FY20 draft budget by fund (and fund reserves as applicable): (1) the General Fund; (2) the Capital Budget; (3) the Continuing Legal Education (CLE) Fund; and (4) the Client Protection Fund (CPF). In keeping with past practice, the memorandum also provides background information on (5) the Sections Fund budgets and the Per-Member Charge (Sections budgets are not due until July 12, and will be presented at the Committee's next meeting). Budget details are included in appendices, including narratives on each cost center page in the budget to better facilitate the Committee's review.

## HOW THE FY20 DRAFT BUDGETS COMPARE TO THE FY19 BUDGET

<b>General Fund Budget</b>	<b>FY19</b>	<b>FY20</b>	<b>Difference</b>
• Revenue	\$20,222,324	\$20,818,314	\$595,990
• Expenses	\$20,323,940	\$21,379,234	\$1,055,294
• Net Income/(Loss)	(\$101,616)	(\$560,920)	\$459,304
• <b>Projected Reserves</b>	<b>\$3,694,242</b>	<b>\$3,133,322</b>	<b>(\$560,920)</b>
<b>CLE Fund Budget</b>	<b>FY19</b>	<b>FY20</b>	<b>Difference</b>
• Revenue	\$2,039,500	\$1,989,500	(\$50,000)
• Expenses	\$1,831,266	\$1,989,214	\$157,948
• Net Income/(Loss)	\$208,234	\$287	(\$207,947)
• <b>Projected Reserves</b>	<b>\$812,359</b>	<b>\$821,646</b>	<b>\$287</b>
<b>Client Protection Fund Budget</b>	<b>FY19</b>	<b>FY20</b>	<b>Difference</b>
• Revenue	\$992,500	\$1,023,000	\$30,500
• Expenses	\$668,210	\$648,686	(\$19,524)
• Net Income/(Loss)	\$324,290	\$374,314	\$50,024
• <b>Projected Reserves</b>	<b>\$3,552,278</b>	<b>\$3,926,592</b>	<b>\$374,314</b>



## DRAFT FY20 BUDGETS

### 1. GENERAL FUND BUDGET AND RESERVES

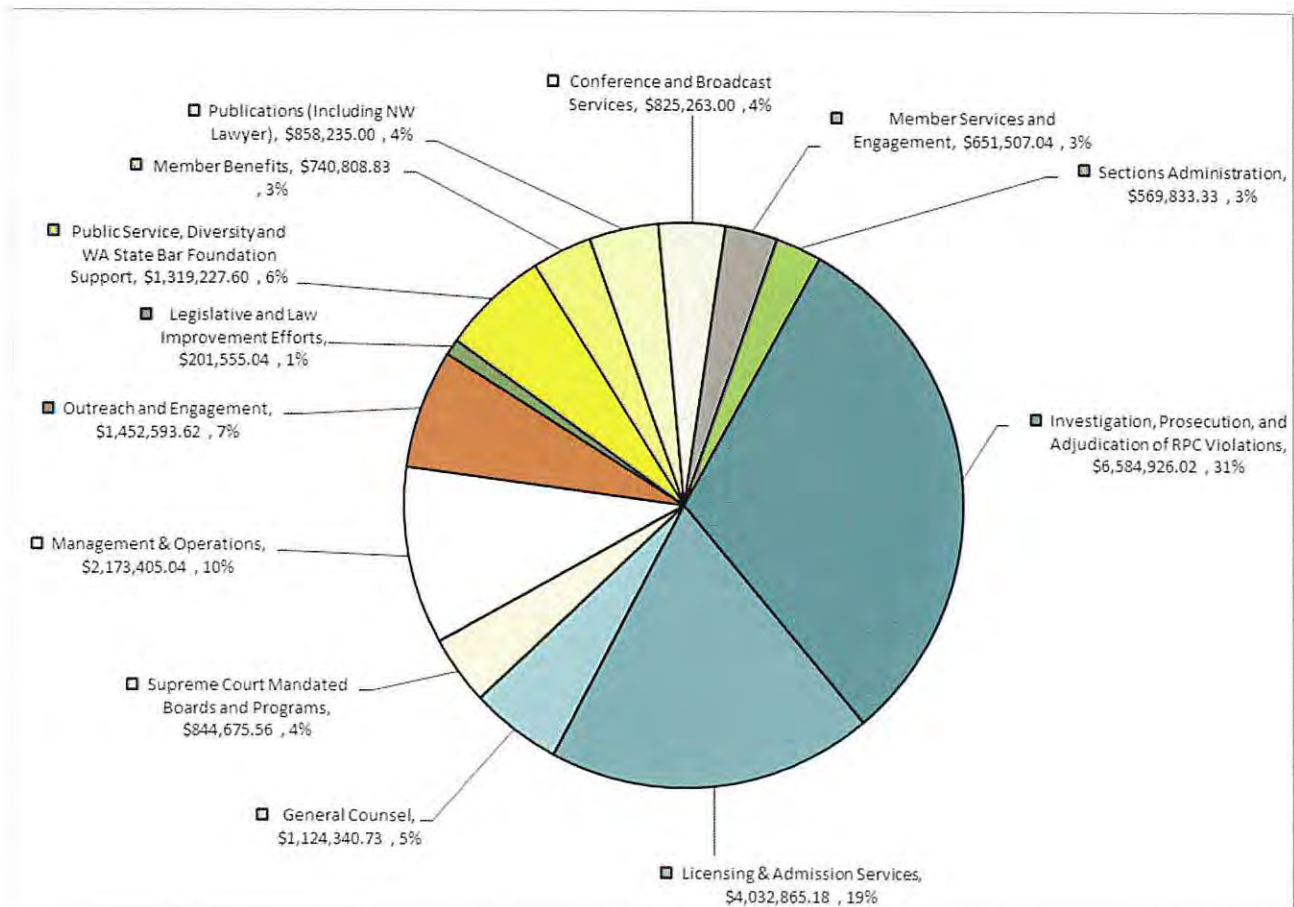
#### A. Overview

The General Fund is supported by license fees, consists of 31 cost centers, and supports the majority of the WSBA's work, including regulatory functions and most services to members and the public. The draft FY20 General Fund budget is built on lawyer license fees of \$458 and LPO/LLLT license fees of \$200, as previously deemed reasonable by the Supreme Court.

The General Fund Draft Budget assumes revenue of \$20,818,314 and expenses of \$21,379,234, with a budgeted net result of (\$560,920). WSBA-wide, FTE remain the same at 140.75 FTE. Assuming WSBA meets rather than exceeds expectations of both the FY19 budget and the FY20 Draft Budget presented, General Fund reserves are anticipated to be at least \$3.1 million at the end of FY20.

As you review General Fund cost center narratives and data, note that a net negative means that the cost center is supported by license fee revenues; a net positive means that it generates sufficient non-license fee revenues to support itself (*Attachment A*).

#### B. Draft FY20 General Fund Expenses by WSBA Programs and Services



### C. How the FY20 Draft General Fund Budget Compares to the FY19 Budget

General Fund Budget Summary	FY19	FY20	Difference
• Revenue	\$20,222,324	\$20,818,314	\$595,990
• Expenses	\$20,323,940	\$21,379,234	\$1,055,294
• Net Income/(Loss)	(\$101,616)	(\$560,920)	\$459,304
• Projected reserves	\$3,694,242	\$3,133,322	(\$560,920)
<b>Revenue Changes from FY19 Budget (\$20,000 or greater)</b>			<b>Budget Impact</b>
• <b>License fees:</b> revenue at \$453 for .25 fiscal year; \$458 for .75 fiscal year, set in 2016			422,000
• <b>Admissions Application Fees:</b> increase based on expected continued increase in Motion and UBE transfer applications			100,000
• <b>Pro Hac Vice:</b> increase consistent with actual revenues			40,000
• <b>Interest Income:</b> increased to account for interest earned on investment portfolio funds transferred into money market account			30,000
• <b>Gain/Loss on Investments:</b> eliminated due to transfer of investment portfolio into money market account			(30,000)
• <b>Variety of other revenue changes</b>			33,990
<b>Total Increase in Revenue from FY19</b>			<b>\$595,990</b>
<b>Expense Changes from FY19 Budget (\$20,000 or greater)</b>			<b>Budget Impact</b>
• <b>Professional Fees - Legal:</b> increase based on expected continued increase in litigation costs			200,000
• <b>Salaries for all funds:</b> net of (1) 3% market salary pool; and (2) savings from hiring efficiencies (replacement hires at lower salaries)			191,491
• <b>Rent:</b> includes operating costs and adjustments for 2019 leasehold excise taxes			149,000
• <b>BOG Meetings &amp; Retreat:</b> includes additional costs proposed for (1) extending all meetings to 2 full days and location changes (\$53,500); and (2) addition of 2 meetings (\$55,000)			108,500
• <b>Insurance:</b> anticipated increase in premiums			100,000
• <b>Temporary Employees:</b> increase due to additional temps for ODC, Diversity, MCLE, and CLE projects			74,250
• <b>Human Resources Direct Expenses:</b> additional cost for Executive Director recruitment			65,000
• <b>Professional Fees - Audit:</b> additional cost for proposed supplemental audit work			50,000
• <b>Capital Labor:</b> IT staff development of software projects in the capital budget, which can be capitalized as an asset when the project is complete. This changes depending on workload for the year. Reduction in this amount results in an increase in indirect expenses			47,800
• <b>Retirement:</b> costs based on percentage of increased gross salary; employer contribution rate increased by 0.03%			37,265
• <b>Variety of other direct and indirect cost changes</b>			31,988
<b>Total Increase in Expense from FY19</b>			<b>\$1,055,294</b>

### E. FY20 Cost Center Changes

The Draft FY20 General Fund Budget reflects the Committee's direction as follows:

1. The BOG/OED cost center has been split into the BOG cost center and OED cost center, in order to better reflect these costs.
2. The LPO and LLLT cost centers now reflect the pre-FY18 methodology of accounting for all expenses associated with these licenses in these cost centers (rather than include revenues with the Licensing cost center and expenses in the Admissions cost center).



## 2. CAPITAL BUDGET

The FY20 Capital Budget includes the cost of purchasing, refreshing and/or replacing outdated hardware and software as needed to protect data security and will increase our efficiency. Capital labor costs involve in-house development, customization, and/or upgrading to systems and projects. Anticipated FY20 projects include the development and implementation of a coordinated Online Admissions Program, enhancement of the MCLE program, routine upgrade to WSBA' accounting software (Navision), and replacement of the Discipline records system (GILDA) in anticipation of rule changes. The Capital Budget also includes the cost of purchasing, refreshing and/or replacing hardware and equipment and leasehold improvements (*Attachment B*).

## 3. CLE FUND BUDGET AND RESERVES

The CLE Fund is a board-designated operating reserve, consisting of net income from the CLE activities, to cover net loss and extraordinary costs of CLE programs, products, and/or capital acquisitions as needed. The FY20 CLE Fund Budget consists of two cost centers: (1) CLE Seminars and Products; and (2) Deskbooks. The FY20 budget reflects: (1) slight decreases in revenue across the board in live seminars, sponsorships and MP3 and video product sales; and (2) the addition of profit sharing of seminar and on-demand product revenues with WSBA sections, as approved by the Board last year (*Attachment C*).

CLE COST CENTER SUMMARY	FY19	FY20	Difference
<b>CLE Seminars and Products</b>			
• Revenue	\$1,879,500	\$1,824,000	(\$55,500)
• Expenses	\$1,544,573	\$1,635,516	\$90,943
• <b>Net Income/(Loss)</b>	<b>\$334,927</b>	<b>\$188,484</b>	<b>\$146,443</b>
<b>Deskbooks</b>			
• Revenue	\$160,000	\$165,500	\$5,500
• Expenses	\$286,693	\$353,698	\$67,005
• <b>Net Income/(Loss)</b>	<b>(\$126,693)</b>	<b>(\$188,198)</b>	<b>\$61,505</b>
<b>CLE COST CENTER TOTAL</b>			
• Revenue	\$2,039,500	\$1,989,500	(\$50,000)
• Expenses	\$1,831,266	\$1,989,214	\$157,948
• <b>Net Income/(Loss)</b>	<b>\$208,234</b>	<b>\$287</b>	<b>(\$207,948)</b>
<b>Projected Reserves</b>	<b>\$812,359</b>	<b>\$812,646</b>	<b>\$287</b>

#### 4. CLIENT PROTECTION FUND BUDGET AND RESERVES

The Client Protection Fund (CPF) is a legally-restricted fund created in 1995 by the Washington Supreme Court and WSBA to make gifts to compensate those financially victimized by lawyer dishonesty or failure to account for client funds or property. It is principally funded by an annual assessment on all active members and *pro hac vice* admissions as required by the Washington Supreme Court. The assessment has been \$30 since 2010. Last year, the Court determined that LLLTs (but not LPOs) should also pay the \$30 assessment. Expenses consist mainly of payouts to injured clients and CPF Board staff support. The maximum gift payout is \$150,000; CPF fund reserves are budgeted at **\$3,926,592** through the end of FY20 (*Attachment D*).

Client Protection Fund Budget	FY19	FY20	Difference
• Revenue	\$992,500	\$1,023,000	\$30,500
• Expenses	\$667,919	\$648,686	(\$19,233)
• Net Income/(Loss)	\$324,581	\$374,314	\$49,733
• Projected reserves	\$3,552,278	\$3,926,592	\$374,314

#### 5. FY20 SECTION BUDGETS AND PER-MEMBER CHARGE

WSBA Sections are currently working on preparing their FY20 budgets and will be submitting them for review on July 12. Consistent with previous years, all Section budgets will be presented at the next Budget and Audit Committee meeting for review.

The Section Per-Member Charge, calculated each year as part of the annual budget process, is based on the WSBA's first draft of the budget for administrative costs associated with supporting WSBA Sections for the upcoming fiscal year. These costs include salaries and benefits, overhead, and general section administration expenses. The Per-Member Charge has been \$18.75 since FY16. The Per-Member Charge required to cover costs in FY19 is **\$23.48**. The Committee will need to decide whether or not to increase the Per-Member Charge. We will provide section leadership with a detailed memo explaining the Per-member Charge via email on June 30, 2019.

### ATTACHMENTS

	A	Draft FY20 General Fund Budget
	B	Draft FY20 Capital Budget
	C	Draft FY20 CLE Budget
	D	Draft FY20 CPF Budget



# ATTACHMENT A

## Washington State Bar Association

### Budget Comparison Report

For the Period October 1, 2019 to September 30, 2020

	FISCAL 2019 BUDGET	FISCAL 2020 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
<b>SALARIES &amp; BENEFITS:</b>				
SALARIES	11,868,980.00	12,060,469.00	191,489.00	1.6%
ALLOWANCE FOR OPEN POSITIONS	(200,000.00)	(200,000.00)	-	0.0%
TEMPORARY EMPLOYEES	141,330.00	250,780.00	109,450.00	77.4%
EMPLOYEE ASSISTANCE PLAN	4,800.00	4,800.00	-	0.0%
EMPLOYEE SERVICE AWARDS	2,230.00	3,080.00	850.00	38.1%
FICA	879,000.00	887,000.00	8,000.00	0.9%
L&I INSURANCE	47,250.00	49,500.00	2,250.00	4.8%
WA STATE FAMILY MEDICAL LEAVE	-	17,500.00	17,500.00	
MEDICAL	1,590,000.00	1,580,000.00	(10,000.00)	-0.6%
RETIREMENT	1,494,000.00	1,527,000.00	33,000.00	2.2%
TRANSPORTATION ALLOWANCE	119,250.00	115,000.00	(4,250.00)	-3.6%
UNEMPLOYMENT INSURANCE	87,500.00	84,500.00	(3,000.00)	-3.4%
STAFF DEVELOPMENT-GENERAL	6,900.00	6,900.00	-	0.0%
CAPITAL LABOR	(188,800.00)	(141,000.00)	47,800.00	-25.3%
<b>TOTAL SALARIES &amp; BENEFITS:</b>	<b>15,852,440.00</b>	<b>16,245,529.00</b>	<b>393,089.00</b>	<b>2.5%</b>
<b>OVERHEAD:</b>				
WORKPLACE BENEFITS	39,000.00	44,500.00	5,500.00	14.1%
HUMAN RESOURCES DIRECT EXPENSES	102,400.00	167,120.00	64,720.00	63.2%
MEETING SUPPORT EXPENSES	12,500.00	15,000.00	2,500.00	20.0%
RENT	1,802,000.00	1,951,000.00	149,000.00	8.3%
PROPERTY TAXES	14,000.00	12,000.00	(2,000.00)	-14.3%
FURNITURE, MAINTENANCE, LEASHOLD IMPROVEMENTS	35,200.00	35,000.00	(200.00)	-0.6%
OFFICE SUPPLIES & EQUIPMENT	46,000.00	46,000.00	-	0.0%
FURNITURE & OFFICE EQUIPMENT DEPRECIATION	51,300.00	53,000.00	1,700.00	3.3%
COMPUTER HARDWARE DEPRECIATION	51,800.00	50,000.00	(1,800.00)	-3.5%
COMPUTER SOFTWARE DEPRECIATION	162,700.00	165,000.00	2,300.00	1.4%
INSURANCE	143,000.00	243,000.00	100,000.00	69.9%
PROFESSIONAL FEES-AUDIT	35,000.00	85,000.00	50,000.00	142.9%
PROFESSIONAL FEES-LEGAL	50,000.00	250,000.00	200,000.00	400.0%
TELEPHONE & INTERNET	47,000.00	47,000.00	-	0.0%
BANK FEES	35,400.00	34,000.00	(1,400.00)	-4.0%
POSTAGE	36,000.00	30,000.00	(6,000.00)	-16.7%
CONFERENCES & TRAINING	95,245.00	99,900.00	4,655.00	4.9%
RECORDS STORAGE	40,000.00	42,000.00	2,000.00	5.0%
PRODUCTION MAINTENANCE & SUPPLIES	12,000.00	12,000.00	-	0.0%
TECHNOLOGY DIRECT EXPENSES	667,610.00	667,610.00	-	0.0%
<b>TOTAL OVERHEAD:</b>	<b>3,478,155.00</b>	<b>4,049,130.00</b>	<b>570,975.00</b>	<b>16.4%</b>
<b>TOTAL INDIRECT EXPENSES:</b>	<b>19,330,595.00</b>	<b>20,294,659.00</b>	<b>964,064.00</b>	<b>5.0%</b>

The Indirect Expenses cost center includes amounts budgeted for employee salaries, benefits, and overhead. Salary expenses are allocated to cost centers based on the actual salaries of employees working in those cost centers. Benefits are allocated to cost centers based on a percentage of salaries (for example, if one cost center has 10% of WSBA's salary expense, it will be allocated 10% of the benefits expense).

This cost center also details overhead expenses such as rent, telephone, insurance, professional fees, office supplies, postage, maintenance, human resources, technology direct expenses, and other expenses that benefit WSBA as a whole. These expenses are allocated to each cost center based on the number of FTEs (full time equivalents) in that cost center and are reflected on the line "Overhead" in each cost center budget.

# Washington State Bar Association

## Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

<b>ACCESS TO JUSTICE</b>	<b>FISCAL 2019 BUDGET</b>	<b>FISCAL 2020 BUDGET</b>	<b>\$ CHANGE IN BUDGET</b>	<b>% CHANGE IN BUDGET</b>
<b>REVENUE:</b>				
CONFERENCES & INSTITUTES	7,500.00	-	(7,500.00)	-100%
WORK STUDY GRANTS	-	2,100.00	2,100.00	
<b>TOTAL REVENUE:</b>	<b>7,500.00</b>	<b>2,100.00</b>	<b>(5,400.00)</b>	<b>-72%</b>
<b>DIRECT EXPENSES:</b>				
ATJ BOARD RETREAT	2,000.00	2,000.00	-	0%
LEADERSHIP TRAINING	2,000.00	2,000.00	-	0%
ATJ BOARD EXPENSE	24,000.00	24,000.00	-	0%
PUBLIC DEFENSE	7,000.00	7,000.00	-	0%
CONFERENCE/INSTITUTE EXPENSE	14,837.00	-	(14,837.00)	-100%
RECEPTION/FORUM EXPENSE	9,500.00	9,500.00	-	0%
STAFF TRAVEL/PARKING	3,500.00	2,700.00	(800.00)	-23%
STAFF MEMBERSHIP DUES	120.00	120.00	-	0%
<b>TOTAL DIRECT EXPENSES:</b>	<b>62,957.00</b>	<b>47,320.00</b>	<b>(15,637.00)</b>	<b>-25%</b>
<b>INDIRECT EXPENSES:</b>				
FTE	2.10	1.92	(0.18)	-9%
SALARY EXPENSE	160,817.00	151,471.00	(9,346.00)	-6%
BENEFIT EXPENSE	59,156.00	54,395.00	(4,761.00)	-8%
OVERHEAD	51,894.00	55,235.00	3,341.00	6%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>271,867.00</b>	<b>261,101.00</b>	<b>(10,766.00)</b>	<b>-4%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>334,824.00</b>	<b>308,421.00</b>	<b>(26,403.00)</b>	<b>-8%</b>
<b>NET INCOME (LOSS):</b>	<b>(327,324.00)</b>	<b>(306,321.00)</b>	<b>21,003.00</b>	

WSBA administers the Supreme Court-established Access to Justice Board and most of its initiatives and working committees. This cost center also includes staffing and other support for WSBA's Council on Public Defense. Overall, revenue and direct costs have decreased because the biennial Access to Justice Conference will not take place in FY20. Costs proposed in this budget include support for two ATJ Board regional meetings, implementation of the State Plan for the Coordinated Delivery of Civil Legal Aid to Low Income People, outreach on the anticipated updated Technology Principles and a Tech Justice Summit, continued membership in the WA Nonprofit Association in furtherance of the ATJ Board's goal to more meaningfully engage with community-based organizations and joint meetings with other justice partners like the Minority and Justice Commission.

**Washington State Bar Association**  
**Budget Comparison Report**  
For the Period from October 1, 2019 to September 30, 2020

<b>ADMINISTRATION</b>	<b>FISCAL 2019 BUDGET</b>	<b>FISCAL 2020 BUDGET</b>	<b>\$ CHANGE IN BUDGET</b>	<b>% CHANGE IN BUDGET</b>
<b>REVENUE:</b>				
INTEREST - INVESTMENTS	70,000.00	100,000.00	30,000.00	43%
GAIN/LOSS ON INVESTMENTS	30,000.00	-	(30,000.00)	-100%
<b>TOTAL REVENUE:</b>	<b>100,000.00</b>	<b>100,000.00</b>	<b>-</b>	<b>0%</b>
<b>DIRECT EXPENSES:</b>				
LAW LIBRARY	-	279.00	279.00	
STAFF TRAVEL/PARKING	4,200.00	4,200.00	-	0%
STAFF MEMBERSHIP DUES	685.00	950.00	265.00	39%
<b>TOTAL DIRECT EXPENSES:</b>	<b>4,885.00</b>	<b>5,429.00</b>	<b>544.00</b>	<b>11%</b>
<b>INDIRECT EXPENSES:</b>				
FTE	7.97	7.98	0.01	0%
SALARY EXPENSE	700,100.00	723,667.00	23,567.00	3%
BENEFIT EXPENSE	241,718.00	247,080.00	5,362.00	2%
OVERHEAD	196,951.00	229,571.00	32,620.00	17%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>1,138,769.00</b>	<b>1,200,318.00</b>	<b>61,549.00</b>	<b>5%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>1,143,654.00</b>	<b>1,205,747.00</b>	<b>62,093.00</b>	<b>5%</b>
<b>NET INCOME (LOSS):</b>	<b>(1,043,654.00)</b>	<b>(1,105,747.00)</b>	<b>(62,093.00)</b>	

Finance and Administration provides organizational support services, including accounting, financial reporting, investments, payroll, facilities maintenance, and general office administration. Revenue coded to this cost center is interest income on WSBA's cash and investments.

# **Washington State Bar Association** **Budget Comparison Report**

For the Period from October 1, 2019 to September 30, 2020

<b>ADMISSIONS</b>	<b>FISCAL 2018 BUDGET</b>	<b>FISCAL 2019 BUDGET</b>	<b>\$ CHANGE IN BUDGET</b>	<b>% CHANGE IN BUDGET</b>
<b>REVENUE:</b>				
EXAMSOFT REVENUE	35,000.00	35,000.00	-	0%
APPLICATION FEES	1,200,000.00	1,300,000.00	100,000.00	8%
SPECIAL ADMISSIONS	60,000.00	60,000.00	-	0%
RULE 9/LEGAL INTERN FEES	-	12,000.00	12,000.00	
LLLT EXAM FEES	7,500.00	-	(7,500.00)	-100%
LLLT WAIVER FEES	900.00	-	(900.00)	
LPO EXAMINATION FEES	24,000.00	-	(24,000.00)	-100%
<b>TOTAL REVENUE:</b>	<b>1,327,400.00</b>	<b>1,407,000.00</b>	<b>79,600.00</b>	<b>6%</b>
<b>DIRECT EXPENSES:</b>				
FACILITY, PARKING, FOOD	70,000.00	84,060.00	14,060.00	20%
EXAMINER FEES	35,000.00	35,000.00	-	0%
BOARD OF BAR EXAMINERS	25,000.00	30,000.00	5,000.00	20%
BAR EXAM PROCTORS	31,000.00	31,000.00	-	0%
CHARACTER & FITNESS BOARD EXP	20,000.00	20,000.00	-	0%
DISABILITY ACCOMMODATIONS	20,000.00	20,000.00	-	0%
CHARACTER & FITNESS INVESTIGATIONS	900.00	900.00	-	0%
LAW SCHOOL VISITS	1,000.00	1,600.00	600.00	60%
UBE EXAMINATIONS	130,000.00	135,000.00	5,000.00	4%
LLLT/LPO EXAM WRITING	28,355.00	-	(28,355.00)	
COURT REPORTERS	18,000.00	18,000.00	-	0%
ONLINE LEGAL RESEARCH	-	3,675.00	3,675.00	
LAW LIBRARY	-	1,116.00	1,116.00	
DEPRECIATION	17,776.00	26,900.00	9,124.00	51%
POSTAGE	4,000.00	4,000.00	-	0%
STAFF TRAVEL/PARKING	13,000.00	14,900.00	1,900.00	15%
STAFF MEMBERSHIP DUES	400.00	650.00	250.00	63%
SUPPLIES	2,500.00	2,500.00	-	0%
<b>TOTAL DIRECT EXPENSES:</b>	<b>416,931.00</b>	<b>429,301.00</b>	<b>12,370.00</b>	<b>3%</b>
<b>INDIRECT EXPENSES:</b>				
FTE	6.30	6.80	0.50	8%
SALARY EXPENSE	496,503.00	547,525.00	51,022.00	10%
BENEFIT EXPENSE	188,862.00	205,780.00	16,918.00	9%
OVERHEAD	155,683.00	195,624.00	39,941.00	26%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>841,048.00</b>	<b>948,929.00</b>	<b>107,881.00</b>	<b>13%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>1,257,979.00</b>	<b>1,378,230.00</b>	<b>120,251.00</b>	<b>10%</b>
<b>NET INCOME (LOSS):</b>	<b>69,421.00</b>	<b>28,770.00</b>	<b>(40,651.00)</b>	

The Supreme Court has delegated to WSBA administrative responsibility over admissions for lawyers, Limited License Legal Technicians (LLLTs), and Limited Practice Officers (LPOs). Each year, over 1,000 people take one of the Uniform Bar Exams offered in February and July in the Puget Sound area, and much smaller numbers take the licensing exams for LPOs and LLLTs, also offered twice a year. In addition, approximately 600 people are admitted through admission by motion and more than 100 through a UBE score transfer, and another several hundred are licensed to practice as house counsel.

This work unit reviews all admission applications for all license types, performs some aspects of the background checks on applicants, further investigates identified character and fitness issues for some applicants for review by Bar Counsel (up to several hundred each year), and supports the Character and Fitness Board in conducting hearings and making recommendations to the Supreme Court regarding whether to admit and license applicants for all license types (usually between 10 and 20 hearings each year). This work unit also works with the National Conference of Bar Examiners in administering and grading exams for lawyers and the Board of Bar Examiners for grading exams for lawyers. Work has begun to develop and implement a new online application program that can accommodate all of the different types of lawyer admission and licensing applications, rather than needing to use paper applications for many types of applications.

Revenue increases are consistent with historic trends. This year, revenue in this cost center does not include revenue from LPO and LLLT admission applications, but does include revenue from APR 9 Licensed Legal Intern applications. Direct expense budget includes all costs for the lawyer exams and the Boards.

# **Washington State Bar Association** **Budget Comparison Report**

For the Period from October 1, 2019 to September 30, 2020

<b>BOARD OF GOVERNORS</b>	<b>FISCAL 2019 BUDGET</b>	<b>FISCAL 2020 BUDGET</b>	<b>\$ CHANGE IN BUDGET</b>	<b>% CHANGE IN BUDGET</b>
<b>REVENUE:</b>				
<b>TOTAL REVENUE:</b>	<u>-</u>	<u>-</u>	<u>-</u>	
<b>DIRECT EXPENSES:</b>				
WASHINGTON LEADERSHIP INSTITUTE	60,000.00	60,000.00	-	0%
BOG MEETINGS	117,000.00	210,500.00	93,500.00	80%
BOG COMMITTEES' EXPENSES	30,000.00	30,000.00	-	0%
BOG RETREAT	-	15,000.00	15,000.00	
BOG CONFERENCE ATTENDANCE	49,000.00	44,000.00	(5,000.00)	-10%
BOG TRAVEL & OUTREACH	35,000.00	35,000.00	-	0%
ED TRAVEL & OUTREACH	5,000.00	-	(5,000.00)	-100%
CONSULTING SERVICES	-	5,000.00	5,000.00	
STAFF TRAVEL/PARKING	5,400.00	-	(5,400.00)	-100%
STAFF MEMBERSHIP DUES	2,131.00	400.00	(1,731.00)	-81%
TELEPHONE	1,000.00	-	(1,000.00)	-100%
<b>TOTAL DIRECT EXPENSES:</b>	<u>304,531.00</u>	<u>399,900.00</u>	<u>95,369.00</u>	<u>31%</u>
<b>INDIRECT EXPENSES:</b>				
FTE	2.45	1.00	(1.45)	-59%
SALARY EXPENSE	361,878.00	69,756.00	(292,122.00)	-81%
BENEFIT EXPENSE	107,757.00	26,638.00	(81,119.00)	-75%
OVERHEAD	60,543.00	28,768.00	(31,775.00)	-52%
<b>TOTAL INDIRECT EXPENSES:</b>	<u>530,178.00</u>	<u>125,162.00</u>	<u>(405,016.00)</u>	<u>-76%</u>
<b>TOTAL ALL EXPENSES:</b>	<u>834,709.00</u>	<u>525,062.00</u>	<u>(309,647.00)</u>	<u>-37%</u>
<b>NET INCOME (LOSS):</b>	<u>(834,709.00)</u>	<u>(525,062.00)</u>	<u>309,647.00</u>	

This cost center supports the president, the president-elect, the Board of Governors' work and meetings, and Board committees. The budget includes funding for Board meetings, Board committees, and governor travel and outreach (to local, specialty, and minority bar associations, committees, sections, etc.). In FY20, it also continues to earmark support for the Washington Leadership Institute.

# Washington State Bar Association

## Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

<b>COMMUNICATION STRATEGIES</b>	<b>FISCAL 2019 BUDGET</b>	<b>FISCAL 2020 BUDGET</b>	<b>\$ CHANGE IN BUDGET</b>	<b>% CHANGE IN BUDGET</b>
<b>REVENUE:</b>				
AWARDS DINNER	50,000.00	40,000.00	(10,000.00)	-20%
50 YEAR MEMBER TRIBUTE LUNCH	750.00	-	(750.00)	-100%
<b>TOTAL REVENUE:</b>	<b>50,750.00</b>	<b>40,000.00</b>	<b>(10,750.00)</b>	<b>-21%</b>
<b>DIRECT EXPENSES:</b>				
AWARDS DINNER	63,000.00	70,000.00	7,000.00	11%
50 YEAR MEMBER TRIBUTE LUNCH	8,000.00	8,000.00	-	0%
COMMUNICATIONS OUTREACH	15,000.00	15,000.00	-	0%
SPEAKERS & PROGRAM DEVELOP	1,600.00	-	(1,600.00)	-100%
STAFF TRAVEL/PARKING	4,700.00	4,700.00	-	0%
STAFF MEMBERSHIP DUES	1,000.00	1,515.00	515.00	52%
SUBSCRIPTIONS	10,050.00	10,050.00	-	0%
DIGITAL/ONLINE DEVELOPMENT	1,450.00	1,450.00	-	0%
TELEPHONE	-	325.00	325.00	
<b>TOTAL DIRECT EXPENSES:</b>	<b>104,800.00</b>	<b>111,040.00</b>	<b>6,240.00</b>	<b>6%</b>
<b>INDIRECT EXPENSES:</b>				
FTE	4.62	4.44	(0.18)	-4%
SALARY EXPENSE	312,393.00	310,102.00	(2,291.00)	-1%
BENEFIT EXPENSE	124,221.00	118,282.00	(5,939.00)	-5%
OVERHEAD	114,168.00	127,731.00	13,563.00	12%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>550,782.00</b>	<b>556,115.00</b>	<b>5,333.00</b>	<b>1%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>655,582.00</b>	<b>667,155.00</b>	<b>11,573.00</b>	<b>2%</b>
<b>NET INCOME (LOSS):</b>	<b>(604,832.00)</b>	<b>(627,155.00)</b>	<b>(22,323.00)</b>	

Communication Strategies is responsible for member, public, and internal communications; branding and reputation management; media and public relations; marketing; special events; and strategic communication tools aimed at improving member and public engagement and outreach (including content strategy for the WSBA website, WSBA's blog (NWSidebar), social media channels, and broadcast emails). The Communication Strategies Team works with all WSBA departments to support the communications and marketing of WSBA programs, services, and matters of interest to members and the public.

# **Washington State Bar Association** **Budget Comparison Report**

For the Period from October 1, 2019 to September 30, 2020

## **CONFERENCE & BROADCAST SERVICES**

	FISCAL 2019 BUDGET	FISCAL 2020 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
REVENUE:				
TOTAL REVENUE:	-	-	-	
DIRECT EXPENSES:				
TRANSLATION SERVICES	3,500.00	5,500.00	2,000.00	57%
TOTAL DIRECT EXPENSES:	3,500.00	5,500.00	2,000.00	57%
INDIRECT EXPENSES:				
FTE	7.15	7.11	(0.04)	-1%
SALARY EXPENSE	429,625.00	439,469.00	9,844.00	2%
BENEFIT EXPENSE	174,080.00	175,752.00	1,672.00	1%
OVERHEAD	176,688.00	204,542.00	27,854.00	16%
TOTAL INDIRECT EXPENSES:	780,393.00	819,763.00	39,370.00	5%
TOTAL ALL EXPENSES:	783,893.00	825,263.00	41,370.00	5%
NET INCOME (LOSS):	(783,893.00)	(825,263.00)	(41,370.00)	

Conference and Broadcast Services is responsible for the Service Center, meeting facilities, mail and print services, and all other services on WSBA's public floor. In fiscal year 2018, WSBA supported almost 1,500 on-site meetings and events, and the Service Center handled over 45,000 communications with members and the public. This cost center also supports all non-CLE activities related to webcasting, webinars, and recorded products.



## Washington State Bar Association Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

DISCIPLINE	FISCAL 2019 BUDGET	FISCAL 2020 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
<b>REVENUE:</b>				
AUDIT REVENUE	3,200.00	2,500.00	(700.00)	-22%
RECOVERY OF DISCIPLINE COSTS	80,000.00	90,000.00	10,000.00	13%
DISCIPLINE HISTORY SUMMARY	13,000.00	14,000.00	1,000.00	8%
PRACTICE MONITOR FEES	-	4,000.00	4,000.00	
<b>TOTAL REVENUE:</b>	<b>96,200.00</b>	<b>110,500.00</b>	<b>14,300.00</b>	<b>15%</b>
<b>DIRECT EXPENSES:</b>				
COURT REPORTERS	55,000.00	35,000.00	(20,000.00)	-36%
OUTSIDE COUNSEL/AIC	2,000.00	1,000.00	(1,000.00)	-50%
LITIGATION EXPENSES	25,000.00	25,000.00	-	0%
DISABILITY EVALUATIONS	7,500.00	7,500.00	-	0%
ONLINE LEGAL RESEARCH	68,000.00	53,287.50	(14,712.50)	-22%
LAW LIBRARY	12,500.00	6,700.00	(5,800.00)	-46%
TRANSLATION SERVICES	1,500.00	1,000.00	(500.00)	-33%
PRACTICE MONITOR EXPENSE	-	4,000.00	4,000.00	
DEPRECIATION	7,123.00	2,300.00	(4,823.00)	-68%
PUBLICATIONS PRODUCTION	444.00	250.00	(194.00)	-44%
STAFF TRAVEL/PARKING	35,000.00	35,000.00	-	0%
STAFF MEMBERSHIP DUES	3,900.00	4,111.00	211.00	5%
TELEPHONE	2,300.00	2,300.00	-	0%
<b>TOTAL DIRECT EXPENSES:</b>	<b>220,267.00</b>	<b>177,448.50</b>	<b>(42,818.50)</b>	<b>-19%</b>
<b>INDIRECT EXPENSES:</b>				
FTE	36.88	36.93	0.05	0%
SALARY EXPENSE	3,556,329.00	3,676,010.00	119,681.00	3%
BENEFIT EXPENSE	1,196,316.00	1,211,817.00	15,501.00	1%
OVERHEAD	911,363.00	1,062,411.00	151,048.00	17%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>5,664,008.00</b>	<b>5,950,238.00</b>	<b>286,230.00</b>	<b>5%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>5,884,275.00</b>	<b>6,127,686.50</b>	<b>243,411.50</b>	<b>4%</b>
<b>NET INCOME (LOSS):</b>	<b>(5,788,075.00)</b>	<b>(6,017,186.50)</b>	<b>(229,111.50)</b>	

The Washington Supreme Court has exclusive responsibility for the lawyer, LPO, and LLLT discipline and disability systems in Washington. By court rule, the Supreme Court delegates regulatory authority to the WSBA through, in part, the Office of Disciplinary Counsel (ODC).

ODC is responsible for fielding communications from individuals with concerns about a lawyer, for reviewing, investigating, and prosecuting grievances about the ethical conduct of Washington lawyers, and for addressing issues involving a lawyer's alleged incapacity to practice law. ODC is also responsible for investigating and prosecuting ethical misconduct by LPOs and LLLTs upon referral from the corresponding regulatory board. More specifically, ODC identifies and dismisses grievances that do not allege unethical conduct, prosecutes violations of the Washington Supreme Court's Rules of Professional Conduct in matters that have been ordered to hearing by a review committee of the Disciplinary Board, and seeks transfers to disability-inactive status for licensees lacking the capacity to practice law. Some disciplinary matters are resolved by stipulation, some involving less serious misconduct may be diverted from discipline into the Diversion Program, while others are contested at a disciplinary hearing. If a hearing-level decision is appealed, disciplinary counsel briefs and argues the appeal to the applicable regulatory board and, in some cases, the Supreme Court. ODC also reviews trust account overdraft notices and conducts random examinations of trust account books and records, tracks and collects costs and expenses assessed against respondents in disciplinary proceedings, and monitors compliance with conditions of probation imposed in disciplinary matters.

To perform these functions, ODC employs disciplinary counsel, investigators, auditors, and a support staff of paralegals and administrative assistants; its expenses are primarily staff-related. Revenues consist primarily of recovery of discipline costs and expenses and service fees for providing discipline history summaries.

## Washington State Bar Association Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

<b>DIVERSITY</b>	<b>FISCAL 2019 BUDGET</b>	<b>FISCAL 2020 BUDGET</b>	<b>\$ CHANGE IN BUDGET</b>	<b>% CHANGE IN BUDGET</b>
<b>REVENUE:</b>				
DONATIONS	110,000.00	125,000.00	15,000.00	14%
SPONSORSHIP REVENUE	4,000.00	-	(4,000.00)	-100%
WORK STUDY GRANTS	10,374.00	10,374.00	-	0%
<b>TOTAL REVENUE:</b>	<b>124,374.00</b>	<b>135,374.00</b>	<b>11,000.00</b>	<b>9%</b>
<b>DIRECT EXPENSES:</b>				
COMMITTEE FOR DIVERSITY	5,000.00	6,000.00	1,000.00	20%
DIVERSITY EVENTS & PROJECTS	10,000.00	15,750.00	5,750.00	58%
INTERNAL DIVERSITY OUTREACH	200.00	200.00	-	-
STAFF TRAVEL/PARKING	6,000.00	6,000.00	-	0%
STAFF MEMBERSHIP DUES	350.00	980.00	630.00	180%
<b>TOTAL DIRECT EXPENSES:</b>	<b>21,550.00</b>	<b>28,930.00</b>	<b>7,380.00</b>	<b>34%</b>
<b>INDIRECT EXPENSES:</b>				
FTE	4.05	3.87	(0.18)	-4%
SALARY EXPENSE	328,835.00	341,233.00	12,398.00	4%
BENEFIT EXPENSE	115,724.00	114,992.00	(732.00)	-1%
OVERHEAD	100,082.00	111,333.00	11,251.00	11%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>544,641.00</b>	<b>567,558.00</b>	<b>22,917.00</b>	<b>4%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>566,191.00</b>	<b>596,488.00</b>	<b>30,297.00</b>	<b>5%</b>
<b>NET INCOME (LOSS):</b>	<b>(441,817.00)</b>	<b>(461,114.00)</b>	<b>(19,297.00)</b>	

This cost center captures the cost of WSBA's staffing and programming to implement the statewide WSBA Diversity and Inclusion Plan. Activities supported by this cost center include equity and inclusion consultation for legal professionals and organizations, diversity centered research, community networking events held across the state, events to promote inclusion and provide opportunities for mentorship such as the Seattle University Law School ARC Reception, and outreach to and collaboration with Washington's minority bar associations (MBAs). This cost center also supports the WSBA Diversity Committee, development of three diversity-related CLE programs for the Legal Lunchbox and other educational events, like the Beyond the Dialogue Series. Direct costs have been reduced slightly in this cost center, while indirects have increased to reflect the investment of staff resources in delivering these programs. The diversity programs are supported by a \$125,000 grant from the Washington State Bar Foundation in FY20 (a \$15,000 increase over the FY19 budget).

## Washington State Bar Association Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

FOUNDATION	FISCAL 2019 BUDGET	FISCAL 2020 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
REVENUE:				
TOTAL REVENUE:	<u>-</u>	<u>-</u>	<u>-</u>	
DIRECT EXPENSES:				
SPECIAL EVENTS	5,000.00	5,000.00	-	0%
BOARD OF TRUSTEES	3,000.00	3,000.00	-	0%
CONSULTING SERVICES	3,000.00	3,000.00	-	0%
POSTAGE	500.00	500.00	-	0%
PRINTING & COPYING	800.00	900.00	100.00	13%
STAFF TRAVEL/PARKING	1,400.00	750.00	(650.00)	-46%
SUPPLIES	500.00	250.00	(250.00)	-50%
TOTAL DIRECT EXPENSES:	<u>14,200.00</u>	<u>13,400.00</u>	<u>(800.00)</u>	<u>-6%</u>
INDIRECT EXPENSES:				
FTE	1.15	1.05	(0.10)	-9%
SALARY EXPENSE	89,538.00	90,008.00	470.00	1%
BENEFIT EXPENSE	32,707.00	31,689.00	(1,018.00)	-3%
OVERHEAD	28,418.00	30,135.00	1,717.00	6%
TOTAL INDIRECT EXPENSES:	<u>150,663.00</u>	<u>151,832.00</u>	<u>1,169.00</u>	<u>1%</u>
TOTAL ALL EXPENSES:	<u>164,863.00</u>	<u>165,232.00</u>	<u>369.00</u>	<u>0%</u>
NET INCOME (LOSS):	<u>(164,863.00)</u>	<u>(165,232.00)</u>	<u>(369.00)</u>	

The Washington State Bar Foundation is the fundraising arm of the WSBA. This cost center reflects the staffing, operations, and administrative support WSBA provides to the Foundation in exchange for its fundraising services. The Foundation will contribute \$250,000 in revenue to WSBA's FY20 budget to support public service, diversity, and access to justice efforts within the Advancement Department cost centers. We continue to look for opportunities to reduce indirect and direct costs in this cost center to better reflect the actual cost of delivering this service.

## Washington State Bar Association Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

<b>HUMAN RESOURCES</b>	<b>FISCAL 2019 BUDGET</b>	<b>FISCAL 2020 BUDGET</b>	<b>\$ CHANGE IN BUDGET</b>	<b>% CHANGE IN BUDGET</b>
<b>REVENUE:</b>				
<b>TOTAL REVENUE:</b>	<u>-</u>	<u>-</u>	<u>-</u>	
<b>DIRECT EXPENSES:</b>				
STAFF TRAINING- GENERAL	30,000.00	30,000.00	-	0%
RECRUITING AND ADVERTISING	7,000.00	7,000.00	-	0%
PAYROLL PROCESSING	49,000.00	49,000.00	-	0%
SALARY SURVEYS	2,900.00	2,900.00	-	0%
CONSULTING SERVICES	10,000.00	75,000.00	65,000.00	650%
STAFF TRAVEL/PARKING	150.00	250.00	100.00	67%
STAFF MEMBERSHIP DUES	1,250.00	870.00	(380.00)	-30%
SUBSCRIPTIONS	2,100.00	2,100.00	-	0%
TRANSFER TO INDIRECT EXPENSE	(102,400.00)	(167,120.00)	(64,720.00)	63%
<b>TOTAL DIRECT EXPENSES:</b>	<u>-</u>	<u>-</u>	<u>-</u>	
<b>INDIRECT EXPENSES:</b>				
FTE	2.45	2.45	-	0%
SALARY EXPENSE	260,398.00	271,913.00	11,515.00	4%
ALLOWANCE FOR OPEN POSITIONS	(200,000.00)	(200,000.00)	-	0%
BENEFIT EXPENSE	84,017.00	86,720.00	2,703.00	3%
OVERHEAD	60,543.00	70,482.00	9,939.00	16%
<b>TOTAL INDIRECT EXPENSES:</b>	<u>204,958.00</u>	<u>229,115.00</u>	<u>24,157.00</u>	<u>12%</u>
<b>TOTAL ALL EXPENSES:</b>	<u>204,958.00</u>	<u>229,115.00</u>	<u>24,157.00</u>	<u>12%</u>
<b>NET INCOME (LOSS):</b>	<u>(204,958.00)</u>	<u>(229,115.00)</u>	<u>(24,157.00)</u>	

The Human Resources Department handles all human resources functions, including recruitment and retention, compensation and benefits administration, employee relations, legal compliance, equal employment opportunity, employee on-boarding, ongoing employee training and development, performance management, and human resources policies and procedures. Expenses reflected here are solely for staffing (salaries, benefits, and overhead). Direct costs located in this cost center are allocated out to all cost centers through "Overhead" in the indirect expense allocation. Direct expenses include payroll processing, staff training, and recruiting costs.

## Washington State Bar Association Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

<b>LAW CLERK PROGRAM</b>	<b>FISCAL 2019 BUDGET</b>	<b>FISCAL 2020 BUDGET</b>	<b>\$ CHANGE IN BUDGET</b>	<b>% CHANGE IN BUDGET</b>
<b>REVENUE:</b>				
LAW CLERK FEES	162,000.00	172,000.00	10,000.00	6%
LAW CLERK APPLICATION FEES	4,000.00	2,700.00	(1,300.00)	-33%
<b>TOTAL REVENUE:</b>	<b>166,000.00</b>	<b>174,700.00</b>	<b>8,700.00</b>	<b>5%</b>
<b>DIRECT EXPENSES:</b>				
CHARACTER & FITNESS INVESTIGATIONS	100.00	100.00	-	0%
LAW CLERK BOARD EXPENSE	6,000.00	10,000.00	4,000.00	67%
LAW CLERK OUTREACH	5,000.00	3,000.00	(2,000.00)	-40%
STAFF TRAVEL/PARKING	-	600.00	600.00	
SUBSCRIPTIONS	250.00	250.00	-	0%
<b>TOTAL DIRECT EXPENSES:</b>	<b>11,350.00</b>	<b>13,950.00</b>	<b>2,600.00</b>	<b>23%</b>
<b>INDIRECT EXPENSES:</b>				
FTE	1.10	1.25	0.15	14%
SALARY EXPENSE	84,449.00	92,121.00	7,672.00	9%
BENEFIT EXPENSE	31,033.00	34,398.00	3,365.00	11%
OVERHEAD	27,183.00	35,960.00	8,777.00	32%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>142,665.00</b>	<b>162,479.00</b>	<b>19,814.00</b>	<b>14%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>154,015.00</b>	<b>176,429.00</b>	<b>22,414.00</b>	<b>15%</b>
<b>NET INCOME (LOSS):</b>	<b>11,985.00</b>	<b>(1,729.00)</b>	<b>(13,714.00)</b>	

The Law Clerk Program is now joined with LLLT and LPO licensing in the "Innovative Licensing Programs" work unit within RSD. This cost center captures the revenue and expenses for the APR 6 Law Clerk Program, which is a program of education that offers an alternative to law school by allowing Law Clerks to study law with a tutor/employer while working full time with the employer; the standard program is four years, the curriculum is essentially the same as a three year JD program curriculum, and Law Clerks must pass character and fitness review and pass the Bar exam to be eligible for admission and licensing as a lawyer. The Board hopes to expand the program through increased outreach and education about the program, and with improving employment situations, expansion of the number of participants may continue to be a possibility. RSD staff has been working to improve the data base at the heart of the program in order to provide improved services to the Law Clerks and tutors. RSD and Communications staff have been working to increase the outreach about and visibility of the program.

Revenues are generated from modest fees charged to the Law Clerks to participate in the program. Expenses are the costs to administer the Law Clerk program and the expenses incurred by the Law Clerk Board. This program has been slowly increasing in size and currently stands at about 84 clerk/tutor pairs around the state.

# **Washington State Bar Association** **Budget Comparison Report**

For the Period from October 1, 2019 to September 30, 2020

<b>LEGISLATIVE</b>	<b>FISCAL 2019 BUDGET</b>	<b>FISCAL 2020 BUDGET</b>	<b>\$ CHANGE IN BUDGET</b>	<b>% CHANGE IN BUDGET</b>
<b>REVENUE:</b>				
<b>TOTAL REVENUE:</b>	<u>-</u>	<u>-</u>	<u>-</u>	
<b>DIRECT EXPENSES:</b>				
RENT - OLYMPIA OFFICE	2,500.00	2,500.00	-	0%
CONTRACT LOBBYIST	5,000.00	5,000.00	-	0%
LOBBYIST CONTACT COSTS	1,000.00	-	(1,000.00)	-100%
LEGISLATIVE COMMITTEE	2,500.00	2,500.00	-	0%
BOG LEGISLATIVE COMMITTEE	250.00	250.00	-	0%
STAFF TRAVEL/PARKING	4,550.00	2,500.00	(2,050.00)	-45%
STAFF MEMBERSHIP DUES	450.00	450.00	-	0%
SUBSCRIPTIONS	2,000.00	2,000.00	-	0%
TELEPHONE	400.00	-	(400.00)	-100%
<b>TOTAL DIRECT EXPENSES:</b>	<u><b>18,650.00</b></u>	<u><b>15,200.00</b></u>	<u><b>(3,450.00)</b></u>	<u><b>-18%</b></u>
<b>INDIRECT EXPENSES:</b>				
FTE	1.10	1.10	-	0%
SALARY EXPENSE	80,340.00	82,883.00	2,543.00	3%
BENEFIT EXPENSE	27,893.00	30,676.00	2,783.00	10%
OVERHEAD	27,183.00	31,645.00	4,462.00	16%
<b>TOTAL INDIRECT EXPENSES:</b>	<u><b>135,416.00</b></u>	<u><b>145,204.00</b></u>	<u><b>9,788.00</b></u>	<u><b>7%</b></u>
<b>TOTAL ALL EXPENSES:</b>	<u><b>154,066.00</b></u>	<u><b>160,404.00</b></u>	<u><b>6,338.00</b></u>	<u><b>4%</b></u>
<b>NET INCOME (LOSS):</b>	<u><b>(154,066.00)</b></u>	<u><b>(160,404.00)</b></u>	<u><b>(6,338.00)</b></u>	

The Outreach and Legislative Affairs Manager and the Outreach and Legislative Affairs Coordinator work closely with WSBA leadership and sections to formulate positions on legislation, track relevant legislation during session and provide technical advice on bills and existing statutes to the Legislature. Reduced contract lobbyist, Olympia space rental, and staffing costs reflect reevaluation of legislative support needs.

## Washington State Bar Association Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

### LICENSING AND MEMBERSHIP RECORDS

	FISCAL 2019 BUDGET	FISCAL 2020 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
<b>REVENUE:</b>				
STATUS CERTIFICATE FEES	22,000.00	22,000.00	-	0%
RULE 9/LEGAL INTERN FEES	11,000.00	-	(11,000.00)	-100%
INVESTIGATION FEES	22,000.00	22,700.00	700.00	3%
PRO HAC VICE	230,000.00	270,000.00	40,000.00	17%
MEMBER CONTACT INFORMATION	19,000.00	10,000.00	(9,000.00)	-47%
PHOTO BAR CARD SALES	350.00	300.00	(50.00)	-14%
<b>TOTAL REVENUE:</b>	<b>304,350.00</b>	<b>325,000.00</b>	<b>20,650.00</b>	<b>7%</b>
<b>DIRECT EXPENSES:</b>				
LICENSING FORMS	3,000.00	2,437.50	(562.50)	-19%
DEPRECIATION	13,812.00	13,850.00	38.00	0%
POSTAGE	29,000.00	19,500.00	(9,500.00)	-33%
<b>TOTAL DIRECT EXPENSES:</b>	<b>45,812.00</b>	<b>35,787.50</b>	<b>(10,024.50)</b>	<b>-22%</b>
<b>INDIRECT EXPENSES:</b>				
FTE	4.35	4.20	(0.15)	-3%
SALARY EXPENSE	395,080.00	386,870.00	(8,210.00)	-2%
BENEFIT EXPENSE	133,752.00	130,142.00	(3,610.00)	-3%
OVERHEAD	107,495.00	120,827.00	13,332.00	12%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>636,327.00</b>	<b>637,839.00</b>	<b>1,512.00</b>	<b>0%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>682,139.00</b>	<b>673,626.50</b>	<b>(8,512.50)</b>	<b>-1%</b>
<b>NET INCOME (LOSS):</b>	<b>(377,789.00)</b>	<b>(348,626.50)</b>	<b>29,162.50</b>	

All member and license types are tracked in one database and their annual license renewal processes are administered by this work group. This work group includes all activities associated with the collection of annual license fees; processing changes to a member's information on record with the WSBA; providing mailing and emailing lists for internal and external requesters consistent with WSBA policy, bylaws, and the Admission and Practice Rules; and maintaining the accuracy of the membership records database and transmitting it to the Supreme Court.

Revenues are generated from application fees for pro hac vice admissions, as well as limited sales of member contact information, member status certificates, investigation fees for status changes, and revenue from sales of photo bar cards. Expenses are primarily printing and postage costs for the annual license packets and compliance follow up, and all status changes. Revenue changes are consistent with historic trends; direct costs change with changes in printing and mailing costs. Licensing revenue and expenses for annual licensing of LLLTs and LPOs are now reflected in those cost centers.



# **Washington State Bar Association** **Budget Comparison Report**

For the Period from October 1, 2019 to September 30, 2020

<b>LICENSING</b>	<b>FISCAL 2019 BUDGET</b>	<b>FISCAL 2020 BUDGET</b>	<b>\$ CHANGE IN BUDGET</b>	<b>% CHANGE IN BUDGET</b>
<b>REVENUE:</b>				
LLLT LICENSE FEES	5,800.00	-	(5,800.00)	-100%
LICENSE FEES	15,778,000.00	16,200,000.00	422,000.00	3%
LPO LICENSE FEES	174,400.00	-	(174,400.00)	-100%
<b>TOTAL REVENUE:</b>	<u><b>15,958,200.00</b></u>	<u><b>16,200,000.00</b></u>	<u><b>241,800.00</b></u>	<u><b>2%</b></u>
<b>DIRECT EXPENSES:</b>				
<b>TOTAL DIRECT EXPENSES:</b>	<u>-</u>	<u>-</u>	<u>-</u>	
<b>INDIRECT EXPENSES:</b>				
<b>TOTAL INDIRECT EXPENSES:</b>	<u>-</u>	<u>-</u>	<u>-</u>	
<b>TOTAL ALL EXPENSES:</b>	<u>-</u>	<u>-</u>	<u>-</u>	
<b>NET INCOME (LOSS):</b>	<u><b>15,958,200.00</b></u>	<u><b>16,200,000.00</b></u>	<u><b>241,800.00</b></u>	

Most cost centers across WSBA are supported by license fee funds. The Licensing cost center tracks this revenue without any associated expenses. Increase in revenue is attributable to increased license fee rates for all members in FY20.



# Washington State Bar Association Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

## LIMITED LICENSE LEGAL TECHNICIAN

	FISCAL 2019 BUDGET	FISCAL 2020 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
REVENUE:				
LLLT LICENSE FEES	-	7,550.00	7,550.00	
LLLT EXAM FEES	-	4,500.00	4,500.00	
INVESTIGATION FEES	-	300.00	300.00	
LLLT WAIVER FEES	-	300.00	300.00	
MEMBER LATE FEES	-	300.00	300.00	
<b>TOTAL REVENUE:</b>	<b>-</b>	<b>12,950.00</b>	<b>12,950.00</b>	
DIRECT EXPENSES:				
FACILITY, PARKING, FOOD	-	600.00	600.00	
LLLT BOARD	17,000.00	18,000.00	1,000.00	6%
LLLT OUTREACH	8,000.00	3,000.00	(5,000.00)	
LLLT EXAM WRITING	-	14,178.00	14,178.00	
LICENSING FORMS	-	2.50	2.50	
POSTAGE	-	20.00	20.00	
STAFF TRAVEL/PARKING	600.00	600.00	-	0%
<b>TOTAL DIRECT EXPENSES:</b>	<b>25,600.00</b>	<b>36,400.50</b>	<b>10,800.50</b>	<b>42%</b>
INDIRECT EXPENSES:				
FTE	1.55	1.34	(0.21)	-14%
SALARY EXPENSE	135,526.00	103,330.00	(32,196.00)	-24%
BENEFIT EXPENSE	41,762.00	37,843.00	(3,919.00)	-9%
OVERHEAD	38,303.00	38,406.00	103.00	0%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>215,591.00</b>	<b>179,579.00</b>	<b>(36,012.00)</b>	<b>-17%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>241,191.00</b>	<b>215,979.50</b>	<b>(25,211.50)</b>	<b>-10%</b>
<b>NET INCOME (LOSS):</b>	<b>(241,191.00)</b>	<b>(203,029.50)</b>	<b>38,161.50</b>	

The Limited License Legal Technician (LLLT) license type (APR 28), was created by the Supreme Court and delegated to WSBA in 2012. LLLTs are WSBA members; there are 42 licensed LLLTs, with 37 of them currently on Active status. This cost center is used to track all revenues and expenses associated with the LLLT Program license type.

This cost center includes all revenue from admission, licensing, and MCLE functions for LLLTs, and all expenses related to admitting, licensing and annual license renewal (including MCLE reporting) for LLLTs, and includes staffing and expenses related to the LLLT Board, which by court rule oversees the license type. Also included are direct expenses for work with Ergometrics, a professional testing company that assists WSBA and the LLLT Board in preparing LLLT exams (similar to some parts of the assistance WSBA receives from the NCBE for the lawyer exam).

## Washington State Bar Association Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

<b>LIMITED PRACTICE OFFICERS</b>	<b>FISCAL 2019 BUDGET</b>	<b>FISCAL 2020 BUDGET</b>	<b>\$ CHANGE IN BUDGET</b>	<b>% CHANGE IN BUDGET</b>
<b>REVENUE:</b>				
INVESTIGATION FEES	-	1,000.00	1,000.00	
LPO EXAMINATION FEES	-	26,000.00	26,000.00	
LPO LICENSE FEES	-	173,900.00	173,900.00	
LPO LATE LICENSE FEES	-	4,590.00	4,590.00	
ACCREDITED PROGRAM FEES	-	6,000.00	6,000.00	
MEMBER LATE FEES	-	900.00	900.00	
<b>TOTAL REVENUE:</b>	<b>-</b>	<b>212,390.00</b>	<b>212,390.00</b>	
<b>DIRECT EXPENSES:</b>				
FACILITY, PARKING, FOOD	-	6,890.00	6,890.00	
LPO EXAM WRITING	-	14,178.00	14,178.00	
ONLINE LEGAL RESEARCH	-	1,837.50	1,837.50	
LAW LIBRARY	-	279.00	279.00	
LICENSING FORMS	-	60.00	60.00	
LPO BOARD	3,000.00	3,000.00	-	0%
LPO OUTREACH	-	3,000.00	3,000.00	
POSTAGE	-	480.00	480.00	
PRINTING & COPYING	-	200.00	200.00	
STAFF TRAVEL/PARKING	-	100.00	100.00	
<b>TOTAL DIRECT EXPENSES:</b>	<b>3,000.00</b>	<b>30,024.50</b>	<b>27,024.50</b>	<b>901%</b>
<b>INDIRECT EXPENSES:</b>				
FTE	1.17	1.09	(0.08)	-7%
SALARY EXPENSE	99,089.00	86,688.00	(12,401.00)	-13%
BENEFIT EXPENSE	40,651.00	31,360.00	(9,291.00)	-23%
OVERHEAD	28,913.00	31,214.00	2,301.00	8%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>168,653.00</b>	<b>149,262.00</b>	<b>(19,391.00)</b>	<b>-11%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>171,653.00</b>	<b>179,286.50</b>	<b>7,633.50</b>	<b>4%</b>
<b>NET INCOME (LOSS):</b>	<b>(171,653.00)</b>	<b>33,103.50</b>	<b>204,756.50</b>	

The Limited Practice Officer (LPO) license type (APR 12), was created by the Supreme Court, and later delegated to the WSBA In 2002. LPOs are WSBA members; there are about 971 licensed LPOs, with 804 of them on Active status. This cost center is used to track all revenues and expenses associated with the Limited Practice Officer (LPO) license type.

This cost center includes all revenue from admission, licensing, and MCLE functions for LPOs, and all expenses related to admitting, licensing and annual license renewal (including MCLE reporting) for LPOs, and includes staffing and expenses related to the Limited Practice Board, which by court rule oversees the program. Also included are direct expenses for work with Ergometrics a professional testing company that assists WSBA and the LP Board in preparing LPO exams (similar to some parts of the assistance WSBA receives from the NCBE for the lawyer exams).

## Washington State Bar Association Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

<b>MANDATORY CONTINUING LEGAL EDUCATION</b>	<b>FISCAL 2019 BUDGET</b>	<b>FISCAL 2020 BUDGET</b>	<b>\$ CHANGE IN BUDGET</b>	<b>% CHANGE IN BUDGET</b>
<b>REVENUE:</b>				
ACCREDITED PROGRAM FEES	540,000.00	534,000.00	(6,000.00)	-1%
FORM1 LATE FEE	150,000.00	150,000.00	-	0%
MEMBER LATE FEES	203,000.00	201,800.00	(1,200.00)	-1%
ANNUAL ACCREDITED SPONSOR FEES	43,000.00	43,000.00	-	0%
ATTENDANCE LATE FEES	85,000.00	85,000.00	-	0%
COMITY CERTIFICATES	29,000.00	29,000.00	-	0%
<b>TOTAL REVENUE:</b>	<b>1,050,000.00</b>	<b>1,042,800.00</b>	<b>(7,200.00)</b>	<b>-1%</b>
<b>DIRECT EXPENSES:</b>				
ONLINE LEGAL RESEARCH	-	1,837.50	1,837.50	
LAW LIBRARY	-	279.00	279.00	
MCLE BOARD EXPENSES	2,000.00	2,000.00	-	0%
DEPRECIATION	249,948.00	250,000.00	52.00	0%
STAFF MEMBERSHIP DUES	500.00	500.00	-	0%
<b>TOTAL DIRECT EXPENSES:</b>	<b>252,448.00</b>	<b>254,616.50</b>	<b>2,168.50</b>	<b>1%</b>
<b>INDIRECT EXPENSES:</b>				
FTE	4.90	4.65	(0.25)	-5%
SALARY EXPENSE	374,898.00	424,678.00	49,780.00	13%
BENEFIT EXPENSE	124,996.00	123,400.00	(1,596.00)	-1%
OVERHEAD	121,087.00	133,772.00	12,685.00	10%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>620,981.00</b>	<b>681,850.00</b>	<b>60,869.00</b>	<b>10%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>873,429.00</b>	<b>936,466.50</b>	<b>63,037.50</b>	<b>7%</b>
<b>NET INCOME (LOSS):</b>	<b>176,571.00</b>	<b>106,333.50</b>	<b>(70,237.50)</b>	

MCLE administration is a core regulatory function of the WSBA. This area processes requests for accreditation of all CLE programs for all license types, a total of about 20,000 accreditation requests per year, and tracks the earned credits and the CLE certifications and requirements of all individual members to ascertain whether they have completed their minimum continuing education requirements. Every year, approximately one-third of the active WSBA members are required to report their MCLE credits.

Revenue increases are consistent with historical trends. The cost center tracks direct expenses related to MCLE accreditation and compliance (except expenses related for LLLT and LPO MCLE, which are included in those cost centers this year), and is also used to track staffing and expenses related to the MCLE Board, which by court rule oversees the program for all license types.

## Washington State Bar Association Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

<b>MEMBER ASSISTANCE PROGRAM</b>	<b>FISCAL 2018 BUDGET</b>	<b>FISCAL 2019 BUDGET</b>	<b>\$ CHANGE IN BUDGET</b>	<b>% CHANGE IN BUDGET</b>
<b>REVENUE:</b>				
DIVERSIONS	10,000.00	6,750.00	(3,250.00)	-33%
<b>TOTAL REVENUE:</b>	<b>10,000.00</b>	<b>6,750.00</b>	<b>(3,250.00)</b>	<b>-33%</b>
<b>DIRECT EXPENSES:</b>				
PROF LIAB INSURANCE	850.00	850.00	-	0%
PUBLICATIONS PRODUCTION	200.00	200.00	-	0%
STAFF MEMBERSHIP DUES	225.00	225.00	-	0%
<b>TOTAL DIRECT EXPENSES:</b>	<b>1,275.00</b>	<b>1,275.00</b>	<b>-</b>	<b>0%</b>
<b>INDIRECT EXPENSES:</b>				
FTE	0.90	0.90	-	0%
SALARY EXPENSE	84,582.00	87,698.00	3,116.00	4%
BENEFIT EXPENSE	34,402.00	35,067.00	665.00	2%
OVERHEAD	22,240.00	25,891.00	3,651.00	16%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>141,224.00</b>	<b>148,656.00</b>	<b>7,432.00</b>	<b>5%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>142,499.00</b>	<b>149,931.00</b>	<b>7,432.00</b>	<b>5%</b>
<b>NET INCOME (LOSS):</b>	<b>(132,499.00)</b>	<b>(143,181.00)</b>	<b>(10,682.00)</b>	

The Member Wellness Program is a confidential (APR 19) program whose goal is to help lawyers prevent and/or address psychological, emotional, addiction, family, health, stress, and other personal problems and provide education and services to foster member well-being. Services include assessment, short-term consultation, group services (e.g. for Job Seekers) and referral, follow-up, and training. MWP administers all Diversion Program respondent evaluations, and handles evaluation interviews, written reports, monitoring, and consultations with other treating professionals and ODC staff. MWP also provides judicial officer referrals for clinical service through the Judicial Assistance Services Program (JASP). Last year, MWP conducted approximately 200 consultations and gave presentations reaching 1,200 members.

Additionally, LAP makes assistance available to all WSBA members through a community partner, KEPRO, whose licensed professionals are available 24/7 assess, treat, and refer impaired lawyers. This program, known as WSBA Connects, provides members access to a suite of work/life integration services including financial counseling, family caregiver referral, and online resources and information to address a wide range of personal and work issues. Extended resources include a free, statewide MWP-trained peer advisor network, self-care website resources, and free or low cost work and wellness educational programming. Revenues come from Diversion Program fees; expenses are principally staff-related costs.

# **Washington State Bar Association** **Budget Comparison Report**

For the Period from October 1, 2019 to September 30, 2020

## **MEMBER SERVICES AND ENGAGEMENT**

	FISCAL 2018 BUDGET	FISCAL 2019 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
<b>REVENUE:</b>				
ROYALTIES	30,000.00	42,500.00	12,500.00	42%
NMP PRODUCT SALES	70,000.00	70,000.00	-	0%
SPONSORSHIPS	1,200.00	800.00	(400.00)	-33%
SEMINAR REGISTRATIONS	30,000.00	15,000.00	(15,000.00)	-50%
TRIAL ADVOCACY PROGRAM	10,000.00	10,000.00	-	0%
<b>TOTAL REVENUE:</b>	<b>141,200.00</b>	<b>138,300.00</b>	<b>(2,900.00)</b>	<b>-2%</b>
<b>DIRECT EXPENSES:</b>				
WYLC OUTREACH EVENTS	2,500.00	2,500.00	-	0%
LENDING LIBRARY	5,500.00	5,500.00	-	0%
NMP SPEAKERS & PROGRAM DEVELOPMENT	1,500.00	1,500.00	-	0%
WYL COMMITTEE	15,000.00	15,000.00	-	0%
OPEN SECTIONS NIGHT	4,400.00	3,000.00	(1,400.00)	-
RURAL PLACEMENT PROGRAM	10,500.00	-	(10,500.00)	-
TRIAL ADVOCACY PROGRAM	2,500.00	2,500.00	-	0%
RECEPTION/FORUM EXPENSE	4,000.00	4,000.00	-	0%
WYLC SCHOLARSHIPS/DONATIONS/GRANT	2,500.00	2,500.00	-	0%
YLL SECTION PROGRAM	1,100.00	1,100.00	-	0%
WYLC CLE COMPS	1,000.00	1,000.00	-	0%
STAFF TRAVEL/PARKING	4,500.00	2,500.00	(2,000.00)	-44%
STAFF MEMBERSHIP DUES	385.00	445.00	60.00	16%
SUBSCRIPTIONS	480.00	500.00	20.00	4%
CONFERENCE CALLS	200.00	300.00	100.00	50%
<b>TOTAL DIRECT EXPENSES:</b>	<b>56,065.00</b>	<b>42,345.00</b>	<b>(13,720.00)</b>	<b>-24%</b>
<b>INDIRECT EXPENSES:</b>				
FTE	3.98	4.24	0.26	7%
SALARY EXPENSE	296,941.00	326,272.00	29,331.00	10%
BENEFIT EXPENSE	110,321.00	119,762.00	9,441.00	9%
OVERHEAD	98,352.00	121,977.00	23,625.00	24%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>505,614.00</b>	<b>568,011.00</b>	<b>62,397.00</b>	<b>12%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>561,679.00</b>	<b>610,356.00</b>	<b>48,677.00</b>	<b>9%</b>
<b>NET INCOME (LOSS):</b>	<b>(420,479.00)</b>	<b>(472,056.00)</b>	<b>(51,577.00)</b>	

Member Services and Engagement coordinates and executes a range of projects, initiatives and programs that focus on mentorship, new members, and practice management. These activities are designed to support member competence, professionalism and strengthen community.

In FY19 this cost center will support the direct and indirect costs of: (1) developing a 24-credit Practice Primer Track, the annual Trial Advocacy Program, and a free financial/debt management seminar; (2) supporting 1 Open Sections Night, 4 MentorLink Mixers, the Young Lawyer Liaison Program (to Sections), 4 Public Service Incentive Awards (free CLEs), the Law School WSBA Representatives Program, the WSBA mentorship curriculum, ALPS Attorney Match, and mentorship programs offered by our community partners across the state; (3) supporting those in solo and small-firm practice and those going through practice transitions by continuing to offer free telephone consultations, maintaining a Lending Library, referrals to external consultant, offering discounts to practice management vendors, and promoting WSBA online guides; (4) supporting the Washington Young Lawyers Committee and the ABA YLD District Representative; (5) promoting the WSBA Health Insurance Exchange..

FY20 revenue includes rebates received for WSBA's Practice Management Discount Network, (products made available to WSBA members at a discount), CLE registration for live seminars, and sales of on-demand recorded products. Overall direct expenses for the cost center in FY20 are reduced from FY19.



# Washington State Bar Association

## Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

<b>MEMBERSHIP BENEFITS</b>	<b>FISCAL 2019 BUDGET</b>	<b>FISCAL 2020 BUDGET</b>	<b>\$ CHANGE IN BUDGET</b>	<b>% CHANGE IN BUDGET</b>
<b>REVENUE:</b>				
SPONSORSHIPS	8,000.00	9,000.00	1,000.00	13%
INTERNET SALES	9,000.00	12,000.00	3,000.00	33%
<b>TOTAL REVENUE:</b>	<b>17,000.00</b>	<b>21,000.00</b>	<b>4,000.00</b>	<b>24%</b>
<b>DIRECT EXPENSES:</b>				
LEGAL LUNCHBOX COURSEBOOK PRODUCTION	500.00	-	(500.00)	-100%
LEGAL LUNCHBOX SPEAKERS & PROGRAM DEVELOP	1,700.00	2,000.00	300.00	18%
WSBA CONNECTS	46,560.00	46,560.00	-	-
CASEMAKER & FASTCASE	136,336.00	136,436.00	100.00	0%
TRANSCRIPTION SERVICES	-	1,500.00	1,500.00	
<b>TOTAL DIRECT EXPENSES:</b>	<b>185,096.00</b>	<b>186,496.00</b>	<b>1,400.00</b>	<b>1%</b>
<b>INDIRECT EXPENSES:</b>				
FTE	0.73	0.69	(0.04)	-5%
SALARY EXPENSE	54,366.00	53,322.00	(1,044.00)	-2%
BENEFIT EXPENSE	20,206.00	19,484.00	(722.00)	-4%
OVERHEAD	18,039.00	19,706.00	1,667.00	9%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>92,611.00</b>	<b>92,512.00</b>	<b>(99.00)</b>	<b>0%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>277,707.00</b>	<b>279,008.00</b>	<b>1,301.00</b>	<b>0%</b>
<b>NET INCOME (LOSS):</b>	<b>(260,707.00)</b>	<b>(258,008.00)</b>	<b>2,699.00</b>	

This cost center includes costs associated with programs benefiting WSBA's membership as a part of their annual license fee: (1) Casemaker and Fastcase, two free legal research tools; (2) Legal Lunch Box Series, a free monthly CLEs with attendance in excess of 20,000 in FY18; and (3) WSBA Connects, a confidential 24/7 member assistance program operated by Kepro, our community partner (see Member Wellness Program cost center narrative for a fuller description of this program). The cost center also includes the revenue for sponsorship and online sales associated with the Legal Lunchbox Series.

## Washington State Bar Association Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

NW LAWYER	FISCAL 2019 BUDGET	FISCAL 2020 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
<b>REVENUE:</b>				
DISPLAY ADVERTISING	297,500.00	297,500.00	-	0%
SUBSCRIPT/SINGLE ISSUES	350.00	350.00	-	0%
CLASSIFIED ADVERTISING	12,500.00	12,500.00	-	0%
GEN ANNOUNCEMENTS	17,500.00	17,500.00	-	0%
PROF ANNOUNCEMENTS	21,000.00	21,000.00	-	0%
JOB TARGET	112,500.00	112,500.00	-	0%
<b>TOTAL REVENUE:</b>	<b>461,350.00</b>	<b>461,350.00</b>	<b>-</b>	<b>0%</b>
<b>DIRECT EXPENSES:</b>				
GRAPHICS/ARTWORK	3,500.00	3,500.00	-	0%
EDITORIAL ADVIS COMMITTEE EXP	800.00	800.00	-	0%
BAD DEBT EXPENSE	2,000.00	2,000.00	-	0%
POSTAGE	89,000.00	89,000.00	-	0%
PRINTING & COPYING	250,000.00	250,000.00	-	0%
STAFF MEMBERSHIP DUES	135.00	615.00	480.00	356%
DIGITAL/ONLINE DEVELOPMENT	10,200.00	12,000.00	1,800.00	18%
<b>TOTAL DIRECT EXPENSES:</b>	<b>355,635.00</b>	<b>357,915.00</b>	<b>2,280.00</b>	<b>1%</b>
<b>INDIRECT EXPENSES:</b>				
FTE	2.25	2.55	0.30	13%
SALARY EXPENSE	177,211.00	206,395.00	29,184.00	16%
BENEFIT EXPENSE	70,006.00	79,825.00	9,819.00	14%
OVERHEAD	55,601.00	73,359.00	17,758.00	32%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>302,818.00</b>	<b>359,579.00</b>	<b>56,761.00</b>	<b>19%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>658,453.00</b>	<b>717,494.00</b>	<b>59,041.00</b>	<b>9%</b>
<b>NET INCOME (LOSS):</b>	<b>(197,103.00)</b>	<b>(256,144.00)</b>	<b>(59,041.00)</b>	

NWLawyer is the official publication of WSBA and serves as the primary method of print communication that is received by all WSBA members and is available to inactive and emeritus members on request. A digital online version is also available. The Editorial Advisory Committee provides oversight and guidance as needed. Authors are volunteers and are not paid for their contributions. Editing and production of NWLawyer is administered by the staff in the Communications and Outreach Department. NWLawyer revenues come from sales of advertisements (display ads, classified ads, professional ads, and announcements) and subscriptions (to nonmembers). Expenses include outside advertising sales management, printing, mailing services, postage, and some artwork. All design and layout, as well as much of the photography and artwork, are performed in-house. The overall increase in indirect costs reflects staff time devoted to bringing on a new, full-time editor. After vetting several options, WSBA entered into a contract with a professional advertising management company (SagaCity Media) in January 2018 for the express purpose of increasing ad sales revenue. The production team is working with SagaCity to set ad targets and diversify the types of ads included in the magazine to begin to make the magazine more cost-neutral. We have also contracted (as of June 2019) for an upgraded platform for the digital version of the magazine that will allow for additional online ads, producing an additional revenue stream.

# **Washington State Bar Association** **Budget Comparison Report**

For the Period from October 1, 2019 to September 30, 2020

## **OFFICE OF THE EXECUTIVE DIRECTOR**

	FISCAL 2019 BUDGET	FISCAL 2020 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
REVENUE:				
TOTAL REVENUE:	-	-	-	
DIRECT EXPENSES:				
ED TRAVEL & OUTREACH	-	5,000.00	5,000.00	
LAW LIBRARY	-	279.00	279.00	
STAFF TRAVEL/PARKING	-	5,400.00	5,400.00	
STAFF MEMBERSHIP DUES	-	1,700.00	1,700.00	
TELEPHONE	-	1,000.00	1,000.00	
TOTAL DIRECT EXPENSES:	-	13,379.00	13,379.00	
INDIRECT EXPENSES:				
FTE	-	1.45	1.45	
SALARY EXPENSE	-	247,104.00	247,104.00	
BENEFIT EXPENSE	-	71,244.00	71,244.00	
OVERHEAD	-	41,714.00	41,714.00	
TOTAL INDIRECT EXPENSES:	-	360,062.00	360,062.00	
TOTAL ALL EXPENSES:	-	373,441.00	373,441.00	
NET INCOME (LOSS):	-	(373,441.00)	(373,441.00)	

This cost center supports the Office of the Executive Director. The budget includes funding travel and outreach as well as other related expenses.



# **Washington State Bar Association** **Budget Comparison Report**

For the Period from October 1, 2019 to September 30, 2020

<b>OFFICE OF GENERAL COUNSEL</b>	<b>FISCAL 2019 BUDGET</b>	<b>FISCAL 2020 BUDGET</b>	<b>\$ CHANGE IN BUDGET</b>	<b>% CHANGE IN BUDGET</b>
<b>REVENUE:</b>				
<b>TOTAL REVENUE:</b>	<u>-</u>	<u>-</u>	<u>-</u>	
<b>DIRECT EXPENSES:</b>				
LITIGATION EXPENSES	-	500.00	500.00	
ONLINE LEGAL RESEARCH	-	11,025.00	11,025.00	
LAW LIBRARY	-	1,673.00	1,673.00	
COURT RULES COMMITTEE	2,000.00	3,000.00	1,000.00	50%
DISCIPLINE ADVISORY ROUNDTABLE	500.00	500.00	-	0%
CUSTODIANSHIP	2,500.00	2,500.00	-	0%
DEPRECIATION	3,336.00	3,336.00	-	0%
STAFF TRAVEL/PARKING	3,240.00	300.00	(2,940.00)	-91%
STAFF MEMBERSHIP DUES	1,500.00	1,500.00	-	0%
<b>TOTAL DIRECT EXPENSES:</b>	<u>13,076.00</u>	<u>24,334.00</u>	<u>11,258.00</u>	<u>86%</u>
<b>INDIRECT EXPENSES:</b>				
FTE	5.75	5.82	0.07	1%
SALARY EXPENSE	588,978.00	600,907.00	11,929.00	2%
BENEFIT EXPENSE	197,610.00	198,401.00	791.00	0%
OVERHEAD	142,092.00	167,431.00	25,339.00	18%
<b>TOTAL INDIRECT EXPENSES:</b>	<u>928,680.00</u>	<u>966,739.00</u>	<u>38,059.00</u>	<u>4%</u>
<b>TOTAL ALL EXPENSES:</b>	<u>941,756.00</u>	<u>991,073.00</u>	<u>49,317.00</u>	<u>5%</u>
<b>NET INCOME (LOSS):</b>	<u>(941,756.00)</u>	<u>(991,073.00)</u>	<u>(49,317.00)</u>	

The Office of General Counsel serves as counsel to WSBA and the Board of Governors. This office handles or oversees all litigation against WSBA, interpretations and changes to the WSBA bylaws, and other legal issues. It also handles public records requests, custodianship matters, the Client Protection Fund applications, investigation, and processing, and logistical support for Hearing Officers, Conflicts Review Counsel, and for the outside counsel appointed to represent incapacitated respondents in the lawyer discipline system. Staff in this office also supports various boards, committees, task forces, and workgroups, including the Client Protection Board, the Court Rules Committee, Discipline Selection Panel, and the Discipline Advisory Round Table.

## Washington State Bar Association Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

### OFFICE OF GENERAL COUNSEL DISCIPLINARY BOARD

	FISCAL 2019 BUDGET	FISCAL 2020 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
<b>REVENUE:</b>				
<b>TOTAL REVENUE:</b>	<u>-</u>	<u>-</u>	<u>-</u>	
<b>DIRECT EXPENSES:</b>				
LAW LIBRARY	-	1,116.00	1,116.00	
DISCIPLINARY BOARD EXPENSES	10,000.00	10,000.00	-	0%
CHIEF HEARING OFFICER	33,000.00	33,000.00	-	0%
HEARING OFFICER EXPENSES	3,000.00	3,000.00	-	0%
HEARING OFFICER TRAINING	2,000.00	2,000.00	-	0%
OUTSIDE COUNSEL	55,000.00	55,000.00	-	0%
STAFF MEMBERSHIP DUES	500.00	200.00	(300.00)	-60%
<b>TOTAL DIRECT EXPENSES:</b>	<u>103,500.00</u>	<u>104,316.00</u>	<u>816.00</u>	<u>1%</u>
<b>INDIRECT EXPENSES:</b>				
FTE	1.45	1.55	0.10	7%
SALARY EXPENSE	110,578.00	104,449.00	(6,129.00)	-6%
BENEFIT EXPENSE	40,663.00	40,468.00	(195.00)	0%
OVERHEAD	35,832.00	44,591.00	8,759.00	24%
<b>TOTAL INDIRECT EXPENSES:</b>	<u>187,073.00</u>	<u>189,508.00</u>	<u>2,435.00</u>	<u>1%</u>
<b>TOTAL ALL EXPENSES:</b>	<u>290,573.00</u>	<u>293,824.00</u>	<u>3,251.00</u>	<u>1%</u>
<b>NET INCOME (LOSS):</b>	<u>(290,573.00)</u>	<u>(293,824.00)</u>	<u>(3,251.00)</u>	

The Disciplinary Board reviews stipulations to and hearing officer recommendations for suspension and disbarment, holds public oral arguments, and issues written recommendations to the Supreme Court in disciplinary matters. Four separate Review Committees made up of Disciplinary Board members review disciplinary counsel requests for public hearing, admonition, and interim suspension, and dismissals upon request. One assistant general counsel devotes approximately half of her time to this function, assisted by the Clerk to the Disciplinary Board, who handles a significant number of requests for public discipline information.

# Washington State Bar Association Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

<b>OUTREACH AND ENGAGEMENT</b>	<b>FISCAL 2019 BUDGET</b>	<b>FISCAL 2020 BUDGET</b>	<b>\$ CHANGE IN BUDGET</b>	<b>% CHANGE IN BUDGET</b>
<b>REVENUE:</b>				
<b>TOTAL REVENUE:</b>	<u>-</u>	<u>-</u>	<u>-</u>	
<b>DIRECT EXPENSES:</b>				
ABA DELEGATES	4,500.00	5,600.00	1,100.00	24%
ANNUAL CHAIR MEETINGS	600.00	600.00	-	0%
JUDICIAL RECOMMENDATIONS COMMITTEE	4,500.00	4,500.00	-	0%
BOG ELECTIONS	6,500.00	6,500.00	-	0%
BAR OUTREACH	10,000.00	11,600.00	1,600.00	16%
PROFESSIONALISM	2,000.00	2,000.00	-	0%
STAFF TRAVEL/PARKING	1,400.00	-	(1,400.00)	-100%
STAFF MEMBERSHIP DUES	1,152.00	825.00	(327.00)	-28%
CONFERENCE CALLS	200.00	-	(200.00)	-100%
<b>TOTAL DIRECT EXPENSES:</b>	<u>30,852.00</u>	<u>31,625.00</u>	<u>773.00</u>	<u>3%</u>
<b>INDIRECT EXPENSES:</b>				
FTE	2.73	2.73	-	0%
SALARY EXPENSE	224,397.00	231,494.00	7,097.00	3%
BENEFIT EXPENSE	79,186.00	81,898.00	2,712.00	3%
OVERHEAD	67,463.00	78,537.00	11,074.00	16%
<b>TOTAL INDIRECT EXPENSES:</b>	<u>371,046.00</u>	<u>391,929.00</u>	<u>20,883.00</u>	<u>6%</u>
<b>TOTAL ALL EXPENSES:</b>	<u>401,898.00</u>	<u>423,554.00</u>	<u>21,656.00</u>	<u>5%</u>
<b>NET INCOME (LOSS):</b>	<u>(401,898.00)</u>	<u>(423,554.00)</u>	<u>(21,656.00)</u>	

The Outreach and Engagement Division advances strategic bar initiatives by developing, supporting, and overseeing activities that build relationships with the general public; legal professionals; local, county, and specialty bars; policymakers/influencers, and other stakeholders. Outreach work aims to enhance volunteer recruitment, raise awareness and understanding of WSBA programs and priorities, create a sustainable stakeholder network, and leverage Board and staff as brand ambassadors and champions to influence their networks outside of WSBA.

# **Washington State Bar Association** **Budget Comparison Report**

For the Period from October 1, 2019 to September 30, 2020

<b>PRACTICE LAW BOARD</b>	<b>FISCAL 2019 BUDGET</b>	<b>FISCAL 2020 BUDGET</b>	<b>\$ CHANGE IN BUDGET</b>	<b>% CHANGE IN BUDGET</b>
<b>REVENUE:</b>				
<b>TOTAL REVENUE:</b>	<u>-</u>	<u>-</u>	<u>-</u>	
<b>DIRECT EXPENSES:</b>				
PRACTICE OF LAW BOARD	16,000.00	16,000.00	-	0%
<b>TOTAL DIRECT EXPENSES:</b>	<u>16,000.00</u>	<u>16,000.00</u>	<u>-</u>	<u>0%</u>
<b>INDIRECT EXPENSES:</b>				
FTE	0.40	0.40	-	0%
SALARY EXPENSE	50,676.00	38,689.00	(11,987.00)	-24%
BENEFIT EXPENSE	13,502.00	13,065.00	(437.00)	-3%
OVERHEAD	9,885.00	11,507.00	1,622.00	16%
<b>TOTAL INDIRECT EXPENSES:</b>	<u>74,063.00</u>	<u>63,261.00</u>	<u>(10,802.00)</u>	<u>-15%</u>
<b>TOTAL ALL EXPENSES:</b>	<u>90,063.00</u>	<u>79,261.00</u>	<u>(10,802.00)</u>	<u>-12%</u>
<b>NET INCOME (LOSS):</b>	<u>(90,063.00)</u>	<u>(79,261.00)</u>	<u>10,802.00</u>	

The Practice of Law Board (POLB) is established by Supreme Court rule and administered by the WSBA to make recommendations to the Supreme Court regarding the practice of law, particularly with regard to the delivery of legal and law related services to the public. The POLB is also charged with educating the public about how to receive competent legal assistance. The POLB reviews allegations of the unauthorized practice of law (UPL) and refers matters for prosecution when appropriate.

# **Washington State Bar Association** **Budget Comparison Report**

For the Period from October 1, 2019 to September 30, 2020

<b>PROFESSIONAL RESPONSIBILITY PROGRAM</b>	<b>FISCAL 2019 BUDGET</b>	<b>FISCAL 2020 BUDGET</b>	<b>\$ CHANGE IN BUDGET</b>	<b>% CHANGE IN BUDGET</b>
<b>REVENUE:</b>				
<b>TOTAL REVENUE:</b>	<u>-</u>	<u>-</u>	<u>-</u>	
<b>DIRECT EXPENSES:</b>				
LAW LIBRARY	-	279.00	279.00	
CPE COMMITTEE	4,200.00	5,000.00	800.00	19%
STAFF TRAVEL/PARKING	2,000.00	4,000.00	2,000.00	100%
STAFF MEMBERSHIP DUES	500.00	375.00	(125.00)	-25%
<b>TOTAL DIRECT EXPENSES:</b>	<u>6,700.00</u>	<u>9,654.00</u>	<u>2,954.00</u>	<u>44%</u>
<b>INDIRECT EXPENSES:</b>				
FTE	1.65	1.55	(0.10)	-6%
SALARY EXPENSE	160,192.00	159,873.00	(319.00)	0%
BENEFIT EXPENSE	57,904.00	57,053.00	(851.00)	-1%
OVERHEAD	40,774.00	44,591.00	3,817.00	9%
<b>TOTAL INDIRECT EXPENSES:</b>	<u>258,870.00</u>	<u>261,517.00</u>	<u>2,647.00</u>	<u>1%</u>
<b>TOTAL ALL EXPENSES:</b>	<u>265,570.00</u>	<u>271,171.00</u>	<u>5,601.00</u>	<u>2%</u>
<b>NET INCOME (LOSS):</b>	<u>(265,570.00)</u>	<u>(271,171.00)</u>	<u>(5,601.00)</u>	

This program includes the ethics phone line, a resource for members to get answers to ethics questions before they take action; support for the Committee on Professional Ethics; and statewide educational ethics presentations. The Ethics Line provides ethics assistance in around 3,000 member calls a year, and Professional Responsibility Counsel is a frequent local (and occasionally national) speaker, making between 40 and 50 presentations a year on ethical issues of concern to our members. In FY17, WSBA staff completed a revamp of the Ethics Advisory Opinion database and search function to make it easier for people to find current, accurate ethics information on the WSBA website.

## Washington State Bar Association Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

<b>PUBLIC SERVICE PROGRAMS</b>	<b>FISCAL 2019 BUDGET</b>	<b>FISCAL 2020 BUDGET</b>	<b>\$ CHANGE IN BUDGET</b>	<b>% CHANGE IN BUDGET</b>
<b>REVENUE:</b>				
DONATIONS	110,000.00	125,000.00	15,000.00	14%
PSP PRODUCT SALES	2,000.00	1,000.00	(1,000.00)	-50%
WORK STUDY GRANTS	-	2,100.00	2,100.00	
<b>TOTAL REVENUE:</b>	<b>112,000.00</b>	<b>128,100.00</b>	<b>16,100.00</b>	<b>14%</b>
<b>DIRECT EXPENSES:</b>				
PRO BONO & PUBLIC SERVICE COMMITTEE	2,000.00	2,000.00	-	0%
PUBLIC SERVICE EVENTS AND PROJECTS	20,500.00	25,000.00	4,500.00	22%
DONATIONS/SPONSORSHIPS	207,915.00	221,777.00	13,862.00	7%
STAFF TRAVEL/PARKING	2,000.00	2,000.00	-	0%
<b>TOTAL DIRECT EXPENSES:</b>	<b>232,415.00</b>	<b>250,777.00</b>	<b>18,362.00</b>	<b>8%</b>
<b>INDIRECT EXPENSES:</b>				
FTE	1.03	1.54	0.51	50%
SALARY EXPENSE	87,057.00	117,048.00	29,991.00	34%
BENEFIT EXPENSE	29,994.00	42,502.00	12,508.00	42%
OVERHEAD	25,453.00	44,303.00	18,850.00	74%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>142,504.00</b>	<b>203,853.00</b>	<b>61,349.00</b>	<b>43%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>374,919.00</b>	<b>454,630.00</b>	<b>79,711.00</b>	<b>21%</b>
<b>NET INCOME (LOSS):</b>	<b>(262,919.00)</b>	<b>(326,530.00)</b>	<b>(63,611.00)</b>	

Public Service Programs includes staffing and support for the WSBA Moderate Means Program, Call to Duty, the Powerful Communities Project, the Pro Bono and Public Service Committee, and other activities to promote pro bono and public service through WSBA and with our community partners. Much of this support is provided in the form of grant funding to the partners through the Powerful Communities Project and the Moderate Means Program. There is a small increase for the Moderate Means Program to cover the expenses associated with bifurcating the previously shared staff attorney position at Seattle University and University of Washington law schools; by having two different part-time people at each school, we will be able to serve more clients and improve the program overall. There is a small increase to redesign the pro bono portal for WSBA members to find pro bono opportunities; the current portal is out of date and needs significant improvements. Public Service Programs will continued to be supported by a grant of \$125,000 from the Washington State Bar Foundation.

# **Washington State Bar Association** **Budget Comparison Report**

For the Period from October 1, 2019 to September 30, 2020

## **PUBLICATION AND DESIGN SERVICES**

	FISCAL 2019 BUDGET	FISCAL 2020 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
<b>REVENUE:</b>				
<b>TOTAL REVENUE:</b>	<u>-</u>	<u>-</u>	<u>-</u>	
<b>DIRECT EXPENSES:</b>				
IMAGE LIBRARY	4,680.00	4,680.00	-	0%
EQUIPMENT, HARDWARE & SOFTWARE	-	330.00	330.00	
STAFF MEMBERSHIP DUES	500.00	-	(500.00)	-100%
SUBSCRIPTIONS	83.00	262.00	179.00	216%
SUPPLIES	-	300.00	300.00	
<b>TOTAL DIRECT EXPENSES:</b>	<u>5,263.00</u>	<u>5,572.00</u>	<u>309.00</u>	<u>6%</u>
<b>INDIRECT EXPENSES:</b>				
FTE	1.22	1.09	(0.13)	-11%
SALARY EXPENSE	80,074.00	75,007.00	(5,067.00)	-6%
BENEFIT EXPENSE	31,380.00	28,805.00	(2,575.00)	-8%
OVERHEAD	30,148.00	31,357.00	1,209.00	4%
<b>TOTAL INDIRECT EXPENSES:</b>	<u>141,602.00</u>	<u>135,169.00</u>	<u>(6,433.00)</u>	<u>-5%</u>
<b>TOTAL ALL EXPENSES:</b>	<u>146,865.00</u>	<u>140,741.00</u>	<u>(6,124.00)</u>	<u>-4%</u>
<b>NET INCOME (LOSS):</b>	<u>(146,865.00)</u>	<u>(140,741.00)</u>	<u>6,124.00</u>	

Publication and Design Services is responsible for: (1) editing and oversight of WSBA publications (including but not limited to Deskbooks, Sections publications, and NWLawyer); (2) graphic design for WSBA projects, programs, events, and CLE marketing; and (3) shared oversight of, and set up of products on, the WSBA online store.

## Washington State Bar Association Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

<b>SECTIONS ADMINISTRATION</b>	<b>FISCAL 2019 BUDGET</b>	<b>FISCAL 2020 BUDGET</b>	<b>\$ CHANGE IN BUDGET</b>	<b>% CHANGE IN BUDGET</b>
<b>REVENUE:</b>				
REIMBURSEMENTS FROM SECTIONS	300,000.00	300,000.00	-	0%
<b>TOTAL REVENUE:</b>	<u>300,000.00</u>	<u>300,000.00</u>	<u>-</u>	<u>0%</u>
<b>DIRECT EXPENSES:</b>				
SECTION/COMMITTEE CHAIR MTGS	1,000.00	1,000.00	-	0%
DUES STATEMENTS	6,000.00	6,000.00	-	0%
STAFF TRAVEL/PARKING	1,200.00	1,200.00	-	0%
STAFF MEMBERSHIP DUES	125.00	125.00	-	0%
SUBSCRIPTIONS	372.00	372.00	-	0%
CONFERENCE CALLS	300.00	300.00	-	0%
MISCELLANEOUS	300.00	300.00	-	0%
<b>TOTAL DIRECT EXPENSES:</b>	<u>9,297.00</u>	<u>9,297.00</u>	<u>-</u>	<u>0%</u>
<b>INDIRECT EXPENSES:</b>				
FTE	4.25	4.24	(0.01)	0%
SALARY EXPENSE	297,955.00	303,468.00	5,513.00	2%
BENEFIT EXPENSE	112,039.00	114,639.00	2,600.00	2%
OVERHEAD	105,024.00	121,905.00	16,881.00	16%
<b>TOTAL INDIRECT EXPENSES:</b>	<u>515,018.00</u>	<u>540,012.00</u>	<u>24,994.00</u>	<u>5%</u>
<b>TOTAL ALL EXPENSES:</b>	<u>524,315.00</u>	<u>549,309.00</u>	<u>24,994.00</u>	<u>5%</u>
<b>NET INCOME (LOSS):</b>	<u>(224,315.00)</u>	<u>(249,309.00)</u>	<u>(24,994.00)</u>	

The WSBA has 29 sections and provides the administrative functions necessary to support them. Direct staff time and expenses related to administering the sections are included in this cost center. This cost center also supports the indirect costs of developing 70 credit hours of 'Mini CLEs' for Sections in FY19. Sections partially reimburse WSBA for the cost of supporting sections through a charge of \$18.75 per member (shown as revenue in this cost center and as an expense on each section's financial statement). Expenses are the costs associated with the preparation and mailing of the annual section dues invoices, the collection of section dues, and staff-related expenses for supporting the sections.



**Washington State Bar Association**  
**Budget Comparison Report**  
For the Period from October 1, 2019 to September 30, 2020

<b>TECHNOLOGY</b>	<b>FISCAL 2019 BUDGET</b>	<b>FISCAL 2020 BUDGET</b>	<b>\$ CHANGE IN BUDGET</b>	<b>% CHANGE IN BUDGET</b>
<b>REVENUE:</b>				
<b>TOTAL REVENUE:</b>	<u>-</u>	<u>-</u>	<u>-</u>	
<b>DIRECT EXPENSES:</b>				
COMPUTER HARDWARE	29,000.00	29,000.00	-	0%
COMPUTER SOFTWARE	29,000.00	29,000.00	-	0%
HARDWARE SERVICE & WARRANTIES	60,000.00	60,000.00	-	0%
SOFTWARE MAINTENANCE & LICENSING	270,000.00	270,000.00	-	0%
TELEPHONE HARDWARE & MAINTENANCE	10,000.00	10,000.00	-	0%
COMPUTER SUPPLIES	15,000.00	15,000.00	-	0%
THIRD PARTY SERVICES	143,000.00	143,000.00	-	0%
CONSULTING SERVICES	85,000.00	85,000.00	-	0%
STAFF TRAVEL/PARKING	2,500.00	2,500.00	-	0%
STAFF MEMBERSHIP DUES	110.00	110.00	-	0%
TELEPHONE	24,000.00	24,000.00	-	0%
TRANSFER TO INDIRECT EXPENSES	(667,610.00)	(667,610.00)	-	0%
<b>TOTAL DIRECT EXPENSES:</b>	<u>-</u>	<u>-</u>	<u>-</u>	
<b>INDIRECT EXPENSES:</b>				
FTE	12.10	12.10	-	0%
SALARY EXPENSE	1,059,680.00	1,090,382.00	30,702.00	3%
CAPITAL LABOR	(188,800.00)	(141,000.00)	47,800.00	-25%
BENEFIT EXPENSE	370,332.00	377,371.00	7,039.00	2%
OVERHEAD	299,010.00	348,096.00	49,086.00	16%
<b>TOTAL INDIRECT EXPENSES:</b>	<u>1,540,222.00</u>	<u>1,674,849.00</u>	<u>134,627.00</u>	<u>9%</u>
<b>TOTAL ALL EXPENSES:</b>	<u>1,540,222.00</u>	<u>1,674,849.00</u>	<u>134,627.00</u>	<u>9%</u>
<b>NET INCOME (LOSS):</b>	<u>(1,540,222.00)</u>	<u>(1,674,849.00)</u>	<u>(134,627.00)</u>	

This cost center includes the resources devoted to developing and maintaining WSBA's technology infrastructure and business applications. Expenses reflected here are solely for staffing (salaries, benefits, and overhead). Direct costs are allocated out to all cost centers through "Overhead" in the indirect expense allocation. Direct expenses are for hardware, software, and the ongoing maintenance necessary to support the WSBA's technology needs, data security and management, and disaster recovery work. Falling into these categories are application and database servers, network devices, switches and cabling equipment, workstations (desktops and laptops), printers, fax machines, telecommunications (phone switch and phone sets), and software. Software includes Microsoft Office products as well as other business applications (e.g., membership database, MCLE tracking system, Online Admissions software, Limited Practice Officer software, case management software, website management software, desktop publishing and graphics software, and accounting software).

# **ATTACHMENT B**

2020 WSBA BUDGET WORKSHEET CAPITAL BUDGET								
	COST CENTER	UNIT COST	QTY	AMOUNT	USEFUL LIFE (YRS)	ESTIMATED IN SERVICE DATE	ANNUAL DEPRECIATION EXPENSE	BUDGET FY 2020
<b>Capital Software</b>								
GILDA System Replacement (Phase 2- project to finish in FY21)	DISC	144,000	1	144,000	5	Jan-21	28,800	0
Navision Accounting System Upgrade	General Indirects	28,000	1	28,000	5	Apr-20	5,600	2,800
Unassigned capital software needs for FY20	General Indirects	20,000	1	20,000	3	Oct-19	6,667	6,667
		<b>192,000</b>		<b>192,000</b>			<b>41,067</b>	<b>9,467</b>
<b>Capital Labor</b>								
MCLE Enhancements Phase 3 (project to finish in FY21)	MCLE	90,000	1	90,000	3	Nov-20	30,000	0
Online Admissions Program Phase 2	ADMISS	41,000	1	41,000	3	Feb-20	13,667	9,111
Personify Enhancements 2020	General Indirects	10,000	1	10,000	3	Jun-20	3,333	1,111
		<b>141,000</b>		<b>141,000</b>			<b>47,000</b>	<b>10,222</b>
<b>Total</b>				<b>333,000</b>			<b>88,067</b>	<b>19,689</b>
<b>Capital Hardware</b>								
Network Infrastructure Upgrades	General Indirects	20,000	1	20,000	5	Oct-19	4,000	4,000
Unassigned capital hardware needs for FY20	General Indirects	20,000	1	20,000	5	Oct-19	4,000	4,000
<b>Total</b>				<b>40,000</b>			<b>8,000</b>	<b>8,000</b>
<b>Leasehold Improvements</b>								
Leasehold Improvements for Miscellaneous Office Moves	General Indirects	10,000	1	10,000	7	Oct-19	1,379	1,379
<b>Total</b>				<b>10,000</b>			<b>1,379</b>	<b>1,379</b>
<b>GRAND TOTAL</b>				<b>575,000</b>			<b>97,446</b>	<b>29,068</b>

# ATTACHMENT C

# Washington State Bar Association

## Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

### CONTINUING LEGAL EDUCATION (CLE)

	FISCAL 2018 BUDGET	FISCAL 2019 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
<b>REVENUE:</b>				
SHIPPING & HANDLING	1,000.00	1,000.00	-	0%
SEMINAR REGISTRATIONS	876,000.00	860,000.00	(16,000.00)	-2%
SEMINAR-EXHIB/SPNSR/ETC	41,500.00	29,000.00	(12,500.00)	-30%
COURSEBOOK SALES	11,000.00	9,000.00	(2,000.00)	-18%
MP3 AND VIDEO SALES	950,000.00	925,000.00	(25,000.00)	-3%
<b>TOTAL REVENUE:</b>	<b>1,879,500.00</b>	<b>1,824,000.00</b>	<b>(55,500.00)</b>	<b>-3%</b>
<b>DIRECT EXPENSES:</b>				
COST OF SALES - COURSEBOOKS	1,200.00	200.00	(1,000.00)	-83%
A/V DEVELOP COSTS (RECORDING)	1,500.00	1,500.00	-	0%
ONLINE PRODUCT HOSTING EXPENSES	40,000.00	42,000.00	2,000.00	5%
SHIPPING SUPPLIES	100.00	-	(100.00)	-100%
POSTAGE & DELIVERY-COURSEBOOKS	500.00	500.00	-	0%
COURSEBOOK PRODUCTION	3,000.00	3,000.00	-	0%
POSTAGE - FLIERS/CATALOGS	10,685.00	12,000.00	1,315.00	12%
POSTAGE - MISCELLANEOUS	2,500.00	1,000.00	(1,500.00)	-60%
ACCREDITATION FEES	4,696.00	3,000.00	(1,696.00)	-36%
SEMINAR BROCHURES	20,770.00	21,000.00	230.00	1%
FACILITIES	223,500.00	234,000.00	10,500.00	5%
SPEAKERS & PROGRAM DEVELOP	68,100.00	62,000.00	(6,100.00)	-9%
SPLITS TO SECTIONS- SEMINARS	-	80,000.00	80,000.00	
CLE SEMINAR COMMITTEE	500.00	500.00	-	0%
BAD DEBT EXPENSE	600.00	600.00	-	0%
DEPRECIATION	5,540.00	5,820.00	280.00	5%
STAFF TRAVEL/PARKING	5,675.00	8,000.00	2,325.00	41%
STAFF MEMBERSHIP DUES	1,260.00	1,470.00	210.00	17%
SUPPLIES	3,650.00	2,000.00	(1,650.00)	-45%
<b>TOTAL DIRECT EXPENSES:</b>	<b>393,776.00</b>	<b>478,590.00</b>	<b>84,814.00</b>	<b>22%</b>
<b>INDIRECT EXPENSES:</b>				
FTE	9.72	9.31	(0.41)	-4%
SALARY EXPENSE	656,422.00	643,255.00	(13,167.00)	-2%
BENEFIT EXPENSE	254,178.00	245,839.00	(8,339.00)	-3%
OVERHEAD	240,197.00	267,832.00	27,635.00	12%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>1,150,797.00</b>	<b>1,156,926.00</b>	<b>6,129.00</b>	<b>1%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>1,544,573.00</b>	<b>1,635,516.00</b>	<b>90,943.00</b>	<b>6%</b>
<b>NET INCOME (LOSS):</b>	<b>334,927.00</b>	<b>188,484.00</b>	<b>(146,443.00)</b>	

The CLE cost center includes revenues and costs associated with CLE live seminars and on-demand seminars. Revenues include live seminar registrations, sponsorships, online sales of coursebooks, and sales of on-demand CLE seminars (both video and audio). Consistent with revenues, expenses reflect the cost of production of seminars and products. Revenue for live CLE participation has settled at current levels after a sharp decline in FY17 and FY18 and revenue for recorded products is holding steady at current levels as well. Beginning in FY19 the fiscal policy for sharing CLE revenue with Sections changed. Under the new policy, Sections and WSBA CLE will split live and on-demand seminar revenue after actual direct and indirect costs have been recouped. This policy shift will increase the overall splits to Sections as compared to the former policy which was based on live revenue only. As in FY19, WSBA CLE continues to look for opportunities to decrease direct and indirect costs. In FY17, Deskbooks were included in this cost center; they are now accounted for separately in the Deskbooks cost center.

# Washington State Bar Association

## Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

<b>CLE - PRODUCTS</b>	<b>FISCAL 2019 BUDGET</b>	<b>FISCAL 2020 BUDGET</b>	<b>\$ CHANGE IN BUDGET</b>	<b>% CHANGE IN BUDGET</b>
<b>REVENUE:</b>				
SHIPPING & HANDLING	1,000.00	1,000.00	-	0%
COURSEBOOK SALES	11,000.00	9,000.00	(2,000.00)	-18%
MP3 AND VIDEO SALES	950,000.00	925,000.00	(25,000.00)	-3%
<b>TOTAL REVENUE:</b>	<b>962,000.00</b>	<b>935,000.00</b>	<b>(27,000.00)</b>	<b>-3%</b>
<b>DIRECT EXPENSES:</b>				
COST OF SALES - COURSEBOOKS	1,200.00	200.00	(1,000.00)	-83%
A/V DEVELOP COSTS (RECORDING)	1,500.00	1,500.00	-	0%
ONLINE PRODUCT HOSTING EXPENSES	40,000.00	42,000.00	2,000.00	5%
SHIPPING SUPPLIES	100.00	-	(100.00)	-100%
POSTAGE & DELIVERY-COURSEBOOKS	500.00	500.00	-	0%
BAD DEBT EXPENSE	100.00	100.00	-	0%
DEPRECIATION	5,540.00	5,820.00	280.00	5%
STAFF TRAVEL/PARKING	-	2,000.00	2,000.00	
STAFF MEMBERSHIP DUES	410.00	620.00	210.00	51%
<b>TOTAL DIRECT EXPENSES:</b>	<b>49,350.00</b>	<b>52,740.00</b>	<b>3,390.00</b>	<b>7%</b>
<b>INDIRECT EXPENSES:</b>				
FTE	1.63	1.56	(0.07)	-4%
SALARY EXPENSE	98,425.00	103,267.00	4,842.00	5%
BENEFIT EXPENSE	40,026.00	39,532.00	(494.00)	-1%
OVERHEAD	40,280.00	44,878.00	4,598.00	11%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>178,731.00</b>	<b>187,677.00</b>	<b>8,946.00</b>	<b>5%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>228,081.00</b>	<b>240,417.00</b>	<b>12,336.00</b>	<b>5%</b>
<b>NET INCOME (LOSS):</b>	<b>733,919.00</b>	<b>694,583.00</b>	<b>(39,336.00)</b>	

# Washington State Bar Association

## Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

CLE- SEMINARS	FISCAL 2019 BUDGET	FISCAL 2020 BUDGET	\$ CHANGE IN BUDGET	% CHANGE IN BUDGET
<b>REVENUE:</b>				
SEMINAR REGISTRATIONS	876,000.00	860,000.00	(16,000.00)	-2%
SEMINAR-EXHIB/SPNSR/ETC	41,500.00	29,000.00	(12,500.00)	-30%
<b>TOTAL REVENUE:</b>	<b>917,500.00</b>	<b>889,000.00</b>	<b>(28,500.00)</b>	<b>-3%</b>
<b>DIRECT EXPENSES:</b>				
COURSEBOOK PRODUCTION	3,000.00	3,000.00	-	0%
POSTAGE - FLIERS/CATALOGS	10,685.00	12,000.00	1,315.00	12%
POSTAGE - MISCELLANEOUS	2,500.00	1,000.00	(1,500.00)	-60%
ACCREDITATION FEES	4,696.00	3,000.00	(1,696.00)	-36%
SEMINAR BROCHURES	20,770.00	21,000.00	230.00	1%
FACILITIES	223,500.00	234,000.00	10,500.00	5%
SPEAKERS & PROGRAM DEVELOP	68,100.00	62,000.00	(6,100.00)	-9%
SPLITS TO SECTIONS- SEMINARS	-	80,000.00	80,000.00	
CLE SEMINAR COMMITTEE	500.00	500.00	-	0%
BAD DEBT EXPENSE	500.00	500.00	-	0%
STAFF TRAVEL/PARKING	5,675.00	6,000.00	325.00	6%
STAFF MEMBERSHIP DUES	850.00	850.00	-	0%
SUPPLIES	3,650.00	2,000.00	(1,650.00)	-45%
<b>TOTAL DIRECT EXPENSES:</b>	<b>344,426.00</b>	<b>425,850.00</b>	<b>81,424.00</b>	<b>24%</b>
<b>INDIRECT EXPENSES:</b>				
FTE	8.09	7.75	(0.34)	-4%
SALARY EXPENSE	557,997.00	539,988.00	(18,009.00)	-3%
BENEFIT EXPENSE	214,152.00	206,307.00	(7,845.00)	-4%
OVERHEAD	199,917.00	222,954.00	23,037.00	12%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>972,066.00</b>	<b>969,249.00</b>	<b>(2,817.00)</b>	<b>0%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>1,316,492.00</b>	<b>1,395,099.00</b>	<b>78,607.00</b>	<b>6%</b>
<b>NET INCOME (LOSS):</b>	<b>(398,992.00)</b>	<b>(506,099.00)</b>	<b>(107,107.00)</b>	



# Washington State Bar Association

## Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

<b>DESKBOOKS</b>	<b>FISCAL 2019 BUDGET</b>	<b>FISCAL 2020 BUDGET</b>	<b>\$ CHANGE IN BUDGET</b>	<b>% CHANGE IN BUDGET</b>
<b>REVENUE:</b>				
SHIPPING & HANDLING	2,000.00	2,500.00	500.00	25%
DESKBOOK SALES	80,000.00	100,000.00	20,000.00	25%
SECTION PUBLICATION SALES	3,000.00	3,000.00	-	0%
CASEMAKER ROYALTIES	75,000.00	60,000.00	(15,000.00)	-20%
<b>TOTAL REVENUE:</b>	<b>160,000.00</b>	<b>165,500.00</b>	<b>5,500.00</b>	<b>3%</b>
<b>DIRECT EXPENSES:</b>				
COST OF SALES - DESKBOOKS	50,000.00	60,000.00	10,000.00	20%
COST OF SALES - SECTION PUBLICATION	750.00	750.00	-	0%
SPLITS TO SECTIONS	1,000.00	1,000.00	-	0%
DESKBOOK ROYALTIES	1,000.00	1,000.00	-	0%
SHIPPING SUPPLIES	150.00	-	(150.00)	-100%
POSTAGE & DELIVERY-DESKBOOKS	2,000.00	2,500.00	500.00	25%
FLIERS/CATALOGS	3,000.00	3,000.00	-	0%
POSTAGE - FLIERS/CATALOGS	1,500.00	1,500.00	-	0%
COMPLIMENTARY BOOK PROGRAM	2,000.00	2,500.00	500.00	25%
ONLINE LEGAL RESEARCH	-	1,837.50	1,837.50	
BAD DEBT EXPENSE	100.00	100.00	-	0%
RECORDS STORAGE - OFF SITE	7,440.00	8,100.00	660.00	9%
STAFF MEMBERSHIP DUES	250.00	220.00	(30.00)	-12%
SUBSCRIPTIONS	-	150.00	150.00	
MISCELLANEOUS	200.00	-	(200.00)	-100%
<b>TOTAL DIRECT EXPENSES:</b>	<b>69,390.00</b>	<b>82,657.50</b>	<b>13,267.50</b>	<b>19%</b>
<b>INDIRECT EXPENSES:</b>				
FTE	2.05	2.25	0.20	10%
SALARY EXPENSE	117,663.00	148,307.00	30,644.00	26%
BENEFIT EXPENSE	48,981.00	58,004.00	9,023.00	18%
OVERHEAD	50,659.00	64,729.00	14,070.00	28%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>217,303.00</b>	<b>271,040.00</b>	<b>53,737.00</b>	<b>25%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>286,693.00</b>	<b>353,697.50</b>	<b>67,004.50</b>	<b>23%</b>
<b>NET INCOME (LOSS):</b>	<b>(126,693.00)</b>	<b>(188,197.50)</b>	<b>(61,504.50)</b>	

WSBA publishes a library of 18 Deskbook titles in substantive areas of Washington law such as family law and real property, as well as civil procedure and ethics; these Deskbooks are intensively researched and edited authoritative treatises that have been cited in over 250 Washington state and federal appellate court opinions. Included in the CLE cost center in FY17, this cost center includes revenues and expenses related to the development, publication, and sale of WSBA Deskbooks. Deskbook authors and editors are volunteers who are not paid for their contributions. Revenues are received from sales of Deskbooks (in print and online). Expenses include contract services for cite-checking, copyediting, creation of tables of authorities, indexing, and desktop publishing, as well as the costs of printing and binding.



# ATTACHMENT D

# Washington State Bar Association

## Budget Comparison Report

For the Period from October 1, 2019 to September 30, 2020

<b>CLIENT PROTECTION FUND</b>	<b>FISCAL 2019 BUDGET</b>	<b>FISCAL 2020 BUDGET</b>	<b>\$ CHANGE IN BUDGET</b>	<b>% CHANGE IN BUDGET</b>
<b>REVENUE:</b>				
CPF RESTITUTION	3,000.00	3,000.00	-	0%
CPF MEMBER ASSESSMENTS	982,000.00	1,000,000.00	18,000.00	2%
INTEREST REVENUE	7,500.00	20,000.00	12,500.00	167%
<b>TOTAL REVENUE:</b>	<b>992,500.00</b>	<b>1,023,000.00</b>	<b>30,500.00</b>	<b>3%</b>
<b>DIRECT EXPENSES:</b>				
GIFTS TO INJURED CLIENTS	500,000.00	500,000.00	-	0%
CPF BOARD EXPENSES	3,000.00	3,000.00	-	0%
BANK FEES - WELLS FARGO	1,000.00	1,000.00	-	0%
<b>TOTAL DIRECT EXPENSES:</b>	<b>504,000.00</b>	<b>504,000.00</b>	<b>-</b>	<b>0%</b>
<b>INDIRECT EXPENSES:</b>				
FTE	1.25	1.18	(0.07)	-6%
SALARY EXPENSE	97,740.00	79,855.00	(17,885.00)	-18%
BENEFIT EXPENSE	35,581.00	30,884.00	(4,697.00)	-13%
OVERHEAD	30,889.00	33,947.00	3,058.00	10%
<b>TOTAL INDIRECT EXPENSES:</b>	<b>164,210.00</b>	<b>144,686.00</b>	<b>(19,524.00)</b>	<b>-12%</b>
<b>TOTAL ALL EXPENSES:</b>	<b>668,210.00</b>	<b>648,686.00</b>	<b>(19,524.00)</b>	<b>-3%</b>
<b>NET INCOME (LOSS):</b>	<b>324,290.00</b>	<b>374,314.00</b>	<b>50,024.00</b>	

The Washington Supreme Court and WSBA created this legally restricted fund in 1995 to compensate persons who are the victims of the dishonest taking of, or failure to account for, client funds or property by a lawyer. It does not cover malpractice claims or fee disputes.

The CPF is funded exclusively from the mandatory assessment of \$30 on active members, house counsel, and pro hac vice admissions. All payments are discretionary and must be approved by the CPF Board or, in the case of payments over \$25,000, by the Board of Governors, who serves as the trustees of the Fund. The maximum amount that can be awarded on any claim is \$150,000. The Supreme Court approved amendments to the Admission and Practice Rules to change the name from the Lawyers' Fund for Client Protection to the Client Protection Fund, and to provide that the actions of LLLTs will be included within the coverage provided by the CPF, effective September 1, 2017.

# ATTACHMENT E

## TIMELINE

<b>June 27</b>	• Budget & Audit reviews draft budget
<b>July 27</b>	• BOG reviews draft budget
<b>September 5</b>	• Budget & Audit reviews revised budget
<b>September 26-27</b>	• BOG approves final budget

# WASHINGTON STATE BAR ASSOCIATION

Board of Governors

Dan W. Bridges, Treasurer and Governor District 9

July 9, 2019

Hon. Mary Fairhurst  
Chief Justice  
Washington State Supreme Court  
415 – 12<sup>th</sup> Street West  
Olympia, WA 98504

Re : The Cost And Performance Of  
The Limited License Legal Technician Program

Dear Chief Fairhurst:

I and past WSBA Treasurers have been remiss by not periodically reporting on the fiscal status of the Limited License Legal Technician program. I suggest it is critical for the Court, the Board of Governors, and the WSBA to not simply consider the program's current status in a vacuum but to evaluate it in the context of the representations made by the program's proponents this Court relied on when creating it. Therefore, this report will both summarize the program's history and report on its fiscal status.

It bears saying I am not against the concept of a LLLT program. As WSBA Treasurer however I suggest it is appropriate to evaluate the program's scope and current administration to determine if it is (1) delivering on its goals, (2) is a good use of mandatory fees, and (3) requires modification, given the answers to (1) and (2). I am writing this to you but rely you will distribute this report to the Court.

## **I. OVERVIEW**

The LLLT program is over \$2 million in debt and continues to go another \$250,000 deeper in debt every year. That is an objective fact not subject to debate. That is what our audited books show.

For \$2 million dollars spent over 7 years, there are only 35 actively licensed LLLTs and of those only 26 are "stand-alone" LLLTs as the program's proponents, and this Court's 2012 order, intended the program to provide.<sup>i</sup>

I support the concept of LLLT's as this court originally contemplated.

However, it is my opinion as Treasurer of the Washington State Bar Association, an Officer and Governor on the Board, and a 25 year member of the WSBA that unless material changes are made to the program – both in terms of its scope and administration – the program is doomed to fail. Worse, it exacts an opportunity cost that detracts from our other critical work. The LLLT program as presently constituted is not merely not achieving the program's goal of increasing access to justice, it is a material drag on access to justice by both its direct monetary expense and the enormous time and effort spent that could be directed elsewhere used to



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actually achieve that end. Consider what we would have been able to do for access to justice if we spent \$2 million on WLI or simply sponsoring actual lawyers to staff free, family-law clinics over the past 7 years.

## II. OBJECTIVE PERFORMANCE METRICS

In 2012, over the Board of Governors' objection, the Supreme Court created a new law license: Limited License Legal Technician (LLLT.) LLLTs' practice as originally proposed and ordered was very limited; they could, independent of a law firm, help fill out pre-approved divorce forms. Acknowledging the Board's and others' concerns, the Court implicitly acknowledged it was an experiment that may not work.<sup>ii</sup>

The Court ordered the program must be "self-sustaining" and "the ongoing cost of (it) will be borne by the (LLLTs) themselves."<sup>iii</sup> That was important so (1) this was not yet another unfunded mandate that is in truth a broader societal issue but borne only by lawyers, and (2) it was not a drain on other critical programing.

The program promised it would be self-sufficient in 5 years. It is not.

As noted in the overview, 7 years later the program is over \$2 million in debt and goes \$250,000 further in debt each year.

To date the program has only 35 active LLLTs.

It has licensed 41. 4 have let their licenses go "inactive," 1 reports as "not practicing," and 1 is already suspended. However, it is speculation to assume the 35 with active licenses are practicing as LLLTs. Of those 35 active licenses, 2 list their offices as mail drops and a handful have no office, listing their home as their practice.<sup>iv</sup> That is within the Rules but I suggest should not be ignored.

Also, saying there are 35 active LLLTs misses the point because of those, 9 are employed by firms.

The program's stated intention was to have LLLTs practice independently from law firms to provide service at a lower cost. That is the assumption the entire program is based on. The public and profession did not need LLLTs employed by law firms to facilitate non-lawyers, already working with a lawyer, to help select and fill out family law forms. They had already been doing that for years.

Instead, the point of the program was to detach that work from law firms to avoid the need for any attorney associated with it or billing at all. That was the mechanism the program said would allow those form driven services to be provided, unmoored from traditional law firms, to provide a large and ready pool of legal assistance to low-income citizens.

In reliance of that promise, this Court said it intended LLLTs be "stand-alone" practitioners or that they would "join non-profit organizations that provide social services with a family law component, e.g. domestic violence shelters; pro bono programs; specialized legal aid programs..."<sup>v</sup>

Despite that, there is not a single LLLT employed by a "non-profit" or "social service" organization and of our 35 LLLTs, only 26 are "stand-alone" practioners.



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Thus in terms of determining whether the program has met its stated goals 7 years later, I suggest the facts are objective and not subject to reasonable dispute: the program has not met a single stated goal. \$2 million in debt and rising \$250,000 each year is far from “self-sustaining.” And, only minting 26 “stand-alone” LLLTs, none of which are employed by a “non-profit” or “social service” organization, is not what the program said it would deliver.

### **III. THE PROGRAM IS NOT FUNCTIONING AS IT PROMISED THE COURT IN 2012**

When the program was approved concerns were raised. I will not address the objection made by some, that LLLTs pose an unreasonable and subsidized competition against lawyers. Both personally and within my capacity as Treasurer, I find that argument wholly without merit or weight. It is not worthy of credence and I give it none. Saying that, I do not intend to impugn attorneys who made the argument who no doubt were expressing their sincerely held opinions. However, I want to particularly underscore that concern does not influence my analysis in any degree.

However, other concerns were raised over (1) non-lawyers practicing law even in a “limited” manner requiring them to identify nuances and risks lawyers with a J.D. occasionally miss, and (2) non-lawyers ever functioning as lawyers representing clients in court. Both concerns were founded in part on the fact the program does not even require a junior college degree to practice.<sup>vi</sup> Provided a candidate has a paralegal certificate<sup>vii</sup> and meets the other requirements they are granted a license. In 2023 an AA is required. Albeit even as to that, I rely I need not identify the differences between an AA and a JD.<sup>viii</sup>

It appears the court in 2012 acknowledged those concerns were well founded, acknowledging LLLTs, “no matter how well trained within a discrete subject matter, will not have the breadth of substantive legal knowledge or requisite practice skills to apply professional judgment in a manner that can be consistently counted upon” in situations other than the exception drawn, which was largely limited to selecting and filling out pre-approved forms.<sup>ix</sup>

To address that concern, proponents and the Court said LLLTs would not represent clients in court and strictly limited their scope of practice.

Despite promising LLLTs would not represent clients in court to gain approval, the program recently asked to do so; by a 5 to 4 vote the Court approved it May 2019. LLLTs may now “accompany and confer” with clients at depositions and court and “respond... to direct questions from the court.” APR 28(B)(2).

While I appreciate the APR also says LLLTs cannot “represent a client in court proceedings,” as a lawyer with substantial court experience I have difficulty reconciling that with allowing LLLTs to respond to “direct questions” from a Court. I suggest that is the *raison d’être* of being a lawyer. With the greatest of respect to this Court, as a practitioner I am left to ask myself whether I am “representing a client in court proceedings” when I “respond... to direct question from the Court.” I have always believed I am.

A second concern was cost. It is understood any program will have a ramp up period and I do not suggest a program is a failure if it runs a light deficit. We do great good by spending on some programs. However,



Hon. Mary Fairhurst  
 July 9, 2019  
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here proponents promised the program would be self-sufficient from LLLT fees in five years. The Supreme Court relied on that to create the program, as cited above, ordering the program must be “self-sustaining” and “the ongoing cost of (it) will be borne by the (LLLTs) themselves.”

It would require approximately 1,250 LLLTs for the program to be “self-sustaining,” ignoring it will cost more to administer the program if we have more, e.g., assuming we can administer 1,250 for the same cost that we currently administer 35 for - which we cannot. But even making that assumption, it will require 100 years for the program to be cost neutral. And more critically, that ignores the millions spent to get it there in the meantime. I submit the program cannot claim to be “self-sustaining” or that the cost of it is being “borne by the LLLTs themselves” if it requires even 21 years and \$6 million to merely start breaking even; much less how long that will take even assuming an exponentially larger growth rate than it currently has.

Finally, I submit LLLTs are not providing low-income services and never will – at least not in any meaningful way. I submit the LLLT program acknowledges it has failed to assist low-income families by pivoting to now argue LLLTs are really for people of “moderate means.” I submit the numbers show even that is not happening.

As noted above, of the 35 licensed, 9 LLLTs work at law firms that already had staff selecting and filling out divorce forms but now can charge for a LLLT. That does not increase the availability of legal services (not to low-income or even moderate income citizens) and WSBA did not spend \$2 million to provide a few firms the ability to bill more.

For the LLLTs who try to provide stand-alone services for less, that is not a sustainable model. As a managing partner of a smallish firm myself, I can say with confidence that overhead drives fees. A law office – whether of a lawyer or LLLT – has to bill enough to keep their doors open. However, landlords, the phone company, etc., charge LLLTs the same as lawyers. The notion LLLTs can charge materially less than lawyers when their operating costs are the same as lawyers, is novel. Proponents of the program have never explained this assumption. Anecdotally, many are charging the same as lawyers in rural areas. That is not increasing service to even moderate means families.

Finally, the program has not been a good guardian of mandatory fees. It has functioned largely without oversight because the Board was told by past WSBA staff at the highest level we (the Board) could not question it as it is a Supreme Court program.

Without Board supervision, last year the LLLT program shifted over \$10,000 in fees the Board of Governors approved for two in-house LLLT business meetings at the WSBA office, to spend on a day and half “retreat” in the summer at Wenatchee. The Board was not consulted nor were we told; not before or even after the fact. That shifting of fees was facilitated by the fact that although the ATJ Board is required to break out in its budget the Board approves, money spent on in-house meetings versus retreats, previous high-level WSBA staff did not require that of the LLLT Board. Thus, it could shift that money without detection.<sup>x</sup>

Additionally, the program has demanded that WSBA pay for two “bar exams” a year for LLLTs although we only have a small number sitting for the test at any one time. For each test WSBA must hire an outside



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company to “write” a new one. The cost is the same if there is one test taker or 1,000. We spend nearly \$10,000 a test to write it, so 5 people can take it. Those are approximations but they are on the mark.

#### IV. THE ROAD AHEAD

I will not undertake here to report in any detail on the two failed attempts at expansion in trust and estates and debtor/bankruptcy law other than to identify them as such. However, to the extent it bears on my recommendation on how the program should be administered going forward, it bears saying based on my first hand observations, the program unreasonably minimized and disregarded input by trust and estates practitioners. Many lawyers attended our Board meeting in Spokane three years ago telling the chairperson of the program the pitfalls of having LLLTs practice in that complex area only to be met with derision and accusations they were being motivated by self-interest. This Court rejected the proposed expansion. More recently the program spent substantial time and mandatory WSBA fees planning an expansion into debtor/bankruptcy law giving no weight to the fact the Bankruptcy Court by Rule requires its practitioners to be licensed lawyers. When the program asked for an exception it was rejected; but only after WSBA spent substantial time staffing those meetings and spending member fees to fund the effort.

I am not against LLLTs as originally contemplated. However, I respectfully submit both this Court and WSBA must consider the objective facts. That task is complicated by the unfortunate dynamic that when a legitimate question is raised, the program’s more ardent proponents deflect such questions by calling this an “access to justice” issue as though that is a sufficient justification for the program’s current deficit and lack of performance. Further, given how the program is actually functioning, to date there has been no sufficient explanation as to why this is indeed an access to justice issue. I appreciate that is how the program was originally proposed. However, I have heard no support for that given how it has actually worked out. Not responding to basic and objective questions, and worse, accusing people raising these issues as being opposed to access to justice or worse, against minorities or merely monopolistic (all things I have been accused of) is not well taken and can no longer serve to justify or defend the program.

I do not question the personal motivation of LLLTs. I accept some low-income and moderate income citizens have been helped. However, we must make judgments based on actual data, not be influenced by personality, and evaluate the program as a whole. Anecdotes that a particular LLLT assisted a particular client cannot be the metric of success.

At over \$ 2 million after 7 years, providing only 26 “stand-alone” LLLTs, the program has not delivered on its promises. Saying that is not intended to be pejorative although those associated with the program will take it as such. It is simply an objective conclusion based on the objective facts.

I rhetorically ask: if the program told this Court in 2012 that after 7 years it would have only 26 “stand-alone” LLLTs for over \$2 million and would continue to need an additional \$250,000 each year while growing only 3 or 5 a year, would this Court have approved it.

If the answer is no, I respectfully say to you: you may not have known that in 2012, but you know it now. And knowing it now, I submit we must mutually determine what needs to be done.



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Worse, I fear the program is becoming a systemic perpetuation of gender bias. To date, all LLLTs are women. We should be enabling the path of women to law school, not diverting them to a program that has a dubious future.

As your Treasurer, I report the LLLT program as presently constituted is not viable and never will be. The economic forces compelling attorneys to charge what they charge, (what the program identifies as the barrier to access to justice), is the same for LLLTs as it is for lawyers. Rent is rent. Worse, this is an enormous opportunity cost of \$2 million to date and \$250,000 more yearly.

It is notable Justice Gonzales signed the 2012 order creating the program but recognized in dissent to the May 2019 expansion: “without any evidence of success,” the program continues to seek expansion and is of doubtful “financial sustainability” for either WSBA or “LLLTs themselves.”<sup>xi</sup> As he also noted, the program never provided an actual plan for success regarding costs and still has not.

I assume current LLLTs are here to stay. However, as your Treasurer I submit it is not responsible to continue spending fees in this manner. Something must fundamentally change. I submit you cannot expect a different result, continuing to do the same thing.

If the program is not eliminated outright, its scope should return to its original 2012 form and the program folded into the LPO program which is another a license limited to selection and completion of pre-printed forms. It should not be an independent program without direct WSBA oversight as it is now. I accept the good intention of every single person involved with the program. However, I submit history shows the program’s current Board is too close to the issue to be the objective shepherd the program needs.

After 7 years and a quarter of a million dollars deeper in debt every year, what we need is oversight that is dispassionately objective. Having only advocates, and I submit vociferous advocates at that, run the program as they have untethered from WSBA is part of the reason we find ourselves where we are now.

Instead of acknowledging the challenges and shortcoming, the program constantly tries to change the goal line. For example, when it is observed that it is too hard to pass the educational requirements or hours of service requirement, the suggestion is made we should lower both. Yet, it was the program that created those and in reliance of that this Court found they were necessary “safeguards necessary to protect the public” and by necessity imposed “educational requirements (that) are rigorous.”<sup>xii</sup>

That it is hard to achieve educational and service requirements both the LLLT Board and this Court found were necessarily “rigorous” but required to protect the public is not a reason to lower them. It is a reason to stop and appreciate the delivery of legal representation is not a trifling thing; it requires thousands of hours of education and work. If the program is having difficulty finding candidates, that is reason to give pause and consider whether a limited license to practice law as a concept is even feasible. As an aside, if the requirements necessary to protect the public are too rigorous for any but those 35 to have passed, I submit those 35 likely would have been successful in law school and WSBA and the public would have been further ahead in the provision of low-income services to have mentored and facilitated them to do so.



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Folding LLLTs into the LPO program and returning it to its original scope would salvage it. Because truly, that is what the program as contemplated was and should be. Like our LPOs who select and help complete escrow forms, LLLTs were promised and envisioned to help select and fill out family laws forms.

Further, before it is expanded into other substantive areas, it needs to prove it is fiscally viable in the area it is operating in now. Viability is not determined by having a few LLLTs after 7 years. It is proven by demonstrating both their practice, and as profession, it is sustainable in the long term. My impression is the program is seeking expansion for the sake of expansion to justify itself whereas it would do more in terms of actually fulfilling its original promise of low-income representation by facilitating the LLLTs we have in family law now, to success; whether that is as "stand-alone" LLLTs or employees of social or non-profit entities as the Court originally intended.

Albeit, if the program cannot demonstrate that viability soon, I suggest we must recognize that for what it is and act accordingly. This court acknowledged in 2012 the program may not work. Sound bites and bald assertions by the program's proponents that it is working, or that it will in the future while at the same time providing no concrete path to viability, are no response to the objective facts.

If the program cannot demonstrate viability in a time frame determined by the Court, this Court should enter an order accordingly. I urge this Court to set a firm time frame now. That is far more fair to the program than one day simply deciding it is not viable. Further, providing a firm milestone deadline will provide the program something concrete to work toward. Absent that, both the criteria of success and the time frame for meeting it will be perpetually moved as it has for the past 7 years.

For the final time: I am not against having a LLLT program. Further, the Board is not hostile to the program per se. However, the Board's role is to be an objective check-and-balance. My or the Board's raising basic issues of performance should not be viewed as a personal attack. That my (or other Board members) raising these issues however is more often than not viewed as exactly that, says much.

If you have questions, either individually or as a group, I welcome them at any time.

Thank you for your consideration.

Sincerely,

Treasurer and Governor District 9  
 Washington State Bar Association



Dan'L W. Bridges

cc: WSBA Board of Governors  
 Ms. Terra Nevitt, acting WSBA Executive Director  
 Mr. William Pickett, President WSBA  
 Mr. Stephen Crossland, LLLT Board Chairperson

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- i This data is taken from the WSBA licensing web site and was current as of July 7, 2019.
  - ii 2012 Order, 25700-A-1005, p. 9 (“There is simply no way to know the answer to this question without trying it.”)
  - iii Id. at 11.
  - iv This is based on researching every LLLT website and contact available at <https://www.mywsba.org/PersonifyEbusiness/Default.aspx?TabID=1536> and referencing their official address to Google maps. Of those 5, none could be reached by the phone. For 3 it was their home or personal cell. For 1, they advertised some other type of business on their voice announce.
  - v Id. at 9.
  - vi From APR 28(4)(A): “For the limited time between the date the Board begins to accept applications and December 31, 2023, the LLLT Board shall grant a waiver of the minimum associate-level degree requirement and/or the core curriculum education requirement set forth in APR (3) if an applicant meets the requirements set forth in Regulation 4(B).”
  - vii There is no requirement of an AA to obtain a paralegal certificate at a variety of vocational colleges.
  - viii To digress, I have heard some proponents of the program say that a ten year legal assistant knows more than a new lawyer and they as a new lawyer were turned loose to practice, knowing little to nothing, without oversight. That ignores the critical distinction that even a law lawyer, as green though they may be, has the benefit of 19 years of schooling, 3 of which were law school, and sat for and passed a 3 day bar exam. It is not a question of worth nor saying lawyers are better than secretaries. Each is human and has their worth. However, I submit it is not entirely intellectual honest for some proponents of the program to fail to acknowledge the educational difference and how that equips even a new lawyer to process and identify issues as well as the vetting and screening that 3 years of law school and passing the bar exam provide to cull through individuals not up to the challenge of the practice of law as a lawyer.
  - ix Id. at 6 and 8 (“... (LLLTs will) not be able to represent clients in court...”)
  - x I only learned of this shifting of mandatory fees after the fact by someone who attended the conference and related he was disturbed by both the spending and the outwardly stated shift of the program as expressed while away from WSBA’s offices. The LLLT Board openly discussed their goal was to provide “a living” for LLLTs; the notion of providing low-income services was being relegated to an ancillary side effect
  - xi 2019 Order, 25700-A-1258.
  - xii 2012 Order, p. 10



# WASHINGTON STATE BAR ASSOCIATION

## Board of Governors

Dan'L W. Bridges, Treasurer and Governor District 9

By email to [steve@crosslandlaw.net](mailto:steve@crosslandlaw.net) and US Mail

Mr. Stephen Crossland  
Chairperson, LLLT Board  
P.O. Box 566  
Cashmere, WA 98815-0566

July 10, 2019

Dear Mr. Crossland:

I would be grateful if you, or some person you appoint in your stead on behalf of the LLLT Board, attends the next WSBA Budget and Audit meeting on August 12. We will start at 1:30.

Please consider this both my respectful invitation and formal request as Treasurer that you or some person in your stead attend because we will have on our agenda for that meeting, a detailed discussion of fiscal policies and budgeting going forward as they relate to the LLLT Board.

I acknowledge the status of the LLLT Board as a Supreme Court created Board. To be clear: I have no intention on entertaining discussion at the Budget and Audit meeting of issues that would interfere with the LLLT's Board's duty under APR 28. That is not what our agenda item is about.

APR 28(C)(4) states "the Bar," e.g., the WSBA, "shall provide reasonably necessary administrative support" to the LLLT program. That begs the question of what is "reasonably necessary." APR 28(C)(4) provides no mechanism to determine that.

However, the Board of Governors under GR 12 and the Bar Act is responsible to supervise and ensure the reasonable expenditure of the members' mandatory fees at all levels of the WSBA. There is no exception taking Supreme Court created Boards out of the Board of Governor's jurisdiction in that regard. Therefore it is the Board of Governors, which under our bylaws has delegated more directly to the Budget and Audit Committee by its duty and authority to create and recommend a budget to the Board, that has a role in the determination of what "reasonably necessary" is. That is why I am asking for your assistance: I want to ensure we have the input of the LLLT Board and include it in that process as this will be rolled into our budget for this coming year.

Our committee's involvement in such matters has precedent. The Budget and Audit Committee has been active over the last two years advising and helping set goals for the Legal Foundation, an independent corporate entity, and its spending of WSBA mandatory fees. That involvement has been very helpful; not only for the Board but the Foundation. Over the last two years with more Budget and Audit involvement



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and advice, the Foundation has materially decreased its spending of mandatory WSBA fees while increasing the services rendered.

While I have no authority to speak for the Board of Governors and do not undertake to do so here, I can tell you personally as a Governor and the Treasurer of the Washington State Bar Association I take seriously my duty to the Court to facilitate the activities of all Supreme Court created Boards including the LLLT Board. However, I rely that you as a past President understand as well or better than anyone, the duty of the Board of Governors to oversee the reasonable expenditure of the members' mandatory fees and the role, duty, and authority of the Budget and Audit Committee within that framework.

I greatly look forward to speaking with you or whomever you appoint in your stead. And in that regard, all are welcome. Although I am asking you or someone you appoint to attend, our meetings are public and we look forward to the greatest participation possible. Any and all of the LLLT Board are welcome to attend.

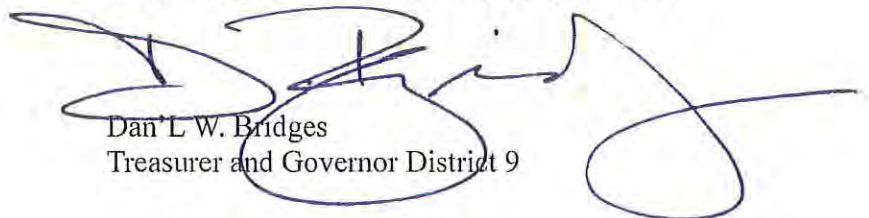
Having the LLLT Board's presence at our Budget and Audit meetings is long overdue. We should have been having these discussions for years to the benefit of both the LLLT Board and the WSBA in general. I look forward to starting this dialogue which I hope and intend to continue over time so we may mutually determine a way, if possible, to put the LLLT program on a firm, financial footing to benefit the program, WSBA, and the public at large.

If you would like to attend by Skype I believe we can arrange that. The meeting is scheduled to go to 4:30. If there is a time between 1:30 and 4:30 that would work better for you please let me know and we will accommodate you.

If you have questions or would like to speak in advance of the meeting I welcome your call.

Sincerely,

WASHINGTON STATE BAR ASSOCIATION



Dan L. W. Bridges  
Treasurer and Governor District 9



# WASHINGTON STATE BAR ASSOCIATION

To: Board of Governors

From: Budget and Audit Committee

Re: **First Reading:** Recommended Revision to Fiscal Policies and Procedures re Cost Centers

Date: June 27, 2019

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<b>First Reading:</b> Recommended Revision to Fiscal Policies and Procedures re Cost Centers
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The Budget Policies in Chapter 1 of the WSBA Fiscal Policies and Procedures Manual (Manual) are defined as “significant”, which means that any revision must be recommended by the Budget and Audit Committee and approved by the Board of Governors.

In order to increase budget transparency and facilitate the Board of Governors’ direct oversight of WSBA spending, the Budget and Audit Committee recommends the attached revisions to the Budget Policies in Chapter 1 of the Manual. The revisions will ensure that expenses and revenues arising from every program, committee, WSBA Board and Supreme Court Board, including the LLLT and LPO programs, are presented in separate cost centers. Proposed language also identifies how FTE should be allocated to the BOG and Executive Director cost centers.

The redlined, revised, and current versions of the Budget Policies in Chapter 1 of the WSBA Fiscal Policies and Procedures Manual are included as Attachments A, B, and C respectively.

## **ATTACHMENT A**

### **Recommended Revisions to Fiscal Policies and Procedures re Cost Centers**

#### **Budget Policies and Process**

##### **Overall Philosophy**

The WSBA should prepare an annual budget and establish its budget by function ("cost center") insofar as practical to permit subsequent cost-benefit analysis. The budget should be transparent so it is easy for the Board of Governors and members to see how the WSBA is spending its money.

The budget for each cost center should include its revenues, its direct expenses, and its share of the WSBA's overhead (indirect) expenses. By knowing the total cost of each program or function, the Board can make policy decisions about which programs should be supported by member license fees, which programs should be self-supporting, which programs should generate revenue for other WSBA functions or programs. To that end, all revenues and expenses arising from each program, committee, board (whether of the WSBA or as directed by the Supreme Court), the Limited License Legal Technician (LLLT) license type, and the Limited Practice Officer (LPO) license type shall be reflected in a cost center specific to it ***provided however*** that standing Board of Governor committees (for example, Budget and Audit Committee and Personnel Committee) shall be budgeted in the Board of Governors cost center. To the extent expenses are shared between cost centers, they shall be allocated in accord with standing practices with the intention of ensuring all costs incurred by unique cost centers are attributed to them. More specifically, that shall include, but is not limited to, all revenues and expenses (direct and indirect) being presented in separate cost centers for: (1) the Board of Governors; (2) the Executive Director; (3) the LLLT program; (4) the LPO program, and (5) all Supreme Court boards and committees

The only allocation of full time employee units to the Board of Governor cost center shall be the direct time of any administrative staff whose primary purpose is to assist the Board. The full cost of the position of Executive Director shall be reflected in that cost center without allocation to any other cost center and shall include an allocation in full time employee units the staff tasked to assist the Executive Director. Both the Board of Governors cost center and Executive Director cost center shall be allocated their pro rata share of enterprise expenses in accord with standing practices. Where those are shared enterprise expenses, they shall be clearly identified as such.

The budget should be a tool to plan for the coming year and help guide decision making. It is both a policy-making tool for the Board of Governors and provides the Board of Governors the ability to provide direct oversight over WSBA Spending. Additionally, it gives employees direction on how and where to spend its resources. In order to be a useful tool, the budget should not be a rigid document that can never be amended – it can and should be amended if necessary. The budget can be amended by the Board of Governors, Budget and Audit Committee or Executive Director via decisions made under the Fiscal Responsibilities Matrix.

WSBA should budget revenues and expenses as accurately as possible. Revenues should be realistic, but not overly conservative. Expenses should be estimated not on remote possibilities, but rather on historical spending patterns and actual planned expenses. There should be some flexibility in the budget to allow for contingencies and necessary adjustments.

##### **Long-range Forecasting and Planning**

The Chief Operations Officer may prepare long-range forecasts, prior to the annual budgeting process, to get an indication of the parameters around the upcoming annual budget; and whenever requested by the Board of Governors, usually for planning for license fee increases and as part of the long-range planning process. WSBA should annually update its long-range financial plan to anticipate the needs of a growing Bar, and so that, if increased funds become necessary, the Bar can plan logically and in advance on what additional funding will be required to meet such needs



## **ATTACHMENT A**

### **Recommended Revisions to Fiscal Policies and Procedures re Cost Centers**

#### **Annual Budgeting Time Line/Process**

- The budgeting process begins in April for the coming fiscal year (October 1 – September 30). The Chief Operations Officer and Associate Director of Finance request budgets from each Department Director, Section Chair, and liaison to the WSBA's various committees and boards. These individual budgets are compiled and reviewed by the Chief Operations Officer and the Executive Director.
- The Chief Operations Officer and Associate Director of Finance meet with department directors, employees, section leaders, etc. to conduct a thorough review of all budgets and comparison of budget figures to historical and year-to-date fiscal information.
- The Budget and Audit Committee reviews drafts of the entire WSBA budget (general fund, CLE, CPF, and sections) in June, July, and August, and provides guidance where necessary.
- The Board of Governors reviews a preliminary budget in July and approves the final entire WSBA budget at its last meeting of the fiscal year (September).

#### **Capital Budget**

A capital budget is prepared each year as part of the annual budget process. The capital budget forecasts capital purchases anticipated in the coming fiscal year that are over \$2,500 and have a useful life over 1 year (the depreciation for which is included in the expense budgets). The Board of Governors reviews a preliminary capital budget in July and approves the final capital budget with the entire WSBA budget at its last meeting of the fiscal year (September).

#### **Cash Flow Budget**

From time to time, when necessary, a cash flow budget may be prepared both to anticipate the timing and amount of cash and liquidity needs of the WSBA for the current year and the excess funds available for longer-term investments.

#### **Additional Budget Requests**

Department directors, committee/board employee liaisons, or section leaders who anticipate a need for funds in excess of their approved budget should make a request to the Chief Operations Officer, indicating the additional amount requested and the purpose of the additional funds. (Note: Sections are required to obtain approval from the WSBA Treasurer for any unbudgeted expense which totals either 25% or more of the section's annual expense budget or \$1,000 (whichever option is greater) – see Chapter 10 for details.) This request will be handled according to the Fiscal Responsibilities Matrix. If necessary, a request can be taken to the Budget and Audit Committee at its next meeting.

#### **Ongoing Program Review**

WSBA should anticipate both new initiatives and planning for potential termination or decreased funding for some older programs, depending on relevance for and needs of WSBA. WSBA should maintain a scheduled program review process for all non-regulatory WSBA programs.

## **ATTACHMENT B**

### **Recommended Revised Fiscal Policies and Procedures re Cost Centers**

#### **Budget Policies and Process**

##### **Overall Philosophy**

The WSBA should prepare an annual budget and establish its budget by function ("cost center") insofar as practical to permit subsequent cost-benefit analysis. The budget should be transparent so it is easy for the Board of Governors and members to see how the WSBA is spending its money.

The budget for each cost center should include its revenues, its direct expenses, and its share of the WSBA's overhead (indirect) expenses. By knowing the total cost of each program or function, the Board can make policy decisions about which programs should be supported by member license fees, which programs should be self-supporting, which programs should generate revenue for other WSBA functions or programs. To that end, all revenues and expenses arising from each program, committee, board (whether of the WSBA or as directed by the Supreme Court), the Limited License Legal Technician (LLLT) license type, and the Limited Practice Officer (LPO) license type shall be reflected in a cost center specific to it; **provided however**, that standing Board of Governor committees (for example, Budget and Audit Committee and Personnel Committee) shall be budgeted in the Board of Governors cost center. To the extent expenses are shared between cost centers, they shall be allocated in accord with standing practices with the intention of ensuring all costs incurred by unique cost centers are attributed to them. More specifically, that shall include but is not limited to all revenues and expenses (direct and indirect) being presented in separate cost centers for: (1) the Board of Governors; (2) the Executive Director; (3) the LLLT program; (4) the LPO program, and (5) all Supreme Court boards and committees

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The budget should be a tool to plan for the coming year and help guide decision making. It is both a policy-making tool for the Board of Governors and provides the Board of Governors the ability to provide direct oversight over WSBA Spending. Additionally, it gives employees direction on how and where to spend its resources. In order to be a useful tool, the budget should not be a rigid document that can never be amended – it can and should be amended if necessary. The budget can be amended by the Board of Governors, Budget and Audit Committee or Executive Director via decisions made under the Fiscal Responsibilities Matrix.

WSBA should budget revenues and expenses as accurately as possible. Revenues should be realistic, but not overly conservative. Expenses should be estimated not on remote possibilities, but rather on historical spending patterns and actual planned expenses. There should be some flexibility in the budget to allow for contingencies and necessary adjustments.

##### **Long-range Forecasting and Planning**

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## **ATTACHMENT B**

### **Recommended Revised Fiscal Policies and Procedures re Cost Centers**

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#### **Cash Flow Budget**

From time to time, when necessary, a cash flow budget may be prepared both to anticipate the timing and amount of cash and liquidity needs of the WSBA for the current year and the excess funds available for longer-term investments.

#### **Additional Budget Requests**

Department directors, committee/board employee liaisons, or section leaders who anticipate a need for funds in excess of their approved budget should make a request to the Chief Operations Officer, indicating the additional amount requested and the purpose of the additional funds. (Note: Sections are required to obtain approval from the WSBA Treasurer for any unbudgeted expense which totals either 25% or more of the section's annual expense budget or \$1,000 (whichever option is greater) – see Chapter 10 for details.) This request will be handled according to the Fiscal Responsibilities Matrix. If necessary, a request can be taken to the Budget and Audit Committee at its next meeting.

#### **Ongoing Program Review**

WSBA should anticipate both new initiatives and planning for potential termination or decreased funding for some older programs, depending on relevance for and needs of WSBA. WSBA should maintain a scheduled program review process for all non-regulatory WSBA programs.



**Current Fiscal Policies and Procedures re Cost Centers****Budget Policies and Process****Overall Philosophy**

The WSBA should prepare an annual budget and establish its budget by function ("cost center") insofar as practical to permit subsequent cost-benefit analysis. The budget for each cost center should include its revenues, its direct expenses, and its share of the WSBA's overhead (indirect) expenses. By knowing the total cost of each program or function, the Board can make policy decisions about which programs should be supported by member license fees, which programs should be self-supporting, and which programs should generate revenue for other WSBA functions or programs.

The budget should be a tool to plan for the coming year and help guide decision making. It is a policy-making tool for the Board of Governors, and gives employees direction on how and where to spend its resources. In order to be a useful tool, the budget should not be a rigid document that can never be amended – it can and should be amended if necessary. The budget can be amended by the Board of Governors, Budget and Audit Committee or Executive Director via decisions made under the Fiscal Responsibilities Matrix.

WSBA should budget revenues and expenses as accurately as possible. Revenues should be realistic, but not overly conservative. Expenses should be estimated not on remote possibilities, but rather on historical spending patterns and actual planned expenses. There should be some flexibility in the budget to allow for contingencies and necessary adjustments.

The budget should be transparent so it is easy for the Board of Governors and members to see how the WSBA is spending its money.

**Long-range Forecasting and Planning**

The Chief Operations Officer may prepare long-range forecasts, prior to the annual budgeting process, to get an indication of the parameters around the upcoming annual budget; and whenever requested by the Board of Governors, usually for planning for license fee increases and as part of the long-range planning process. WSBA should annually update its long-range financial plan to anticipate the needs of a growing Bar, and so that, if increased funds become necessary, the Bar can plan logically and in advance on what additional funding will be required to meet such needs

**Annual Budgeting Time Line/Process**

- The budgeting process begins in April for the coming fiscal year (October 1 – September 30). The Chief Operations Officer and Associate Director of Finance request budgets from each Department Director, Section Chair, and liaison to the WSBA's various committees and boards. These individual budgets are compiled and reviewed by the Chief Operations Officer and the Executive Director.
- The Chief Operations Officer and Associate Director of Finance meet with department directors, employees, section leaders, etc. to conduct a thorough review of all budgets and comparison of budget figures to historical and year-to-date fiscal information.
- The Budget and Audit Committee reviews drafts of the entire WSBA budget (general fund, CLE, CPF, and sections) in June, July, and August, and provides guidance where necessary.
- The Board of Governors reviews a preliminary budget in July and approves the final entire WSBA budget at its last meeting of the fiscal year (September).

## **ATTACHMENT C**

### **Current Fiscal Policies and Procedures re Cost Centers**

#### **Capital Budget**

A capital budget is prepared each year as part of the annual budget process. The capital budget forecasts capital purchases anticipated in the coming fiscal year that are over \$2,500 and have a useful life over 1 year (the depreciation for which is included in the expense budgets). The Board of Governors reviews a preliminary capital budget in July and approves the final capital budget with the entire WSBA budget at its last meeting of the fiscal year (September).

#### **Cash Flow Budget**

From time to time, when necessary, a cash flow budget may be prepared both to anticipate the timing and amount of cash and liquidity needs of the WSBA for the current year and the excess funds available for longer-term investments.

#### **Additional Budget Requests**

Department directors, committee/board employee liaisons, or section leaders who anticipate a need for funds in excess of their approved budget should make a request to the Chief Operations Officer, indicating the additional amount requested and the purpose of the additional funds. (Note: Sections are required to obtain approval from the WSBA Treasurer for any unbudgeted expense which totals either 25% or more of the section's annual expense budget or \$1,000 (whichever option is greater) – see Chapter 10 for details.) This request will be handled according to the Fiscal Responsibilities Matrix. If necessary, a request can be taken to the Budget and Audit Committee at its next meeting.

#### **Ongoing Program Review**

WSBA should anticipate both new initiatives and planning for potential termination or decreased funding for some older programs, depending on relevance for and needs of WSBA. WSBA should maintain a scheduled program review process for all non-regulatory WSBA programs.

**WASHINGTON STATE**  
**BAR ASSOCIATION**

To: Board of Governors

From: Budget and Audit Committee

Re: Supplemental Audit Options

Date: June 18, 2019

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The Committee met with Mitch Hansen of Clark Nuber on April 25, 2019, to learn more about supplemental audit options. On May 7, Alec Stephens, Dan Clark, PJ Grabicki, Dan Bridges, and Ann Holmes had a follow up conference call with Hansen to examine the options more closely. The attached Scope of Work details those options and associated costs. The table below outlines the time involved in each phase of the audit options.

PHASE I - PLANNING AND OBTAINING BACKGROUND INFORMATION	1-3 weeks
PHASE II – PERFORM TESTING	2-4 weeks
PHASE III - REPORTING	2-3 weeks



## Scope of Work and Methodology

Below is our proposed scope of work. This is only the starting point for our discussion to fine tune the procedures to fully meet your needs. These procedures will be modified as needed and agreed to during our planning meeting with you. Our work is divided into three phases: planning and obtaining background information; performing on-site testing; and reporting.

### PHASE I - PLANNING AND OBTAINING BACKGROUND INFORMATION

#### A. Meet with Management and/or Board or Committee Members to:

1. Fine tune proposed scope of work. We will remove non-value added steps or steps not practical to do, change proposed procedures as needed to meet your needs, and add additional steps that we haven't contemplated that you would like performed.
2. Agree on timing of work on-site and delivery of reports.
3. Agree on form and content of final report.
4. Agree on timing and method of periodic updates.
5. Finalize engagement letter for services.

#### B. Obtain and Review Needed Information

1. Audited and internal financial statements
2. Trial balance for FY 2018.
3. Any prior reports related to WSBA management and accounting personnel.
4. WSBA accounting policies and procedures.
5. WSBA payroll register reports for each pay period from 2018.
6. Listing of WSBA employees with addresses.

#### C. Interview WSBA Accounting Staff

1. Discuss our understanding of policies and procedures as well as any concerns about inappropriate activity at WSBA.

### PHASE II – PERFORM TESTING

#### A. Payroll Testing

1. For fiscal year 2018, we will:

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- a. Obtain the year-end payroll register.
- b. For a sample of 10 staff we will:
  - i. Agree pay rate to authorized rate per personnel file.
  - ii. Re-compute pay, vacation, and deductions.
  - iii. Agree deductions to authorizations in personnel file.
  - iv. Review fringe benefits for reasonableness, compliance with policies, and agreement with personnel file documentation.
  - v. Agree any bonuses to proper authorizations.
  - vi. Summarize amount of vacation time used. If little to no vacation time is used, then discuss with others in the organization the reasonableness of these amounts.
  - vii. Recompute any vacation buyouts for each year and assess for reasonableness.
  - viii. If there are any employee loans, schedule out employee loans per employee and assess compliance with policies and procedures.
- c. Agree payroll per the payroll register to the amounts paid out of the payroll bank account.

## B. Expense Report Testing

1. For fiscal year 2018, select 10 expense reports (including COO and Executive Director) for testing. Review expenses for reasonableness, compliance with policies, and proper support.
2. Review the cell phone policy and select a sample of 10 employees to determine if the staff are in compliance with this policy by looking at bills, credit card statements, and other supporting documentation.
3. Determine which WSBA staff have company credit cards.
  - a. Select two statements from fiscal year 2018 per card holder and review each for reasonableness, compliance with policies, and proper supporting documentation.

## C. Fraudulent Disbursements Procedures

1. Select one bank statement from fiscal year 2018. Trace each item (checks, deposits, wire transfers) in the statement to supporting documentation (deposit slips, cancelled checks, etc.). For checks, trace payee to general ledger. For wire transfers, verify proper authorization and destination of funds.
2. With our data mining software, we are able to take a computer database, and perform a battery of tests on 100% of the transactions in that database. For example, we recently did this for a large local government, and in four of twelve tests performed on their credit card database, a



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person committing fraud rose to the top of our exceptions list. We will use this software to look at the payroll and disbursement databases for fiscal year 2018. If issues are identified, we will then discuss with management how many years further we should look back.

## Payroll Database

1. We will use our data mining software as well as other Computer Assisted Auditing Techniques (CAATs) to identify:
  - a. Gross salary by employee and withholdings (this can be further analyzed and compared against expectations and traced to approve pay rates).
  - b. Negative payroll amounts. This could indicate credits to payroll designed to offset excessive payments to an employee.
  - c. Positive or zero valued deductions. Can indicate manipulation of payroll deductions.
  - d. Number of payroll checks per employee (compare to number of pay periods). The number of checks per employee can identify employees writing additional payroll checks to themselves.
  - e. Total expense reimbursements - amount and count, if processed through payroll. Can identify excessive expense reimbursements.
  - f. Unusual addresses (e.g. out of state addresses or P.O. Boxes).
  - g. Multiple names to one address.
  - h. Bank account duplicates.
  - i. Employees listed in payroll not in the employee listing.
  - j. Duplicate employee listings.
  - k. Invalid social security numbers.
  - l. Employees or employee addresses in the Vendor Master File. Indicates employees set up as a vendor in the disbursement database.
  - m. Vacation time used. Look for employees with no vacation time used.

## Credit Card Database

1. We will use our data mining software, as well as other Computer Assisted Auditing Techniques (CAATs) to identify:
  - a. Transactions processed on weekends. This can be an indicator of personal charges.
  - b. The top spenders and vendors used on weekends. This can indicate personal charges.

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- c. Peak charge periods and review with management. Peak spending around Christmas or at the end of the budget cycle can be indications of issues.
  - d. Duplicate transactions for the same cardholder for the same amount on the same day. This can indicate charges broken into smaller amounts to avoid certain purchase authorization limits, duplicate purchases for person uses, or double submissions for reimbursement.
  - e. Recurring charges for the same amounts. This could indicate personal bills being charged.
  - f. Transactions with even \$50 and \$100 increments. This can be an indicator of gift cards or certificates being purchased which is a common source of fraud.
  - g. Cardholders that consistently came within \$1,000 of credit limits. Could be an indicator of fraud if someone has a large dollar volume but knows enough to stop before they hit the credit limit.
  - h. Vendors with the highest dollar volume. Do the vendors at the top of the list make sense to management? Could identify fictitious vendors.
  - i. Vendors with the highest transaction volume. Do the vendors at the top of the list make sense to management? Could identify fictitious vendors.
  - j. For Procurement Cards, most frequently and infrequently used Merchant Category Codes (MCC's).
  - k. For Procurement Cards, suspicious MCC's and/or vendors.
2. We will review the results with the **Committee** and agree on which exceptions to follow up on.

## Accounts Payable Database

1. We will use our data mining software as well as other Computer Assisted Auditing Techniques (CAATs) to identify:
  - a. Total vendor payments sorted by number of checks and dollar amount. Could be an indicator of a fictitious vendor.
  - b. Checks on weekends. Could be an indicator of fraudulent checks.
  - c. Multiple checks of the same dollar amount to the same vendor. Could indicate checks split into smaller amounts to avoid check authorization limits.
  - d. Gaps in checks. An indicator of missing checks.
  - e. Duplicate checks. A potential indicator of fraudulent checks.



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- f. Checks written to cash or blank payee (if a risk is determined, we can query for that risk similar to looking for all checks written to cash). Indicates internal controls needing improvement and possible fraudulent disbursements.
  - g. Matching employee addresses to vendor addresses. Indicates employees that may have also set themselves up as vendors in the accounting system.
  - h. Vendor address is a P.O. Box. Can be an indicator of fictitious vendors.
  - i. Vendor has more than one address. Can be an indicator of a fictitious vendor.
  - j. Matching vendor code from check register to vendor master file. Could indicate alterations to the accounting records.
  - k. Summary of checks to vendors that are written for amounts below dollar threshold, such as a dual signature threshold (this summary will allow you to drill down on the detail). Can indicate split purchases to avoid authorization limits on purchases.
2. We will review the results with the **Committee** and agree on which exceptions to follow up on.

## Vendor File Database

1. We will use our data mining software as well as other Computer Assisted Auditing Techniques (CAATs) to identify:
- a. Employees or employee addresses in the Vendor Master File. Indicates employees set up as a vendor in the disbursement database.
  - b. Vendors that have more than one vendor file. Can indicate fictitious vendors.
  - c. Vendors with duplicate, non-standard tax ID's. Can indicate fictitious vendors.
  - d. Multiple vendors to the same address. Can indicate fictitious vendors.
2. We will review the results with **the Committee** and agree on which exceptions to follow up on.

## D. Miscellaneous Items to Investigate

1. WSBA Travel for fiscal year 2018:
- a. Obtain a general ledger report showing details for the travel accounts for each year.
  - b. Select all items over **\$5,000**, and any under **\$5,000 that seem strange** for further testing. For each item selected, obtain supporting documentation and review for:
    - i. Reasonableness.
    - ii. Compliance with WSBA policies and procedures.
  - c. Report any areas of vulnerability and recommendations to address.

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2. Use of WSBA funds by Board committees for fiscal year 2018:
  - a. Obtain a report showing board and committee expenses for fiscal years 2016-2018.
    - i. Obtain explanations for variances greater than \$25,000 from year to year.
  - b. For the three committees with the highest expenditures, obtain expense detail for fiscal year 2018 and select the 5 largest transactions to trace to supporting documentation and assess reasonableness and compliance with WSBA policies.
  - c. Report any areas of noncompliance or unusual items with any recommendations we might have to avoid issues in the future.

## PHASE III - REPORTING

1. At the conclusion of fieldwork, hold a preliminary exit conference to discuss any possible findings and recommendations to ensure there have been no miscommunications or misunderstandings before committing anything to writing.
2. If desired, prepare a draft report with executive summary, background and scope, and findings and recommendations.
3. Present draft report to management and edit as necessary.
4. Prepare final report.
5. Present results to management and/or the Committee.
6. Determine next steps and/or follow up procedures needed, if any, based on our find.

The above is a comprehensive analysis targeting specific areas of concern. Options to consider would be to do all or a portion of these every 3 or 5 years, or do a portion of these each year on a rotational basis.

## Fee Proposal and Proposed Project Schedule

We will bill for our services at our standard hourly rates. Our standard hourly rates for consulting and other services are:

Staff Level (Audit and Tax)	Rates
Associates	\$140 - \$190
Seniors	\$185 - \$225
Managers and Senior Managers	\$225 - \$350
Principals and Shareholders	\$350 - \$435

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## Proposed Options for Services with Associated Fee Estimates

Scope of Services Options	Estimated Cost for Year One
Year one do full scope of work to establish a clean baseline, then every 3-5 years consider repeating full scope or a portion of it.	\$50,000
Year one do data mining on all databases and expense report testing, then based on the results of that testing, consider the need to expand the scope. Repeat these same procedures every 3-5 years.	\$15,000
Year one do data mining on all databases and expense report testing. In 3-5 years alternate and do detailed transaction testing. Rotate back to data mining and expense report testing 3-5 years later, and continue rotation on this cycle.	\$15,000
Annually, do data mining on one database and alternate in cycle.	\$3,000



To: WSBA Budget & Audit Committee

From: Laura Sanford, Foundation Development Officer

Re: Financial Reports for June 27, 2019 Meeting

Date: July 29, 2019

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This memo follows on ongoing discussion of the Washington State Bar Foundation's health and viability at each Budget & Audit Committee meeting since June 2017. Attached, please find the Foundation's most recent financial report covering the period of October 1, 2018 through June 30, 2019. Also attached is the WSBF's year-to-date fundraising report.

Looking at the *WSBF Balance Sheet*, you can see that as of June 30, the Foundation had a net worth of \$319,735. This is an increase of \$859 from the net worth as of the end of May, which was reported on at the July meeting. The WSBF's net worth will continue to grow as it raises funds throughout the fiscal year. The majority of those funds will be granted to WSBA at the beginning FY20. The *WSBF Statement of Activities* details these and other income and expenses year-to-date. WSBA's support of the Foundation is captured in the report as "WSBA Staff Support" and "WSBA Expenses" under "In Kind Expenses", which total \$121,938 as of the end of June. Our total income through cash contributions as of the end of June is \$281,998.

The *Fundraising Progress Report* provides a more up-to-date, but unofficial, look at the amount and source of contributions for FY19. As of July 29, 2019 the Foundation has raised \$288,107. The majority of funds raised are through the licensing campaign, which experienced a 15% increase over FY18. The Foundation is currently seeking sponsorships for the WSBA APEX Awards dinner and strategizing fundraising plans for the remainder of the fiscal year.





Advancing WSBA's Vision of a Just Washington

To: Terra Nevitt

From: Tiffany Lynch, Associate Director for Finance

Re: Foundation Financial Statements as of June 30, 2019

Date: July 25, 2019

Attached are the final financial statements for the Washington State Bar Foundation as of June 30, 2019. Below is a summary of the fund balances<sup>1</sup> as of June 30, 2019.

**WSBF Fund Balances<sup>1</sup>**  
**As of June 30, 2019**

<b>Fund Name</b>	<b>Cash</b>	<b>Committed Funds</b>	<b>Available Funds</b>
ATJ/Bar Leaders Conference	27,572	0	27,572
Call to Duty	50	0	50
Diversity	1,575	0	1,575
ELUL Midyear Scholarship Fund	793	(793)	0
McMahon	8,352	0	8,352
Moderate Means	250	0	250
Peter Greenfield Internship	5,903	0	5,903
Taxation Scholarship Fund	1,700	(1,700)	0
WSBA Justice & Diversity Opportunities	2,000	0	2,000
Unrestricted	<u>257,139</u>	<u>0</u>	<u>257,139</u>
<b>Total Fund Balances</b>	<b><u>\$305,334</u></b>	<b><u>(\$2,493)</u></b>	<b><u>\$302,841</u></b>

<sup>1</sup> Excludes fixed assets (\$14,400 in artwork).

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07/24/19

Cash Basis

**WSBA Foundation**  
**Statement of Activities (Profit & Loss)**  
**October 2018 through June 2019**

	<u>Oct '18 - Jun 19</u>
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
<b>Contributions &amp; Grants Income</b>	
Corporate	23,694
Foundations & Nonprofits	9,800
Government	2,000
Individuals/Private Donors	244,104
Other	2,400
<b>Total Contributions &amp; Grants Income</b>	281,998
<b>In Kind Donations</b>	127,223
<b>Total Income</b>	409,221
<b>Expense</b>	
Donor Database Expense	1,491
<b>In Kind Expenses</b>	
WSBA Staff Support	118,996
WSBA Expenses	2,942
In Kind Expenses - Other	5,286
<b>Total In Kind Expenses</b>	127,223
Bank Service Charges	40
Credit Card Fees	1,158
Dues	180
Licenses and Permits	10
<b>Program Expense</b>	
Taxation Scholarship	5,000
Pres Diversity Scholarship Fund	30,000
ELUL Section Scholarship Fund	858
WSBA Justice & Div. Opportunity	3,000
WSBA Funding	275,000
Peter Greenfield Scholarship	2,500
<b>Total Program Expense</b>	316,358
<b>Total Expense</b>	446,460
<b>Net Ordinary Income</b>	-37,239
<b>Other Income/Expense</b>	
<b>Other Income</b>	
Interest Income	2,371
<b>Total Other Income</b>	2,371
<b>Other Expense</b>	
Other Expenses	4,932
<b>Total Other Expense</b>	4,932
<b>Net Other Income</b>	-2,561
<b>Net Income</b>	<u><u>-39,800</u></u>



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Cash Basis

**WSBA Foundation**  
**Balance Sheet**  
 As of June 30, 2019

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	<u>Jun 30, 19</u>
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
Wells Fargo Checking	10,290
Wells Fargo Heritage Money Mkt	295,045
Total Checking/Savings	<u>305,335</u>
Total Current Assets	305,335
Fixed Assets	
Artwork	<u>14,400</u>
Total Fixed Assets	<u>14,400</u>
<b>TOTAL ASSETS</b>	<b><u>319,735</u></b>
<b>LIABILITIES &amp; EQUITY</b>	
Equity	
Increase/Decrease Fund Balance	359,535
Net Income	<u>-39,800</u>
Total Equity	<u>319,735</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>319,735</u></b>

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Cash Basis

**WSBA Foundation**  
**Profit & Loss Prev Year Comparison**  
**October 2018 through June 2019**

	Oct '18 - Jun 19	Oct '17 - Jun 18	\$ Change	% Change
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
<b>Contributions &amp; Grants Income</b>				
Corporate	23,693.52	32,124.00	-8,430.48	-26.2%
Foundations & Nonprofits	9,800.00	1,000.00	8,800.00	880.0%
Government	2,000.00	0.00	2,000.00	100.0%
Individuals/Private Donors	244,104.17	224,077.51	20,026.66	8.9%
Other	2,400.00	0.00	2,400.00	100.0%
<b>Total Contributions &amp; Grants Income</b>	<b>281,997.69</b>	<b>257,201.51</b>	<b>24,796.18</b>	<b>9.6%</b>
<b>In Kind Donations</b>	<b>127,223.22</b>	<b>116,641.62</b>	<b>10,581.60</b>	<b>9.1%</b>
<b>Miscellaneous Income</b>	<b>0.00</b>	<b>1,814.37</b>	<b>-1,814.37</b>	<b>-100.0%</b>
<b>Total Income</b>	<b>409,220.91</b>	<b>375,657.50</b>	<b>33,563.41</b>	<b>8.9%</b>
<b>Expense</b>				
Donor Database Expense	1,491.00	0.00	1,491.00	100.0%
<b>In Kind Expenses</b>				
WSBA Staff Support	118,995.69	112,041.33	6,954.36	6.2%
WSBA Expenses	2,941.53	4,600.29	-1,658.76	-36.1%
In Kind Expenses - Other	5,286.00	0.00	5,286.00	100.0%
<b>Total In Kind Expenses</b>	<b>127,223.22</b>	<b>116,641.62</b>	<b>10,581.60</b>	<b>9.1%</b>
<b>Bank Service Charges</b>	<b>40.00</b>	<b>12.00</b>	<b>28.00</b>	<b>233.3%</b>
<b>Credit Card Fees</b>	<b>1,157.81</b>	<b>1,072.50</b>	<b>85.31</b>	<b>8.0%</b>
<b>Dues</b>	<b>180.00</b>	<b>0.00</b>	<b>180.00</b>	<b>100.0%</b>
<b>Insurance</b>	<b>0.00</b>	<b>929.00</b>	<b>-929.00</b>	<b>-100.0%</b>
<b>Licenses and Permits</b>	<b>10.00</b>	<b>10.00</b>	<b>0.00</b>	<b>0.0%</b>
<b>Office Supplies</b>	<b>0.00</b>	<b>54.39</b>	<b>-54.39</b>	<b>-100.0%</b>
<b>Program Expense</b>				
Taxation Scholarship	5,000.00	0.00	5,000.00	100.0%
Pres Diversity Scholarship Fund	30,000.00	0.00	30,000.00	100.0%
ELUL Section Scholarship Fund	858.00	1,629.00	-771.00	-47.3%
WSBA Justice & Div. Opportunity	3,000.00	1,672.00	1,328.00	79.4%
WSBA Funding	275,000.00	200,000.00	75,000.00	37.5%
Peter Greenfield Scholarship	2,500.00	2,500.00	0.00	0.0%
Program Expense - Other	0.00	1,186.62	-1,186.62	-100.0%
<b>Total Program Expense</b>	<b>316,358.00</b>	<b>206,987.62</b>	<b>109,370.38</b>	<b>52.8%</b>
<b>Total Expense</b>	<b>446,460.03</b>	<b>325,707.13</b>	<b>120,752.90</b>	<b>37.1%</b>
<b>Net Ordinary Income</b>	<b>-37,239.12</b>	<b>49,950.37</b>	<b>-87,189.49</b>	<b>-174.6%</b>
<b>Other Income/Expense</b>				
<b>Other Income</b>				
Interest Income	2,371.25	643.51	1,727.74	268.5%
<b>Total Other Income</b>	<b>2,371.25</b>	<b>643.51</b>	<b>1,727.74</b>	<b>268.5%</b>
<b>Other Expense</b>				
Other Expenses	4,932.25	891.00	4,041.25	453.6%
<b>Total Other Expense</b>	<b>4,932.25</b>	<b>891.00</b>	<b>4,041.25</b>	<b>453.6%</b>
<b>Net Other Income</b>	<b>-2,561.00</b>	<b>-247.49</b>	<b>-2,313.51</b>	<b>-934.8%</b>
<b>Net Income</b>	<b>-39,800.12</b>	<b>49,702.88</b>	<b>-89,503.00</b>	<b>-180.1%</b>

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Cash Basis

**WSBA Foundation**  
**Balance Sheet Prev Year Comparison**  
**As of June 30, 2019**

	<u>Jun 30, 19</u>	<u>Jun 30, 18</u>	<u>\$ Change</u>	<u>% Change</u>
<b>ASSETS</b>				
<b>Current Assets</b>				
<b>Checking/Savings</b>				
Wells Fargo Checking	10,290.26	262,936.97	-252,646.71	-96.1%
Wells Fargo Heritage Money Mkt	295,044.71	51,444.06	243,600.65	473.5%
<b>Total Checking/Savings</b>	<u>305,334.97</u>	<u>314,381.03</u>	<u>-9,046.06</u>	<u>-2.9%</u>
<b>Total Current Assets</b>	<u>305,334.97</u>	<u>314,381.03</u>	<u>-9,046.06</u>	<u>-2.9%</u>
<b>Fixed Assets</b>				
Artwork	<u>14,400.00</u>	<u>14,400.00</u>	<u>0.00</u>	<u>0.0%</u>
<b>Total Fixed Assets</b>	<u>14,400.00</u>	<u>14,400.00</u>	<u>0.00</u>	<u>0.0%</u>
<b>TOTAL ASSETS</b>	<u><b>319,734.97</b></u>	<u><b>328,781.03</b></u>	<u><b>-9,046.06</b></u>	<u><b>-2.8%</b></u>
<b>LIABILITIES &amp; EQUITY</b>				
<b>Equity</b>				
Increase/Decrease Fund Balance	359,535.09	279,078.15	80,456.94	28.8%
Net Income	<u>-39,800.12</u>	<u>49,702.88</u>	<u>-89,503.00</u>	<u>-180.1%</u>
<b>Total Equity</b>	<u>319,734.97</u>	<u>328,781.03</u>	<u>-9,046.06</u>	<u>-2.8%</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><b>319,734.97</b></u>	<u><b>328,781.03</b></u>	<u><b>-9,046.06</b></u>	<u><b>-2.8%</b></u>



## FY19 Fundraising Progress Report

### As of July 29, 2019

FUNDRAISING ACTIVITY		DONATION SOURCE			
		Foundation Trustees & Trustee Firms	Board of Governors (non Trustee)	Individuals	Firms and Organizations
Annual Giving	\$6,729.94	\$4,589.00		\$2,085.94	\$55.00
Licensing	\$230,899.75	\$575.00	\$410.00	\$218,469.75	\$11,445.00
Events					
2018 APEX Awards (income rec'd in FY19)	\$1,530.00	\$500.00		\$1,030.00	
2019 APEX Awards	\$7,100.00	\$2,500.00			\$4,600.00
Program Event Sponsorships	\$1,000.00				\$1,000.00
ATJ Conference	\$28,072.00		\$2,000.00		\$26,072.00
Matching Gifts	\$1,200.00				\$1,200.00
Sections	\$11,575.00			\$5,375.00	\$6,200.00
<b>TOTAL</b>	<b>\$288,106.69</b>	<b>\$8,164.00</b>	<b>\$2,410.00</b>	<b>\$226,960.69</b>	<b>\$50,572.00</b>

# WASHINGTON STATE BAR ASSOCIATION

To: Budget and Audit Committee

From: Terra Nevitt, Interim Executive Director

Re: Materials for Discussion of Limited License Legal Technician Program & Budget

Date: August 8, 2019

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Attached, please find the following materials:

1. Summary of budgeted and actual revenue and expenses related to the development and administration of the Limited License Legal Technician license from FY13 through FY19 year-to-date
2. Supreme Court of Washington Order No. 25700-A-1005 In the Matter of the Adoption of New APR28 – Limited Practice Rule for Limited License Legal Technicians (June 15, 2012)
3. Supreme Court of Washington Order No. 25700-A-1006 In the Matter of the Implementation of APR 28 – Limited Practice Rule for Limited License Legal Technicians (July 11, 2012)
4. APR 28, as originally adopted
5. APR 28, current
6. Limited License Legal Technician Rules of Professional Conduct





# THE SUPREME COURT OF WASHINGTON

IN THE MATTER OF THE ADOPTION OF NEW )  
 APR 28—LIMITED PRACTICE RULE FOR )  
 LIMITED LICENSE LEGAL TECHNICIANS )  
 )  
 )  
 )

## ORDER

NO. 25700-A- 1005

The Practice of Law Board having recommended the adoption of New APR 28—Limited Practice Rule for Limited License Legal Technicians, and the Court having considered the revised rule and comments submitted thereto, and having determined by majority that the rule will aid in the prompt and orderly administration of justice;

Now, therefore, it is hereby

ORDERED:

That we adopt APR 28, the Limited Practice Rule for Limited License Legal Technicians. It is time. Since this rule was submitted to the Court by the Practice of Law Board in 2008, and revised in 2012, we have reviewed many comments both in support and in opposition to the proposal to establish a limited form of legal practitioner. During this time, we have also witnessed the wide and ever-growing gap in necessary legal and law related services for low and moderate income persons.

We commend the Practice of Law Board for reaching out to a wide spectrum of affected organizations and interests and for revising the rule to address meritorious concerns and suggestions. We also thank the many individuals and organizations whose suggestions to the language of the rule have improved it. The Limited License Legal Technician Rule that we adopt today is narrowly tailored to accomplish its stated objectives, includes appropriate training,

CLERK

FILED  
 SUPREME COURT  
 12 JUN 15 AM 8:00  
 BY RONALD R. CARPENTER  
 CLERK

financial responsibility, regulatory oversight and accountability systems, and incorporates ethical and other requirements designed to ensure competency within the narrow spectrum of the services that Limited License Legal Technicians will be allowed to provide. In adopting this rule we are acutely aware of the unregulated activities of many untrained, unsupervised legal practitioners who daily do harm to “clients” and to the public’s interest in having high quality civil legal services provided by qualified practitioners.

The practice of law is a professional calling that requires competence, experience, accountability and oversight. Legal License Legal Technicians are not lawyers. They are prohibited from engaging in most activities that lawyers have been trained to provide. They are, under the rule adopted today, authorized to engage in very discrete, limited scope and limited function activities. Many individuals will need far more help than the limited scope of law related activities that a limited license legal technician will be able to offer. These people must still seek help from an attorney. But there are people who need only limited levels of assistance that can be provided by non-lawyers trained and overseen within the framework of the regulatory system developed by the Practice of Law Board. This assistance should be available and affordable. Our system of justice requires it.

### **I. The Rule**

Consistent with GR 25 (the Supreme Court rule establishing the Practice of Law Board),<sup>1</sup> the rule<sup>2</sup> establishes a framework for the licensing and regulation of non-attorneys to engage in discrete activities that currently fall within the definition of the “practice of law” (as defined by GR 24)<sup>3</sup> and which are currently subject to exclusive regulation and oversight by this Court. The rule itself authorizes no one to practice. It simply establishes the regulatory framework for the

<sup>1</sup> [http://www.courts.wa.gov/court\\_rules/?fa=court\\_rules.display&group=ga&set=GR&ruleid=gagr25](http://www.courts.wa.gov/court_rules/?fa=court_rules.display&group=ga&set=GR&ruleid=gagr25)

<sup>2</sup> <http://www.wsba.org/Lawyers/groups/practiceoflaw/2006currentruledraftfinal3.doc>

<sup>3</sup> [http://www.courts.wa.gov/court\\_rules/?fa=court\\_rules.display&group=ga&set=GR&ruleid=gagr24](http://www.courts.wa.gov/court_rules/?fa=court_rules.display&group=ga&set=GR&ruleid=gagr24)

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*New APR 28—Limited Practice Rule for Limited License Legal Technicians*

consideration of proposals to allow non-attorneys to practice. As required by GR 25, the rule establishes certification requirements (age, education, experience, pro bono service, examination, etc.),<sup>4</sup> defines the specific types of activities that a limited license legal technician would be authorized to engage in,<sup>5</sup> the circumstances under which the limited license legal technician would be allowed to engage in authorized activities (office location, personal services required, contract for services with appropriate disclosures, prohibitions on serving individuals who require services beyond the scope of authority of the limited license legal technician to perform),<sup>6</sup> a detailed list of prohibitions,<sup>7</sup> and continuing certification and financial responsibility requirements.<sup>8</sup>

In addition to the rule, we are today acting on the Practice of Law Board's proposal to establish a Limited License Legal Technician Board.<sup>9</sup> This Board will have responsibility for considering and making recommendations to the Supreme Court with respect to specific proposals for the authorization of limited license legal technicians to engage in some or all of the activities authorized under the Limited License Legal Technician Rule, and authority to oversee the activities of and discipline certified limited license legal technicians in the same way the Washington State Bar Association does with respect to attorneys. The Board is authorized to recommend that limited license legal technicians be authorized to engage in specific activities within the framework of -- and limited to -- those set forth in the rule itself. We reserve the responsibility to review and approve any proposal to authorize limited license legal technicians

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<sup>4</sup> Exhibit A to January 7, 2008 submission from the Practice of Law Board to the Supreme Court, Proposed APR 28(C) (*hereafter* Proposed APR 28).

<sup>5</sup> APR 28(D)

<sup>6</sup> APR 28(E)

<sup>7</sup> APR 28(F)

<sup>8</sup> APR 28(G) and (H)

<sup>9</sup> Exhibit B to January 7, 2008 submission from the Practice of Law Board to the Supreme Court (*hereafter* Regulations)

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*New APR 28—Limited Practice Rule for Limited License Legal Technicians*

to engage in specific activities within specific substantive areas of legal and law related practice, and our review is guided by the criteria outlined in GR 25.

Today we adopt that portion of the Practice of Law Board's proposal which authorizes limited license legal technicians who meet the education, application and other requirements of the rule be authorized to provide limited legal and law related services to members of the public as authorized by this rule.<sup>10</sup>

## **II. The Need for a Limited License Legal Technician Rule**

Our adversarial civil legal system is complex. It is unaffordable not only to low income people but, as the 2003 Civil Legal Needs Study documented, moderate income people as well (defined as families with incomes between 200% and 400% of the Federal Poverty Level).<sup>11</sup> One example of the need for this rule is in the area of family relations which are governed by a myriad of statutes. Decisions relating to changes in family status (divorce, child residential placement, child support, etc.) fall within the exclusive province of our court system. Legal practice is required to conform to specific statewide and local procedures, and practitioners are required to use standard forms developed at both the statewide and local levels. Every day across this state, thousands of unrepresented (pro se) individuals seek to resolve important legal matters in our courts. Many of these are low income people who seek but cannot obtain help from an overtaxed, underfunded civil legal aid system. Many others are moderate income people for whom existing market rates for legal services are cost-prohibitive and who, unfortunately, must search for alternatives in the unregulated marketplace.

Recognizing the difficulties that a ballooning population of unrepresented litigants has created, court managers, legal aid programs and others have embraced a range of strategies to

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<sup>10</sup> Exhibit E to January 7, 2008 submission from the Practice of Law Board to the Supreme Court (Family Law Subcommittee Recommendation as adopted by the Full Practice of Law Board)

provide greater levels of assistance to these unrepresented litigants. Innovations include the establishment of courthouse facilitators in most counties, establishment of courthouse-based self-help resource centers in some counties, establishment of neighborhood legal clinics and other volunteer-based advice and consultation programs, and the creation of a statewide legal aid self-help website. As reflected most recently in a study conducted by the Washington Center for Court Research,<sup>12</sup> some of these innovations – most particularly the creation of courthouse facilitators – have provided some level of increased meaningful support for pro se litigants.

But there are significant limitations in these services and large gaps in the type of services for pro se litigants. Courthouse facilitators serve the courts, not individual litigants. They may not provide individualized legal advice to family law litigants. They are not subject to confidentiality requirements essential to the practitioner/client relationship. They are strictly limited to engaging in “basic services” defined by GR 27.<sup>13</sup> They have no specific educational/certification requirements, and often find themselves providing assistance to two sides in contested cases. Web-based self-help materials are useful to a point, but many litigants require additional one-on-one help to understand their specific legal rights and prerogatives and make decisions that are best for them under the circumstances.

From the perspective of pro se litigants, the gap places many of these litigants at a substantial legal disadvantage and, for increasing numbers, forces them to seek help from unregulated, untrained, unsupervised “practitioners.” We have a duty to ensure that the public

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<sup>11</sup> Washington Supreme Court Task Force on Civil Equal Justice Funding, *Civil Legal Needs Study* at 23 (fig. 1), <http://www.courts.wa.gov/newsinfo/content/taskforce/CivilLegalNeeds.pdf>

<sup>12</sup> George, Thomas, Wang, Wei, Washington’s Courthouse Facilitator Programs for Self-Represented Litigants in Family Law Cases (Washington State Center for Court Research, March 2008) <http://www.courts.wa.gov/wscrr/docs/Courthouse%20Facilitator%20Program.pdf#xml=http://206.194.185.202/txis/search/pdfhi.txt?query=center+for+court+research&pr=www&prox=page&rorder=500&rprox=500&rdfreq=500&rwfreq=500&rlead=500&rdepth=0&sufs=0&order=r&cq=&id=480afa0a11>

<sup>13</sup> [http://www.courts.wa.gov/court\\_rules/?fa=court\\_rules.display&group=ga&set=GR&ruleid=gagr27](http://www.courts.wa.gov/court_rules/?fa=court_rules.display&group=ga&set=GR&ruleid=gagr27)

can access affordable legal and law related services, and that they are not left to fall prey to the perils of the unregulated market place.

### **III. Specific Concerns and Responses**

A number of specific issues that have been raised both in support of and in opposition to this rule deserve additional discussion and response.

Proponents have suggested that the establishment and licensing of limited license legal technicians should be a primary strategy to close the Justice Gap for low and moderate income people with family related legal problems. While there will be some benefit to pro se litigants in need of limited levels of legal help, we must be careful not to create expectations that adoption of this rule is not intended to achieve.

By design, limited license legal technicians authorized to engage in discrete legal and law related activities will not be able to meet that portion of the public's need for help in family law matters that requires the provision of individualized legal representation in complex, contested family law matters. Such representation requires the informed professional assistance of attorneys who have met the educational and related requirements necessary to practice law in Washington. Limited purpose practitioners, no matter how well trained within a discrete subject matter, will not have the breadth of substantive legal knowledge or requisite practice skills to apply professional judgment in a manner that can be consistently counted upon to meet the public's need for competent and skilled legal representation in complex legal cases.

On the other hand, and depending upon how it is implemented, the authorization for limited license legal technicians to engage in certain limited legal and law related activities holds promise to help reduce the level of unmet need for low and moderate income people who have relatively uncomplicated family related legal problems and for whom some level of individualized advice, support and guidance would facilitate a timely and effective outcome.



Some opposing the rule believe that limited licensing legal technicians to engage in certain family related legal and law related activities poses a threat to the practicing family law bar.

First, the basis of any regulatory scheme, including our exercise of the exclusive authority to determine who can practice law in this state and under what circumstances, must start and end with the public interest; and any regulatory scheme must be designed to ensure that those who provide legal and law related services have the education, knowledge, skills and abilities to do so. Protecting the monopoly status of attorneys in any practice area is not a legitimate objective.

It is important to observe that members of the family law bar provide high levels of public and pro bono service. In fact, it is fair to say that the demands of pro bono have fallen disproportionately on members of the family law bar. As pointed out in the comments to the Practice of Law Board's proposal, young lawyers and others have been working for years to develop strategies to provide reduced fee services to moderate income clients who cannot afford market-rate legal help. Over the past year, these efforts have been transformed into the Washington State Bar Association's newly established Moderate Means program,<sup>14</sup> an initiative which holds substantial promise to deliver greater access to legal representation for greater numbers of individuals between 200% and 400% of the federal poverty guideline being provided services at affordable rates.

In considering the impact that the limited licensing of legal technicians might have on the practicing family law bar it is important to push past the rhetoric and focus on what limited license legal technicians will be allowed to do, and what they cannot do under the rule. With

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<sup>14</sup> <http://www.wsba.org/Legal-Community/Volunteer-Opportunities/Public-Service-Opportunities/Moderate-Means-Program>

limited exception,<sup>15</sup> few private attorneys make a living exclusively providing technical legal help to persons in simple family law matters. Most family law attorneys represent clients on matters that require extended levels of personalized legal counsel, advice and representation – including, where necessary, appearing in court – in cases that involve children and/or property.

Stand-alone limited license legal technicians are just what they are described to be – persons who have been trained and authorized to provide technical help (selecting and completing forms, informing clients of applicable procedures and timelines, reviewing and explaining pleadings, identifying additional documents that may be needed, etc.) to clients with fairly simple legal law matters. Under the rule we adopt today, limited license legal technicians would not be able to represent clients in court or contact and negotiate with opposing parties on a client's behalf. For these reasons, the limited licensing of legal technicians is unlikely to have any appreciable impact on attorney practice.

The Practice of Law Board and other proponents argue that the limited licensing of legal technicians will provide a substantially more affordable product than that which is available from attorneys, and that this will make legal help more accessible to the public. Opponents argue that it will be economically impossible for limited license legal technicians to deliver services at less cost than attorneys and thus, there is no market advantage to be achieved by creating this form of limited practitioner.

No one has a crystal ball. It may be that stand-alone limited license legal technicians will not find the practice lucrative and that the cost of establishing and maintaining a practice under this rule will require them to charge rates close to those of attorneys. On the other hand, it may be that economies can be achieved that will allow these very limited services to be offered at a

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<sup>15</sup> See, e.g., the All Washington Legal Clinic (<http://www.divorcelowcostwa.com>)

market rate substantially below those of attorneys. There is simply no way to know the answer to this question without trying it.

That said, if market economies can be achieved, the public will have a source of relatively affordable technical legal help with uncomplicated legal matters. This may reduce some of the demand on our state's civil legal aid and pro bono systems and should lead to an increase in the quality and consistency of paperwork presented by pro se litigants.

Further, it may be that non-profit organizations that provide social services with a family law component (e.g., domestic violence shelters; pro bono programs; specialized legal aid programs) will elect to add limited license legal technicians onto their staffs. The cost would be much less than adding an attorney and could enable these programs to add a dimension to their services that will allow for the limited provision of individualized legal help on many cases – especially those involving domestic violence. Relationships might be extended with traditional legal aid programs or private pro bono attorneys so that there might be sufficient attorney supervision of the activities of the limited license legal technicians to enable them to engage in those activities for which “direct and active” attorney supervision is required under the rule.

Some have suggested that there is no need for this rule at all, and that the WSBA's Moderate Means Program will solve the problem that the limited licensing of legal technicians is intended to address. This is highly unlikely. First, there are large rural areas throughout the state where there are few attorneys. In these areas, many attorneys are barely able to scrape by. Doing reduced fee work through the Moderate Means program (like doing pro bono work) will not be a high priority.

Second, limited licensing of legal technicians *complements*, rather than competes with, the efforts WSBA is undertaking through the Moderate Means program. We know that there is a huge need for representation in contested cases where court appearances are required. We know

further that pro se litigants are at a decided disadvantage in such cases, especially when the adverse party is represented.<sup>16</sup> Limited license legal technicians are not permitted to provide this level of assistance; they are limited to performing mostly ministerial technical/legal functions. Given the spectrum of unmet legal needs out there, Moderate Means attorneys will be asked to focus their energy on providing the help that is needed most – representing low and moderate income people who cannot secure necessary representation in contested, often complex legal proceedings.

Opponents of the rule argue that the limited licensing of legal technicians presents a threat to clients and the public. To the contrary, the authorization to establish, regulate and oversee the limited practice of legal technicians within the framework of the rule adopted today will serve the public interest and protect the public. The threat of consumer abuse already exists and is, unfortunately, widespread. There are far too many unlicensed, unregulated and unscrupulous “practitioners” preying on those who need legal help but cannot afford an attorney. Establishing a rule for the application, regulation, oversight and discipline of non-attorney practitioners establishes a regulatory framework that reduces the risk that members of the public will fall victim to those who are currently filling the gap in affordable legal services.

Unlike those operating in the unregulated marketplace, limited license legal technicians will practice within a carefully crafted regulatory framework that incorporates a range of safeguards necessary to protect the public. The educational requirements are rigorous. Unlike attorneys, legal technicians are required to demonstrate financial responsibility in ways established by the Board. There is a testing requirement to demonstrate professional competency

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<sup>16</sup> See, e.g., *In re the Marriage of King*, 162 Wn.2d 378, 404-411 (2007) (Madsen, J., dissenting).

to practice, contracting and disclosure requirements are significant, and there will be a robust oversight and disciplinary process. This rule protects the public.

Another concern that has been raised is that attorneys will be called upon to underwrite the costs of regulating non-attorney limited license legal technicians against whom they are now in competition for market share. This will not happen. GR 25 requires that any recommendation to authorize the limited practice of law by non-attorneys demonstrate that “[t]he costs of regulation, if any, can be effectively underwritten within the context of the proposed regulatory regime.” The Practice of Law Board’s rule expressly provides that the ongoing cost of regulation will be borne by the limited license legal technicians themselves, and will be collected through licensing and examination fees. Experience with the Limited Practice Board demonstrates that a self-sustaining system of regulation can be created and sustained. The Court is confident that the WSBA and the Practice of Law Board, in consultation with this Court, will be able to develop a fee-based system that ensures that the licensing and ongoing regulation of limited license legal technicians will be cost-neutral to the WSBA and its membership.

#### **IV. Conclusion**

Today’s adoption of APR 28 is a good start. The licensing of limited license legal technicians will not close the Justice Gap identified in the 2003 Civil Legal Needs Study. Nor will it solve the access to justice crisis for moderate income individuals with legal needs. But it is a limited, narrowly tailored strategy designed to expand the provision of legal and law related services to members of the public in need of individualized legal assistance with non-complex legal problems.

The Limited License Legal Technician Rule is thoughtful and measured. It offers ample protection for members of the public who will purchase or receive services from limited license legal technicians. It offers a sound opportunity to determine whether and, if so, to what degree

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*New APR 28—Limited Practice Rule for Limited License Legal Technicians*

the involvement of effectively trained, licensed and regulated non-attorneys may help expand access to necessary legal help in ways that serve the justice system and protect the public.

## IT IS FURTHER ORDERED:

- (1) That a new rule, APR 28, as attached hereto is adopted.
- (2) That the new rule will be published in the Washington Reports and will become effective September 1, 2012.

DATED at Olympia, Washington this 15<sup>th</sup> day of June, 2012.

Madsen, C. J.

Chambers, J.

J. M. Johnson

Wiggum, J.

Stevens, J.

Gonzalez, J.



# THE SUPREME COURT OF WASHINGTON

IN THE MATTER OF THE  
IMPLEMENTATION OF APR 28--LIMITED  
PRACTICE RULE FOR LIMITED LICENSE  
LEGAL TECHNICIANS

## ORDER

NO. 25700-A- 1006

APR 28—Limited Practice Rule for Limited License Legal Technicians, adopted by Supreme Court order dated June 15 2012, and effective on September 1, 2012, establishes the Limited License Legal Technician Board.

The Washington State Bar Association shall administer the operation of the Limited License Legal Technician Board in accordance with the provisions of APR 28.

Now, therefore, it is hereby

ORDERED:

The Washington State Bar Association shall provide staff necessary to implement and support the operation of the APR 28 and the Limited License Legal Technician Board.

DATED at Olympia, Washington this 11th day of July, 2012.

*Chambers, J.*

*Madsen, C. J.*  
*J. M. Johnson*  
*Stephens, J.*  
*Wiggin, J.*  
*Gonzalez, J.*

New Admission to Practice Rule 28: Limited Practice Rule for  
Limited License Legal Technicians

- A) **Purpose.** The Civil Legal Needs Study (2003), commissioned by the Supreme Court, clearly established that the legal needs of the consuming public are not currently being met. The public is entitled to be assured that legal services are rendered only by qualified trained legal practitioners. Only the legal profession is authorized to provide such services. The purpose of this rule is to authorize certain persons to render limited legal assistance or advice in approved practice areas of law. This rule shall prescribe the conditions of and limitations upon the provision of such services in order to protect the public and ensure that only trained and qualified legal practitioners may provide the same. This rule is intended to permit trained Limited License Legal Technicians to provide limited legal assistance under carefully regulated circumstances in ways that expand the affordability of quality legal assistance which protects the public interest.
- B) **Definitions.** For purposes of this rule, the following definitions will apply:
- 1) "APR" means the Supreme Court's Admission to Practice Rules.
  - 2) "Board" when used alone means the Limited License Legal Technician Board.
  - 3) "Lawyer" means a person licensed and eligible to practice law in any U.S. jurisdiction.
  - 4) "Limited License Legal Technician" means a person qualified by education, training and work experience who is authorized to engage in the limited practice of law in approved practice areas of law as specified by this rule and related regulations. The legal technician does not represent the client in court proceedings or negotiations, but provides limited legal assistance as set forth in this rule to a pro se client.
  - 5) "Paralegal/legal assistant" means a person qualified by education, training or work experience, who is employed or retained by a lawyer, law office, corporation, governmental agency or other entity and who performs specifically delegated substantive law-related work for which a lawyer is responsible.
  - 6) "Reviewed and approved by a Washington lawyer" means that a Washington lawyer has personally supervised the legal work and documented that supervision by the Washington lawyer's signature and bar number.
  - 7) "Substantive law-related work" means work that requires knowledge of legal concepts and is customarily, but not necessarily, performed by a lawyer.
  - 8) "Supervised" means a lawyer personally directs, approves and has responsibility

for work performed by the Limited License Legal Technician.

9) "Washington lawyer" means a person licensed and eligible to practice law in Washington and who is an active or emeritus member of the Washington State Bar Association.

10) Words of authority:

- a) "May" means "has discretion to," "has a right to," or "is permitted to".
- b) "Must" or "shall" mean "is required to."
- c) "Should" means recommended but not required.

**C) Limited License Legal Technician Board.**

- 1) *Establishment.* There is hereby established a Limited License Legal Technician Board. The Board shall consist of 13 members appointed by the Supreme Court of the State of Washington, nine of whom shall be active Washington lawyers, and four of whom shall be non-lawyer Washington residents. At least one member shall be a legal educator. The members shall initially be appointed to staggered terms of one to three years. Thereafter, appointments shall be for three year terms. No member may serve more than two consecutive full three year terms.
- 2) *Board Responsibilities.* The Board shall be responsible for the following:
  - (a) Recommending practice areas of law for LLLTs, subject to approval by the Supreme Court;
  - (b) Processing applications and fees, and screening applicants;
  - (c) Administering the examinations required under this rule which shall, at a minimum, cover the rules of professional conduct applicable to Limited License Legal Technicians, rules relating to the attorney-client privilege, procedural rules and substantive law issues related to one or more approved practice areas;
  - (d) Determining LLLT Continuing Legal Education (LLLT CLE) requirements and approval of LLLT CLE programs;
  - (e) Approving education and experience requirements for licensure in approved practice areas;
  - (f) Establishing and over-seeing committees and tenure of members;
  - (g) Establishing and collecting examination fees, LLLT CLE fees, annual license fees, and other fees in such amounts approved by the Supreme

Court as are necessary to carry out the duties and responsibilities of the Board; and

(h) Such other activities and functions as are expressly provided for in this rule.

3) *Rules and Regulations.* The Board shall propose rules and regulations for adoption by the Supreme Court that:

(a) Establish procedures for grievances and disciplinary proceedings;

(b) Establish trust account requirements and procedures;

(c) Establish rules of professional and ethical conduct; and

(d) Implement the other provisions of this rule.

**D) Requirements for Applicants.** An applicant for licensure as a Limited License Legal Technician shall:

1) *Age.* Be at least 18 years of age.

2) *Moral Character and Fitness to Practice.* Be of good moral character and demonstrate fitness to practice as a Limited License Legal Technician.

3) *Education and Experience.* Have the following education and experience:

a) (i) An associate degree or equivalent program, or a bachelor degree, in paralegal/legal assistant studies approved by the American Bar Association or the Board, together with a minimum of two years experience as a paralegal/legal assistant doing substantive law-related work under the supervision of a lawyer, provided that at least one year is under a Washington lawyer; or

(ii) A post-baccalaureate certificate program in paralegal/legal assistant studies approved by the Board, together with a minimum of three years experience as a paralegal/legal assistant doing substantive law-related work under the supervision of a lawyer, provided that at least one year is under a Washington lawyer; and

b) Complete at least 20 hours of pro bono legal service in Washington as approved by the Board, within two years prior to taking the Limited License Legal Technician examination.

In all cases, the paralegal/legal assistant experience must be acquired after completing the education requirement, unless waived by the Board for good cause shown.

- 4) *Application*. Execute under oath and file with the Board two copies of his/her application, in such form as the Board requires. An applicant's failure to furnish information requested by the Board or pertinent to the pending application may be grounds for denial of the application.
- 5) *Examination Fee*. Pay, upon the filing of the application, the examination fee and any other required application fees as established by the Board and approved by the Supreme Court.

**E) Licensing Requirements.** In order to be licensed as a Limited License Legal Technician, all applicants must:

- 1) *Examination*. Take and pass the examinations required under these rules;
- 2) *Annual License Fee*. Pay the annual license fee;
- 3) *Financial Responsibility*. Show proof of ability to respond in damages resulting from his or her acts or omissions in the performance of services permitted by this rules. The proof of financial responsibility shall be in such form and in such amount as the Board may by regulation prescribe; and
- 4) Meet all other licensing requirements set forth in the rules and regulations proposed by the Board and adopted by the Supreme Court.

**F) Scope of Practice Authorized by Limited Practice Rule.** The Limited License Legal Technician shall ascertain whether the issue is within the defined practice area for which the LLLT is licensed. If it is not, the LLLT shall not provide the services required on this issue and shall inform the client that the client should seek the services of a lawyer. If the issue is within the defined practice area, the LLLT may undertake the following:

- 1) Obtain relevant facts, and explain the relevancy of such information to the client;
- 2) Inform the client of applicable procedures, including deadlines, documents which must be filed, and the anticipated course of the legal proceeding;
- 3) Inform the client of applicable procedures for proper service of process and filing of legal documents;
- 4) Provide the client with self-help materials prepared by a Washington lawyer or approved by the Board, which contain information about relevant legal requirements, case law basis for the client's claim, and venue and jurisdiction requirements;
- 5) Review documents or exhibits that the client has received from the opposing

side, and explain them to the client;

- 6) Select and complete forms that have been approved by the State of Washington, either through a governmental agency or by the Administrative Office of the Courts or the content of which is specified by statute; federal forms; forms prepared by a Washington lawyer; or forms approved by the Board; and advise the client of the significance of the selected forms to the client's case;
- 7) Perform legal research and draft legal letters and pleadings documents beyond what is permitted in the previous paragraph, if the work is reviewed and approved by a Washington lawyer;
- 8) Advise a client as to other documents that may be necessary to the client's case (such as exhibits, witness declarations, or party declarations), and explain how such additional documents or pleadings may affect the client's case;
- 9) Assist the client in obtaining necessary documents, such as birth, death, or marriage certificates.

**G) Conditions Under Which A Limited License Legal Technician May Provide Services.**

- 1) A Limited License Legal Technician must have a principal place of business having a physical street address for the acceptance of service of process in the State of Washington;
- 2) A Limited License Legal Technician must personally perform the authorized services for the client and may not delegate these to a non-licensed person. Nothing in this prohibition shall prevent a person who is not a licensed LLLT from performing translation services;
- 3) Prior to the performance of the services for a fee, the Limited License Legal Technician shall enter into a written contract with the client, signed by both the client and the Limited License Legal Technician that includes the following provisions:
  - (a) An explanation of the services to be performed, including a conspicuous statement that the Limited License Legal Technician may not appear or represent the client in court, formal administrative adjudicative proceedings, or other formal dispute resolution process or negotiate the client's legal rights or responsibilities, unless permitted under GR 24(b);
  - (b) Identification of all fees and costs to be charged to the client for the services to be performed;



- (c) A statement that upon the client's request, the LLLT shall provide to the client any documents submitted by the client to the Limited License Legal Technician;
  - (d) A statement that the Limited License Legal Technician is not a lawyer and may only perform limited legal services. This statement shall be on the ~~face~~ first page of the contract in minimum twelve-point bold type print;
  - (e) A statement describing the Limited License Legal Technician's duty to protect the confidentiality of information provided by the client and the Limited License Legal Technician's work product associated with the services sought or provided by the Limited License Legal Technician;
  - (f) A statement that the client has the right to rescind the contract at any time and receive a full refund of unearned fees. This statement shall be conspicuously set forth in the contract; and
  - (g) Any other conditions required by the rules and regulations of the Board.
- 4) A Limited License Legal Technician may not provide services that exceed the scope of practice authorized by this rule, and shall inform the client, in such instance, that the client ~~requires~~ should seek the services of a lawyer.
  - 5) A document prepared by an LLLT shall include the LLLT's name, signature and license number beneath the signature of the client.
- H) **Prohibited Acts.** In the course of dealing with clients or prospective clients, a Limited License Legal Technician shall not:
- 1) Make any statement that the Limited License Legal Technician can or will obtain special favors from or has special influence with any court or governmental agency;
  - 2) Retain any fees or costs for services not performed;
  - 3) Refuse to return documents supplied by, prepared by, or paid for by the client, upon the request of the client. These documents must be returned upon request even if there is a fee dispute between the Limited License Legal Technician and the client; ~~or~~
  - 4) Represent or advertise, in connection with the provision of services, other legal titles or credentials that could cause a client to believe that the Limited License Legal Technician possesses professional legal skills beyond those authorized

by the license held by the Limited License Legal Technician;

- 5) Represent a client in court proceedings, formal administrative adjudicative proceedings, or other formal dispute resolution process, unless permitted by GR 24;
- 6) Negotiate the client's legal rights or responsibilities, or communicate with another person the client's position or convey to the client the position of another party; unless permitted by GR 24(b).
- 7) Provide services to a client in connection with a legal matter in another state, unless permitted by the laws of that state to perform such services for the client.
- 8) Represent or otherwise provide legal or law related services to a client, except as permitted by law, this rule or associated rules and regulations;
- 9) Otherwise violate the Limited License Legal Technicians' Rules of Professional Conduct.

**I) Continuing Licensing Requirements.**

- 1) *Continuing Education Requirements.* Each Limited License Legal Technician annually must complete the Board-approved number of credit hours in courses or activities approved by the Board; provided that the Limited License Legal Technician shall not be required to comply with this subsection during the calendar year in which he or she is initially licensed.
- 2) *Financial Responsibility.* Each Limited License Legal Technician shall annually provide proof of financial responsibility in such form and in such amount as the Board may by regulation prescribe.
- 3) *Annual Fee.* Each Limited License Legal Technician shall pay the annual license fee established by the Board and approved by the Supreme Court.

**J) Existing Law Unchanged.** This rule shall in no way modify existing law prohibiting non-lawyers from practicing law or giving legal advice other than as authorized under this rule or associated rules and regulations.

**K) Professional Responsibility and Limited License Legal Technician-Client Relationship.**

- 1) Limited License Legal Technicians acting within the scope of authority set forth in this rule shall be held to the standard of care of a Washington lawyer.
- 2) Limited License Legal Technicians shall be held to the ethical standards of the

Limited License Legal Technicians' Rules of Professional Conduct, which shall create an LLLT IOLTA program for the proper handling of funds coming into the possession of the Limited License Legal Technician.

3) The Washington law of attorney-client privilege and law of a lawyer's fiduciary responsibility to the client shall apply to the Limited License Legal Technician-client relationship to the same extent as it would apply to an attorney-client relationship.

**APR 28**  
**LIMITED PRACTICE RULE FOR LIMITED LICENSE LEGAL TECHNICIANS**

**A. Purpose.** The Civil Legal Needs Study (2003), commissioned by the Supreme Court, clearly established that the legal needs of the consuming public are not currently being met. The public is entitled to be assured that legal services are rendered only by qualified trained legal practitioners. Only the legal profession is authorized to provide such services. The purpose of this rule is to authorize certain persons to render limited legal assistance or advice in approved practice areas of law. This rule shall prescribe the conditions of and limitations upon the provision of such services in order to protect the public and ensure that only trained and qualified legal practitioners may provide the same. This rule is intended to permit trained Limited License Legal Technicians to provide limited legal assistance under carefully regulated circumstances in ways that expand the affordability of quality legal assistance which protects the public interest.

**B. Definitions.** For purposes of this rule, the following definitions will apply:

- (1) “APR” means the Supreme Court’s Admission to Practice Rules.
- (2) “LLLT Board” means the Limited License Legal Technician Board.
- (3) “Lawyer” means a person licensed as a lawyer and eligible to practice law in any United States jurisdiction.
- (4) “Limited License Legal Technician” (LLLT) means a person qualified by education, training, and work experience who is authorized to engage in the limited practice of law in approved practice areas of law as specified by this rule and related regulations.
- (5) “Paralegal/legal assistant” means a person qualified by education, training, or work experience; who is employed or retained by a lawyer, law office, corporation, governmental agency, or other entity; and who performs specifically delegated substantive law-related work for which a lawyer is responsible.
- (6) “Reviewed and approved by a Washington lawyer” means that a Washington lawyer has personally supervised the legal work and documented that supervision by the Washington lawyer’s signature and bar number.
- (7) “Substantive law-related work” means work that requires knowledge of legal concepts and is customarily, but not necessarily, performed by a lawyer.
- (8) “Supervised” means a lawyer personally directs, approves, and has responsibility for work performed by the Limited License Legal Technician.
- (9) “Washington lawyer” means a person licensed and eligible to practice law in Washington and who is an active or emeritus pro bono lawyer member of the Bar.
- (10) Words of authority:

(a) “May” means “has discretion to,” “has a right to,” or “is permitted to.”

(b) “Must” or “shall” means “is required to.”

(c) “Should” means “recommended but not required.”

### **C. Limited License Legal Technician Board**

(1) *Establishment.* There is hereby established a Limited License Legal Technician Board (LLLT Board). The LLLT Board shall consist of 15 voting members appointed by the Supreme Court, and one nonvoting ex officio member who is a representative of the Washington State Board of Community and Technical Colleges. At least 11 members shall be Washington lawyers, LLLTs, or LPOs. Of those 11 members, at least 9 shall be active lawyers or LLLTs, and no more than 2 may be LPOs, or judicial or emeritus pro bono lawyers or LLLTs. Four members of the LLLT Board shall be Washington residents who do not have a license to practice law. Appointments shall be for staggered three year terms. No member may serve more than two consecutive full three year terms. The validity of the Board’s actions is not affected if the Board’s makeup differs from the stated constitution due to a temporary vacancy in any of the specified positions.

(2) *LLLT Board Responsibilities.* The LLLT Board shall be responsible for the following:

(a) Recommending practice areas of law for LLLTs, subject to approval by the Supreme Court;

(b) Working with the Bar and other appropriate entities to select, create, maintain, and grade the examinations required under this rule which shall, at a minimum, cover the rules of professional conduct applicable to LLLTs, rules relating to the attorney-client privilege, procedural rules, and substantive law issues related to approved practice areas;

(c) Approving education and experience requirements for licensure in approved practice areas;

(d) Establishing and overseeing committees and tenure of members;

(e) Establishing and maintaining criteria for approval of educational programs that offer LLLT core curriculum; and

(f) Such other activities and functions as are expressly provided for in this rule.

(3) *Rules and Regulations.* The LLLT Board shall propose rules, regulations and amendments to these rules and regulations, to implement and carry out the provisions of this rule, for adoption by the Supreme Court.

(4) *Administration.* The Bar shall provide reasonably necessary administrative support for

the LLLT Board. All notices and filings required by these Rules, including applications for admission as an LLLT, shall be sent to the headquarters of the Bar.

(5) *Expenses of the LLLT Board.* Members of the LLLT Board shall not be compensated for their services but shall be reimbursed for actual reasonable and necessary expenses incurred in the performance of their duties according to the Bar's expense policies.

**D. [Reserved.]**

**E. [Reserved.]**

**F. Scope of Practice Authorized by Limited Practice Rule.** The Limited License Legal Technician shall ascertain whether the issue is within the defined practice area for which the LLLT is licensed. If it is not, the LLLT shall not render any legal assistance on this issue and shall advise the client to seek the services of a lawyer. If the issue is within the defined practice area, the LLLT may render the following limited legal assistance to a pro se client:

- (1) Obtain relevant facts, and explain the relevancy of such information to the client;
- (2) Inform the client of applicable procedures, including deadlines, documents which must be filed, and the anticipated course of the legal proceeding;
- (3) Inform the client of and assist with applicable procedures for proper service of process and filing of legal documents;
- (4) Provide the client with self-help materials prepared by a Washington lawyer or approved by the LLLT Board, which contain information about relevant legal requirements, case law basis for the client's claim, and venue and jurisdiction requirements;
- (5) Review documents or exhibits that the client has received and explain them to the client;
- (6) Select, complete, file, and effect service of forms that have been approved by the State of Washington, either through a governmental agency or by the Administrative Office of the Courts or the content of which is specified by statute; federal forms; forms prepared by a Washington lawyer; or forms approved by the LLLT Board; and advise the client of the significance of the selected forms to the client's case;
- (7) Perform legal research;
- (8) Draft letters setting forth legal opinions that are intended to be read by persons other than the client;
- (9) Draft documents beyond what is permitted in paragraph (6), if the work is reviewed and approved by a Washington lawyer;

(10) Advise the client as to other documents that may be necessary to the client's case, and explain how such additional documents or pleadings may affect the client's case;

(11) Assist the client in obtaining necessary records, such as birth, death, or marriage certificates.

(12) Communicate and negotiate with the opposing party or the party's representative regarding procedural matters, such as setting court hearings or other ministerial or civil procedure matters;

(13) Negotiate the client's legal rights or responsibilities, provided that the client has given written consent defining the parameters of the negotiation prior to the onset of the negotiation; and

(14) Render other types of legal assistance when specifically authorized by the scope of practice regulations for the approved practice area in which the LLLT is licensed.

#### **G. Conditions Under Which A Limited License Legal Technician May Provide Services**

(1) A Limited License Legal Technician must personally perform the authorized services for the client and may not delegate these to a nonlicensed person. Nothing in this prohibition shall prevent a person who is not a licensed LLLT from performing translation services;

(2) Prior to the performance of the services for a fee, the Limited License Legal Technician shall enter into a written contract with the client, signed by both the client and the Limited License Legal Technician that includes the following provisions:

(a) An explanation of the services to be performed, including a conspicuous statement that the Limited License Legal Technician may not represent the client in court, formal administrative adjudicative proceedings, or other formal dispute resolution process or negotiate the client's legal rights or responsibilities, unless permitted under GR 24(b) or specifically authorized by the scope of practice regulations for the approved practice area in which the LLLT is licensed;

(b) Identification of all fees and costs to be charged to the client for the services to be performed;

(c) A statement that upon the client's request, the LLLT shall provide to the client any documents submitted by the client to the Limited License Legal Technician;

(d) A statement that the Limited License Legal Technician is not a lawyer and may only perform limited legal services. This statement shall be on the first page of the contract in minimum twelve-point bold type print;

(e) A statement describing the Limited License Legal Technician's duty to protect the



confidentiality of information provided by the client and the Limited License Legal Technician's work product associated with the services sought or provided by the Limited License Legal Technician;

(f) A statement that the client has the right to rescind the contract at any time and receive a full refund of unearned fees. This statement shall be conspicuously set forth in the contract; and

(g) Any other conditions required by the rules and regulations of the LLLT Board.

(3) A Limited License Legal Technician may not provide services that exceed the scope of practice authorized by this rule, and shall inform the client, in such instance, that the client should seek the services of a lawyer.

(4) A document prepared by an LLLT shall include the LLLT's name, signature, and license number beneath the signature of the client. LLLTs do not need to sign sworn statements or declarations of the client or a third party, and do not need to sign documents that do not require a signature by the client, such as information sheets.

**H. Prohibited Acts.** In the course of dealing with clients or prospective clients, a Limited License Legal Technician shall not:

(1) Make any statement that the Limited License Legal Technician can or will obtain special favors from or has special influence with any court or governmental agency;

(2) Retain any fees or costs for services not performed;

(3) Refuse to return documents supplied by, prepared by, or paid for by the client, upon the request of the client. These documents must be returned upon request even if there is a fee dispute between the Limited License Legal Technician and the client;

(4) Represent or advertise, in connection with the provision of services, other legal titles or credentials that could cause a client to believe that the Limited License Legal Technician possesses professional legal skills beyond those authorized by the license held by the Limited License Legal Technician;

(5) Represent a client in court proceedings, formal administrative adjudicative proceedings, or other formal dispute resolution process, unless permitted by GR 24 or specifically authorized by the scope of practice regulations for the approved practice area in which the LLLT is licensed;

(6) Provide services to a client in connection with a legal matter in another state, unless permitted by the laws of that state to perform such services for the client;

(7) Represent or otherwise provide legal or law related services to a client, except as permitted by law, this rule or associated rules and regulations;

(8) Conduct or defend a deposition;

(9) Initiate or respond to an appeal to an appellate court; and

(10) Otherwise violate the Limited License Legal Technician Rules of Professional Conduct.

### **I. Continuing Licensing Requirements**

(1) *Continuing Education Requirements.* Each active Limited License Legal Technician must complete a minimum number of credit hours of approved or accredited education, as prescribed by APR 11.

(2) *Financial Responsibility.* Each LLLT shall show proof of ability to respond in damages resulting from his or her acts or omissions in the performance of services permitted under APR 28 by:

(a) submitting an individual professional liability insurance policy in the amount of at least \$100,000 per claim and a \$300,000 annual aggregate limit;

(b) submitting a professional liability insurance policy of the employer or the parent company of the employer who has agreed to provide coverage for the LLLT's ability to respond in damages in the amount of at least \$100,000 per claim and a \$300,000 annual aggregate limit; or

(c) submitting proof of indemnification by the LLLT's government employer.

(3) *License Fees and Assessments.* Each Limited License Legal Technician must pay the annual license fee established by the Board of Governors, subject to review by the Supreme Court, and any mandatory assessments as ordered by the Supreme Court. Provisions in the Bar's Bylaws regarding procedures for assessing and collecting lawyer license fees and late fees, and regarding deadlines, rebates, apportionment, fee reductions, and exemptions, and any other issues relating to fees and assessments, shall also apply to LLLT license fees and late fees. Failure to pay may result in suspension from practice pursuant to APR 17.

(4) *Trust Account.* Each active Limited License Legal Technician shall annually certify compliance with Rules 1.15A and 1.15B of the LLLT Rules of Professional Conduct. Such certification shall be filed in a form and manner as prescribed by the Bar and shall include the bank where each account is held and the account number. Failure to certify may result in suspension from practice pursuant to APR 17.

**J. Existing Law Unchanged.** This rule shall in no way modify existing law prohibiting the unauthorized practice of law.

### **K. Professional Responsibility and Limited License Legal Technician-Client Relationship**

(1) Limited License Legal Technicians acting within the scope of authority set forth in this rule shall be held to the standard of care of a Washington lawyer.

(2) Limited License Legal Technicians shall be held to the ethical standards of the Limited License Legal Technician Rules of Professional Conduct, which shall create an LLLT IOLTA program for the proper handling of funds coming into the possession of the Limited License Legal Technician.

(3) The Washington law of attorney-client privilege and law of a lawyer's fiduciary responsibility to the client shall apply to the Limited License Legal Technician-client relationship to the same extent as it would apply to an attorney-client relationship.

**L. Confidentiality and Public Records.** GR 12.4 shall apply to access to LLLT Board records.

**M. Inactive Status.** An LLLT may request transfer to inactive status after being admitted. An LLLT on inactive status is required to pay an annual license fee as established by the Board of Governors and approved by the Supreme Court.

**N. Reinstatement to Active Status.** An LLLT on inactive status may return to active status by filing an application and complying with the procedures set forth for lawyer members of the Bar in the Bar's Bylaws.

**O. Voluntary Resignation.** Any Limited License Legal Technician may request to voluntarily resign the LLLT license by notifying the Bar in such form and manner as the Bar may prescribe. If there is a disciplinary investigation or proceeding then pending against the LLLT, or if the LLLT has knowledge that the filing of a grievance of substance against such LLLT is imminent, resignation is permitted only under the provisions of the applicable disciplinary rules. An LLLT who resigns the LLLT license cannot practice law in Washington in any manner, unless they are otherwise licensed or authorized to do so by the Supreme Court.

[Adopted effective September 1, 2012; Amended effective August 20, 2013; February 3, 2015; June 21, 2016; September 1, 2017, June 4, 2019.]

## **APPENDIX APR 28. REGULATIONS OF THE APR 28 LIMITED LICENSE LEGAL TECHNICIAN BOARD**

### **REGULATION 1. [RESERVED.]**

### **REGULATION 2. APPROVED PRACTICE AREAS--SCOPE OF PRACTICE AUTHORIZED BY LIMITED LICENSE LEGAL TECHNICIAN RULE**

In each practice area in which an LLLT is licensed, the LLLT shall comply with the provisions defining the scope of practice as found in APR 28 and as described herein.

#### **A. Issues Beyond the Scope of Authorized Practice.**

An LLLT has an affirmative duty under APR 28(F) to inform clients when issues arise that are beyond the authorized scope of the LLLT's practice. When an affirmative duty under APR 28(F) arises, then the LLLT shall inform the client in writing that:

1. the issue may exist, describing in general terms the nature of the issue;
2. the LLLT is not authorized to advise or assist on this issue;
3. the failure to obtain a lawyer's advice could be adverse to the client's interests; and
4. the client should consult with a lawyer to obtain appropriate advice and documents necessary to protect the client's interests.

After an issue beyond the LLLT's scope of practice has been identified, if the client engages a lawyer with respect to the issue, then an LLLT may prepare a document related to the issue only if a lawyer acting on behalf of the client has provided appropriate documents and written instructions for the LLLT as to whether and how to proceed with respect to the issue. If the client does not engage a lawyer with respect to the issue, then the LLLT may prepare documents that relate to the issue if

the client informs the LLLT how the issue is to be determined and instructs the LLLT how to complete the relevant portions of the document, and

above the LLLT's signature at the end of the document, the LLLT inserts a statement to the effect that the LLLT did not advise the client with respect to any issue outside of the LLLT's scope of practice and completed any portions of the document with respect to any such issues at the direction of the client.

#### **B. Domestic Relations.**

1. *Domestic Relations, Defined.* For the purposes of these Regulations, domestic relations shall include only the following actions: (a) divorce and dissolution, (b) parenting and support, (c) parentage or paternity, (d) child support modification, (e) parenting plan modification, (f)

domestic violence protection orders, (g) committed intimate relationships only as they pertain to parenting and support issues, (h) legal separation, (i) nonparental and third party custody, (j) other protection or restraining orders arising from a domestic relations case, and (k) relocation.

2. *Scope of Practice for LLLT's--Domestic Relations.* LLLTs licensed in domestic relations may render legal services to clients as provided in APR 28(F) and this regulation, except as prohibited by APR 28(H) and Regulation 2(B).

(a) Unless an issue beyond the scope arises or a prohibited act would be required, LLLTs may advise and assist clients with initiating and responding to actions and related motions, discovery, trial preparation, temporary and final orders, and modifications of orders.

(b) LLLT legal services regarding the division of real property shall be limited to matters where the real property is a single family residential dwelling with owner equity less than or equal to twice the homestead exemption (*see* RCW 6.13.030). LLLTs shall use the form for real property division as approved by the LLLT Board.

(c) LLLTs may advise as to the allocation of retirement assets for defined contribution plans with a value less than the homestead exemption, and as provided in United States Internal Revenue Code (IRC) sections 401a; 401k; 403b; 457; and Individual Retirement Accounts as set forth in IRC section 408.

(d) LLLTs may include language in a decree of dissolution awarding retirement assets as described in APR 28 Regulation 2(B)(2)(c) when the respondent defaults, when the parties agree upon the award, or when the court awards the assets following trial. The award language in the decree shall identify (1) the party responsible for having the qualified domestic relations order (QDRO) or supplemental order prepared and by whom, (2) how the cost of the QDRO or supplemental order preparation is to be paid, (3) by what date the QDRO or supplemental order must be prepared, and (4) the remedy for failure to follow through with preparation of the QDRO or supplemental order.

(e) LLLTs may prepare paper work and accompany and assist clients in dispute resolution proceedings including mediation, arbitration, and settlement conferences where not prohibited by the rules and procedures of the forum.

(f) LLLTs, when accompanying their clients, may assist and confer with their pro se clients at depositions.

(g) LLLTs may present to a court agreed orders, uncontested orders, default orders, and accompanying documents;

(h) LLLTs, when accompanying their clients, may assist and confer with their pro se clients and respond to direct questions from the court or tribunal regarding factual and procedural issues at the hearings listed below:

- i. domestic violence protection orders and other protection or restraining orders arising

from a domestic relations case;

ii. motions for temporary orders, including but not limited to temporary parenting plans, child support, maintenance, and orders to show cause;

iii. enforcement of domestic relations orders;

iv. administrative child support;

v. modification of child support;

vi. adequate cause hearings for nonparental custody or parenting plan modifications;

vii. reconsiderations or revisions;

viii. trial setting calendar proceedings with or without the client when the LLLT has confirmed the available dates of the client in writing in advance of the proceeding.

3. *Prohibited Acts.* In addition to the prohibitions set forth in APR 28(H), in the course of rendering legal services to clients or prospective clients, LLLTs licensed to practice in domestic relations:

a. shall not render legal services to more than one party in any domestic relations matter;

b. shall not render legal services in:

i. defacto parentage actions;

ii. actions that involve 25 U.S.C. chapter 21, the Indian Child Welfare Act of 1978, or chapter 13.38 RCW, the Washington State Indian Child Welfare Act;

iii. division or conveyance of formal business entities, commercial property, or residential real property except as permitted by Regulation 2(B);

iv. preparation of QDROs and supplemental orders dividing retirement assets beyond what is prescribed in Regulation 2(B)(2)(d);

v. any retirement assets whereby the decree effectuates the division or the implementation of the division of the asset;

iv. bankruptcy, including obtaining a stay from bankruptcy;

vii. disposition of debts and assets, if one party is in bankruptcy or files a bankruptcy during the pendency of the proceeding, unless: (a) the LLLT's client has retained a lawyer to represent him/her in the bankruptcy, (b) the client has consulted with a lawyer and the lawyer has provided written instructions for the LLLT as to whether and how to proceed regarding the

division of debts and assets in the domestic relations proceeding, or (c) the bankruptcy has been discharged;

viii. property issues in committed intimate relationship actions;

ix. major parenting plan modifications and nonparental custody actions beyond the adequate cause hearing unless the terms are agreed to by the parties or one party defaults;

x. the determination of Uniform Child Custody Jurisdiction and Enforcement Act issues under chapter 26.27 RCW or Uniform Interstate Family Support Act issues under chapter 26.21A RCW unless and until jurisdiction has been resolved;

xi. objections or responses in contested relocation actions; and

xii. final revised parenting plans in relocation actions except in the event of default or where the terms have been agreed to by the parties.

### **REGULATION 3. EDUCATION REQUIREMENTS FOR LLLT APPLICANTS AND APPROVAL OF EDUCATIONAL PROGRAMS**

An applicant for admission as an LLLT shall satisfy the following education requirements:

#### **A. Core Curriculum.**

1. *Credit Requirements.* An applicant for licensure shall have earned 45 credit hours as required by APR 3. The core curriculum must include the following required subject matters with minimum credit hours earned as indicated:

1. Civil Procedure, minimum 8 credit hours;
2. Contracts, minimum 3 credit hours;
3. Interviewing and Investigation Techniques, minimum 3 credit hours;
4. Introduction to Law and Legal Process, minimum 3 credit hours;
5. Law Office Procedures and Technology, minimum 3 credit hours;
6. Legal Research, Writing and Analysis, minimum 8 credit hours; and
7. Professional Responsibility, minimum 3 credit hours.

The core curriculum courses in which credit for the foregoing subject matters is earned shall satisfy the curricular requirements approved by the LLLT Board and published by the Bar. If the required courses completed by the applicant do not total 45 credit hours, then the applicant may earn the remaining credit hours by taking legal or paralegal elective courses. All core



curriculum course credit hours must be earned at an ABA approved law school, an educational institution with an ABA approved paralegal program, or at an educational institution with an LLLT core curriculum program approved by the LLLT Board under the Washington State LLLT Educational Program Approval Standards.

For purposes of satisfying APR 3(e)(2), one credit hour shall be equivalent to 450 minutes of instruction.

*2. LLLT Educational Program Approval Requirements for Programs Not Approved by the ABA.* The LLLT Board shall be responsible for establishing and maintaining standards, to be published by the Association, for approving LLLT educational programs that are not otherwise approved by the ABA. Educational programs complying with the LLLT Board's standards shall be approved by the LLLT Board and qualified to teach the LLLT core curriculum.

**B. Practice Area Curriculum.** An applicant for licensure in a defined practice area shall have completed the prescribed curriculum and earned course credits for that defined practice area, as set forth below and in APR 3(e). Each practice area curriculum course shall satisfy the curricular requirements approved by the LLLT Board and published by the Bar.

*1. Domestic Relations.*

a. Prerequisites: Prior to enrolling in the domestic relations practice area courses, applicants shall complete the following core courses: Civil Procedure; Interviewing and Investigation Techniques; Introduction to Law and Legal Process; Legal Research, Writing, and Analysis; and Professional Responsibility.

b. Credit Requirements: Applicants shall complete 5 credit hours in basic domestic relations subjects and 10 credit hours in advanced and Washington specific domestic relations subjects.

**C. Required Supplemental Education.** The LLLT Board has discretion to require all LLLTs to complete supplemental education in order to maintain their licenses due to changes in the permitted scope of practice for LLLTs. The LLLT Board shall provide notice to LLLTs of the supplemental education requirement and the deadline for completion of the requirement, allowing at least 12 months to complete the required supplemental education. LLLTs may be administratively suspended pursuant to the procedures set forth in APR 17 if they fail to comply with the supplemental education requirements by the stated deadline.

## **REGULATION 4. LIMITED TIME WAIVERS**

**A. Limited Time Waiver, Defined.** For the limited time between the date the Board begins to accept applications and December 31, 2023, the LLLT Board shall grant a waiver of the minimum associate-level degree requirement and/or the core curriculum education requirement set forth in APR (3) if an applicant meets the requirements set forth in Regulation 4(B). The LLLT Board shall not grant waivers for applications filed after December 31, 2023. The LLLT Board shall not waive the practice area curriculum requirement. The limited time waiver application will be separate from the application process for admission set forth in these

regulations.

**B. Waiver Requirements and Applications.** To qualify for the limited time waiver, an applicant shall pay the required fee, submit the required waiver application form and, and provide proof, in such form and manner as the Bar requires, that he/she has:

1. Passed an LLLT Board approved national paralegal certification examination;
2. Active certification from an LLLT Board approved national paralegal certification organization; and
3. Completed 10 years of substantive law-related experience supervised by a licensed lawyer within the 15 years preceding the application for the waiver. Proof of 10 years of substantive-law related experience supervised by a licensed lawyer shall include the following:
  - (a) the name and bar number of the supervising lawyer(s),
  - (b) certification by the lawyer that the work experience meets the definition of substantive law-related work experience as defined in APR 28, and
  - (c) the dates of employment or service.

**C. Review of Limited Time Waiver Application.** The Bar shall review each limited time waiver application to determine if the application meets the waiver requirements. Any application that does not meet the limited time waiver requirements as established by this Regulation shall be denied by the Bar on administrative grounds, with a written statement of the reason(s) for denial.

**D. Review of Denial.** An applicant whose application for waiver has been denied by the Bar may request review by the LLLT Board chair. Such request shall be filed with the Bar within 14 days of the date of the notification of denial. The applicant shall be provided with written notification of the chair's decision, which is not subject to review.

**E. Expiration of Limited Time Waiver Approval.** Approval of the limited time waiver application shall expire December 31, 2025. After expiration of the approval, any subsequent application for licensure by the applicant shall meet all of the standard requirements for admission without waiver.

**REGULATION 5. [RESERVED.]**

**REGULATION 6. [RESERVED.]**

**REGULATION 7. [RESERVED.]**

**REGULATION 8. [RESERVED.]**

## **REGULATION 9. SUBSTANTIVE LAW-RELATED WORK EXPERIENCE REQUIREMENT**

Each applicant for licensure as a limited license legal technician shall show proof of having completed 3,000 hours of substantive law-related work experience supervised by a licensed lawyer as required by APR 5(c). The experience requirement shall be completed no more than three years before and 40 months after the date of the LLLT practice area examination that the applicant passed. The proof shall be provided in such form as the Bar requires, but shall include at a minimum:

1. the name and bar number of the supervising lawyer;
2. certification that the work experience meets the definition of substantive law-related work experience as defined in APR 28;
3. the total number of hours of substantive law-related work experience performed under the supervising lawyer; and
4. certification that the requisite work experience was acquired within the time period required by this regulation.

## **REGULATION 10. ADDITIONAL PRACTICE AREAS**

**A. Application for Additional Practice Area.** An LLLT seeking admission in an additional practice area must complete and file with the Bar:

1. a completed practice area application in a form and manner prescribed by the Bar;
2. evidence in a form and manner prescribed by the Bar demonstrating completion of the practice area curriculum required under Regulation 3(B); and
3. a signed and notarized Authorization, Release, and Affidavit of Applicant.

**B. Additional Practice Area Prelicensure Requirements.** An LLLT who is seeking licensure in an additional practice area shall:

1. take and pass the additional practice area examination;
2. pay the annual license fee as stated in the fee schedule; and
3. file any and all licensing forms required for active LLLTs.

The requirements above shall be completed within one year of the date the applicant is notified of the practice area examination results. If an LLLT fails to satisfy all the requirements for licensure in an additional practice area within this period, the LLLT shall not be eligible for licensure in the additional practice area without submitting a new application and retaking the

practice area examination.

**C. Order Admitting LLLT to Limited Practice in Additional Practice Area.** After examining the recommendation and accompanying documents transmitted by the Bar, the Supreme Court may enter such order in each case as it deems advisable. For those LLLTs it deems qualified, the Supreme Court shall enter an order admitting them to limited practice in the additional practice area.

**D. Voluntary Termination of Single Practice Area License.** An LLLT licensed in two or more practice areas may request to voluntarily terminate a single practice area by notifying the Bar in writing. After terminating the practice area license, the LLLT shall not accept any new clients or engage in work as an LLLT in any matter in the terminated practice area. The Bar will notify the LLLT of the effective date of the termination.

**REGULATION 11. [RESERVED.]**

**REGULATION 12. [RESERVED.]**

**REGULATION 13. [RESERVED.]**

**REGULATION 14. [RESERVED.]**

**REGULATION 15. [RESERVED.]**

**REGULATION 16. [RESERVED.]**

**REGULATION 17. [RESERVED.]**

**REGULATION 18. [RESERVED.]**

**REGULATION 19. [RESERVED.]**

**REGULATION 20. AMENDMENT AND BOARD POLICIES**

These Regulations may be altered, amended, or repealed by vote of the LLLT Board on approval of the Supreme Court. The LLLT Board has ongoing authority to adopt policies for the administration of the LLLT program consistent with APR 28 and these Regulations.

[Adopted effective August 20, 2013; Amended effective September 3, 2013; March 31, 2015; June 21, 2016; November 22, 2016; September 1, 2017; June 4, 2019.]

**LIMITED LICENSE LEGAL TECHNICIAN  
RULES OF PROFESSIONAL CONDUCT (LLLT RPC)**

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## **FUNDAMENTAL PRINCIPLES OF PROFESSIONAL CONDUCT FOR AN LLLT\***

The continued existence of a free and democratic society depends upon recognition of the concept that justice is based upon the rule of law grounded in respect for the dignity of the individual and the capacity through reason for enlightened self-government. Law so grounded makes justice possible, for only through such law does the dignity of the individual attain respect and protection. Without it, individual rights become subject to unrestrained power, respect for law is destroyed, and rational self-government is impossible.

Lawyers, as guardians of the law, play a vital role in the preservation of society. LLLTs, within the scope of their limited licenses to deliver legal services, also play a significant role. The fulfillment of the LLLT's role requires an understanding of their relationship with and function in our legal system. A consequent obligation of LLLTs is to maintain the highest standards of ethical conduct.

In fulfilling professional responsibilities, an LLLT may provide services consistent with the authorized scope of his or her practice that require the performance of many difficult tasks. Not every situation that an LLLT may encounter can be foreseen, but fundamental ethical principles are always present as guidelines.

The Rules of Professional Conduct for LLLTs point the way for the LLLT who aspires to the highest level of ethical conduct, and provide standards by which to judge the transgressor.

Each LLLT must find within his or her own conscience the touchstone against which to test the extent to which his or her actions should rise above minimum standards. But in the last analysis it is the desire for the respect and confidence of the members of the legal profession, including LLLTs and the society that LLLTs serve, that should provide to an LLLT the incentive for the highest possible degree of ethical conduct. The possible loss of that respect and confidence is the ultimate sanction.

\* These Fundamental Principles of the Rules of Professional Conduct are taken from the former Preamble to the Rules of Professional Conduct for lawyers as approved and adopted by the Supreme Court in 1985. Washington lawyers and judges have looked to the 1985 Preamble of the Rules of Professional Conduct as a statement of our overarching aspiration to faithfully serve the best interests of the public, the legal system, and the efficient administration of justice. The former Preamble is preserved here to inspire LLLTs to strive for the highest possible degree of ethical conduct, and these Fundamental Principles should inform many of our decisions as LLLTs. The Fundamental Principles do not, however, alter any of the obligations expressly set forth in the Rules of Professional Conduct, nor are they intended to affect in any way the manner in which the Rules are to be interpreted or applied.

## **PREAMBLE AND SCOPE**

### **PREAMBLE: AN LLLT'S RESPONSIBILITIES**

[1] An LLLT is authorized to provide limited legal services that lie within the scope of the practice that the LLLT is licensed to undertake. Within that scope, an LLLT is a member of the legal profession, is a representative of clients, and has a special responsibility for the quality of justice.

[2] As a representative of clients within a limited scope, an LLLT performs various functions. As advisor, an LLLT provides a client with an informed understanding of the client's legal rights and obligations and explains their practical implications. As an evaluator, an LLLT acts by examining a client's legal affairs and reporting about them to the client or to others. To the extent an LLLT is allowed to act as an advocate or as a negotiator under APR 28, an LLLT conscientiously acts in the best interest of the client, and seeks a result that is advantageous to the client but consistent with the requirements of honest dealings with others.

[3] In addition to these limited representational functions, an LLLT may serve as a third-party neutral, a nonrepresentational role helping the parties to resolve a dispute or other matter. Some of these Rules apply directly to LLLTs who are or have served as third-party neutrals. *See, e.g.*, Rules 1.12 and 2.4. In addition, there are Rules that apply to LLLTs who are not active in the practice of law or to practicing LLLTs even when they are acting in a nonprofessional capacity. For example, an LLLT who commits fraud in the conduct of a business is subject to discipline for engaging in conduct involving dishonesty, fraud, deceit, or misrepresentation. *See* Rule 8.4.

[4] In all professional functions an LLLT should be competent, prompt, and diligent. An LLLT should maintain communication with a client concerning the representation. An LLLT should

keep in confidence information relating to representation of a client except so far as disclosure is required or permitted by the Rules of Professional Conduct for LLLTs.

[5] An LLLT's conduct should conform to the requirements of the law, both in professional service to clients and in the LLLT's business and personal affairs. An LLLT should use the law's procedures only for legitimate purposes and not to harass or intimidate others. An LLLT should demonstrate respect for the legal system and for those who serve it, including judges, lawyers, other LLLTs, and public officials.

[6] As a member of the legal profession, an LLLT should seek to improve access to the legal system, the administration of justice, and the quality of service rendered by the legal profession, and should also seek to strengthen legal education. An LLLT should be mindful of deficiencies in the administration of justice and of the fact that the poor, and sometimes persons who are not poor, cannot afford adequate legal assistance. Therefore, all LLLTs should devote professional time and resources to ensure equal access to our system of justice for all those who because of economic or social barriers cannot afford or secure adequate legal counsel. An LLLT should aid the legal profession in pursuing these objectives and should help the legal profession regulate itself in the public interest.

[7] Many of an LLLT's professional responsibilities are prescribed in the Rules of Professional Conduct for LLLTs, as well as substantive and procedural law to the extent applicable to LLLTs. However, an LLLT is also guided by personal conscience and the approbation of lawyers, clients, and professional peers. Within the authorized scope of an LLLT's practice, the LLLT should strive to attain the highest level of skill and to exemplify the legal profession's ideals of public service.

[8] An LLLT's responsibilities as a limited-scope representative of clients and as a public citizen are usually harmonious. Thus, an LLLT can be sure that preserving client confidences ordinarily serves the public interest because people are more likely to seek legal advice, and thereby heed their legal obligations, when they know their communications will be private.

[9] Notwithstanding the limited scope of authority of an LLLT, however, conflicting responsibilities are encountered. Virtually all difficult ethical problems arise from conflict between an LLLT's responsibilities to clients, to the legal system, and to the LLLT's own interest in remaining an ethical person while earning a satisfactory living. The Rules of Professional Conduct for LLLTs often prescribe terms for resolving such conflicts. Within the framework of these Rules, however, many difficult issues of professional discretion can arise. Such issues must be resolved through the exercise of sensitive professional and moral judgment guided by the basic principles underlying the Rules.

[10] The legal profession is largely self-governing. Although other professions also have been granted powers of self-government, the legal profession is unique in this respect because of the close relationship between the profession and the processes of government and law enforcement. This connection is manifested in the fact that ultimate authority over the legal profession is vested largely in the courts.

[11] To the extent that LLLTs meet the obligations of their professional calling, the occasion for government regulation is obviated. Self-regulation also helps maintain the legal profession's independence from government domination. An independent legal profession is an important force in preserving government under law, for abuse of legal authority is more readily challenged by a profession whose members are not dependent on government for the right to practice.

[12] The legal profession's relative autonomy carries with it special responsibilities of self-government. The profession has a responsibility to assure that its regulations are conceived in the public interest and not in furtherance of parochial or self-interested concerns. Every LLLT is responsible for observance of the Rules of Professional Conduct for LLLTs. An LLLT should also aid in securing their observance by other legal practitioners. Neglect of these responsibilities compromises the independence of the profession and the public interest which it serves.

[13] LLLTs are obliged to understand their relationship to our legal system. The Rules of Professional Conduct for LLLTs, when properly applied, serve to define that relationship.

## **SCOPE**

[14] The Rules of Professional Conduct for LLLTs are rules of reason. They should be interpreted with reference to the purposes of legal representation (within the LLLT's authorized scope of practice) and of the law itself. Some of the Rules are imperatives, cast in the terms "shall" or "shall not." These define proper conduct for purposes of professional discipline. Others, generally cast in the term "may" are permissive and define areas under the Rules in which the LLLT has discretion to exercise professional judgment. No disciplinary action should be taken when the LLLT chooses not to act or acts within the bounds of such discretion. Other rules define the nature of relationships between the LLLT and others. The Rules are thus partly obligatory and disciplinary and partly constitutive and descriptive in that they define an LLLT's professional role. Many of the Comments use the term "should." Comments do not add obligations to the Rules but provide guidance for practicing in compliance with the Rules.

[15] The Rules presuppose a context in which the LLLT's role has been or will be shaped. That context includes court rules relating to matters of licensure, laws defining specific authorization and obligations of LLLTs, and substantive and procedural law in general. The Comments are sometimes used to alert LLLTs to their responsibilities under such other law.

[16] Compliance with the Rules, as with all law in an open society, depends primarily upon understanding and voluntary compliance, secondarily upon reinforcement by lawyer, client, peer, and public opinion, and finally, when necessary, upon enforcement through disciplinary proceedings. The Rules do not, however, exhaust the moral and ethical considerations that should inform an LLLT, for no worthwhile human activity can be completely defined by legal rules. The Rules simply provide a framework for the ethical practice of law within the authorized scope of an LLLT's practice.

[17] For purposes of determining the LLLT's authority and responsibility, principles of substantive law external to these Rules determine whether a client-LLLTT relationship exists.

Most of the duties flowing from the client-LLLT relationship attach only after the client-LLLT relationship is formed. But there are some duties, such as that of confidentiality under Rule 1.6, that may attach when the LLLT agrees to consider whether a client-LLLT relationship shall be established. *See* Lawyer RPC 1.18 and Washington Comment [11] thereto. Whether a client-LLLT relationship exists for any specific purpose can depend on the circumstances and is a question of fact.

[18] [Reserved.]

[19] Failure to comply with an obligation or prohibition imposed by a Rule is a basis for invoking the disciplinary process. The Rules presuppose that disciplinary assessment of an LLLT's conduct will be made on the basis of the facts and circumstances as they existed at the time of the conduct in question and in recognition of the fact that an LLLT often has to act upon uncertain or incomplete evidence of the situation. Moreover, the Rules presuppose that whether or not discipline should be imposed for a violation, and the severity of a sanction, depend on all the circumstances, such as the willfulness and seriousness of the violation, extenuating factors, and whether there have been previous violations.

[20] Violation of a Rule should not itself give rise to a cause of action against an LLLT, nor should it create any presumption in such a case that a legal duty has been breached. The Rules are designed to provide guidance to LLLTs and to provide a structure for regulating conduct through disciplinary agencies. They are not designed to be a basis for civil liability. The fact that a Rule is a just basis for an LLLT's self-assessment, or for sanctioning an LLLT under the administration of a disciplinary authority, does not imply that a party who is adverse to an LLLT's client in any proceeding or transaction has standing to seek enforcement of the Rule. Nevertheless, since the Rules do establish standards of conduct by LLLTs, an LLLT's violation of a Rule may be evidence of breach of the applicable standard of conduct.

[21] The Comment accompanying each Rule explains and illustrates the meaning and purpose of the Rule. The Preamble and this note on Scope provide general orientation. The Comments are intended as guides to interpretation, but the text of each Rule is authoritative.

### **Additional Washington Comments (22 - 25)**

[22] Nothing in these Rules is intended to change existing Washington law on the use of the Rules of Professional Conduct in a civil action, see *Hizey v. Carpenter*, 119 Wn.2d 251, 830 P.2d 646 (1992), or to suggest how that law applies to the obligations of LLLTs. *See also* APR 28(K)(1).

[23] The Rules of Professional Conduct for LLLTs are modeled on Washington's Rules of Professional Conduct for lawyers (Lawyer RPC). The structure of these Rules, like the Lawyer RPC, generally parallels the structure of the American Bar Association's Model Rules of Professional Conduct. When an entire provision that appears in the Lawyer RPC is deleted for purposes of these Rules, the deletion is signaled by the phrase "Reserved." The reservation of a rule or portion of a rule that appears in the Lawyer RPC does not necessarily mean that the conduct of an LLLT in that area is unregulated; the conduct may be regulated under APR 28 or

another rule. Should a situation arise where a rule or portion of a rule is reserved but the counterpart rule in the Lawyer RPC addresses the conduct, the LLLT should look to the relevant Lawyer RPC and comments to that rule for guidance. In general, when a Rule has a counterpart in the Lawyer RPC, the comments to that Lawyer RPC may be looked to as a guide to interpretation of that Rule to the extent that both the Lawyer RPC and the LLLT RPC are substantially similar and the content of the comments is applicable to the conduct of an LLLT.

[24] Comment [18] of Scope is reserved. The corresponding Comment of the Lawyer RPC relates to the specific role and authority of certain lawyers in government service, and is not applicable to the professional role of an LLLT.

[25] The Fundamental Principles of Professional Conduct and the Preamble and Scope sections of these Rules were adapted from the corresponding parts of the Lawyer RPC with only minor modifications. These provisions express the role of an LLLT as a legal professional acting within the justice system. With the exception of the reservation of Comment [18], modifications relate to the limited scope of an LLLT's license to deliver legal services, and the corresponding limitations on the role that an LLLT will have in the development of certain aspects of the legal profession, such as advocacy and development of the common law.

### **LLLT RPC 1.0A TERMINOLOGY**

(a) "Belief" or "believes" denotes that the person involved actually supposed the fact in question to be true. A person's belief may be inferred from circumstances.

(b) "Confirmed in writing," when used in reference to the informed consent of a person, denotes informed consent that is given in writing by the person or a writing that an LLLT promptly transmits to the person confirming an oral informed consent. See paragraph (e) for the definition of "informed consent." If it is not feasible to obtain or transmit the writing at the time the person gives informed consent, then the LLLT must obtain or transmit it within a reasonable time thereafter.

(c) "Firm" or "law firm" denotes a lawyer, lawyers, an LLLT, LLLTs, or any combination thereof in a law partnership, professional corporation, sole proprietorship, or other association authorized to practice law; or lawyers or LLLTs employed in a legal services organization or the legal department of a corporation or other organization.

(d) "Fraud" or "fraudulent" denotes conduct that has a purpose to deceive and is fraudulent under the substantive or procedural law of the applicable jurisdiction, except that it is not necessary that anyone has suffered damages or relied on the misrepresentation or failure to inform.

(e) "Informed consent" denotes the agreement by a person to a proposed course of conduct after the LLLT has communicated adequate information and explanation about the material risks of and reasonably available alternatives to the proposed course of conduct.

**(f)** "Knowingly," "known," or "knows" denotes actual knowledge of the fact in question. A person's knowledge may be inferred from circumstances.

**(g)** "Partner" denotes a member of a partnership, a shareholder in a law firm organized as a professional corporation, or a member of an association authorized to practice law.

**(h)** "Reasonable" or "reasonably" when used in relation to conduct by an LLLT denotes the conduct of a reasonably prudent and competent LLLT.

**(i)** "Reasonable belief" or "reasonably believes" when used in reference to an LLLT denotes that the LLLT believes the matter in question and that the circumstances are such that the belief is reasonable.

**(j)** "Reasonably should know" when used in reference to an LLLT denotes that an LLLT of reasonable prudence and competence would ascertain the matter in question.

**(k)** "Screened" denotes the isolation of an LLLT or a lawyer from any participation in a matter through the timely imposition of procedures within a firm that are reasonably adequate under the circumstances to protect information that the isolated LLLT or lawyer is obligated to protect under these Rules, the Lawyer RPC, or other law.

**(l)** "Substantial" when used in reference to degree or extent denotes a material matter of clear and weighty importance.

**(m)** "Tribunal" denotes a court, an arbitrator in a binding arbitration proceeding, or legislative body, administrative agency, or other body acting in an adjudicative capacity. A legislative body, administrative agency, or other body acts in an adjudicative capacity when a neutral official, after the presentation of evidence or legal argument by a party or parties, will render a binding legal judgment directly affecting a party's interests in a particular matter.

**(n)** "Writing" or "written" denotes a tangible or electronic record of a communication or representation, including handwriting, typewriting, printing, photostating, photography, audio or videorecording, and e-mail. A "signed" writing includes an electronic sound, symbol, or process attached to or logically associated with a writing and executed or adopted by a person with the intent to sign the writing.

### **LLLT RPC 1.0B ADDITIONAL TERMINOLOGY**

**(a)** "APR" denotes the Washington Supreme Court's Admission and Practice Rules.

**(b)** "GR" denotes the Washington Supreme Court's General Rules.

**(c)** "Lawyer" denotes a person licensed as a lawyer and eligible to practice law in any United States jurisdiction.



(d) "Lawyer RPC" denotes the Washington Supreme Court's Rules of Professional Conduct for lawyers.

(e) "Legal practitioner" denotes a lawyer or a limited license legal technician.

(f) "Limited License Legal Technician" or "LLLT" denotes a person qualified by education, training, and work experience who is authorized to engage in the limited practice of law in approved practice areas of law as specified by APR 28 and related regulations..

(g) "ELLLTC" denotes the Washington Supreme Court's Rules for Enforcement of Limited License Legal Technician Conduct.

(h) "Representation" or "represent," when used in connection with the provision of legal assistance by an LLLT, denotes limited legal assistance as set forth in APR 28 to a pro se client.

### **Comment**

[1] Rule 1.0A was adapted from Lawyer RPC 1.0 with no substantive changes and applies to LLLTs analogously. Rule 1.0B adds terms that require definitions in light of the licensing of LLLTs as legal practitioners in Washington.

[2] The definition of the term "lawyer" is taken from APR 28(B). When used in the LLLT RPC, however, the term is used to denote a lawyer who is acting within the scope of the lawyer's license and in accordance with the Lawyer RPC. So, for example, the authorization in Rule 5.9 to enter into a law partnership with a lawyer requires that the lawyer is admitted and authorized to practice in the State of Washington.

[3] The terms "firm" and "law firm" are used interchangeably in the Lawyer RPC and also in these Rules. An LLLT should be cautious, however, in using the words "law firm" to describe a law practice that includes only LLLTs. The name and description of an LLLT's practice should not imply that a lawyer is associated with the firm unless that is the case. Rule 7.5(a) requires that any firm name used for an LLLT practice that does not include a lawyer include the words "Legal Technician."

## **TITLE 1. CLIENT-LLLT RELATIONSHIP**

### **LLLT RPC 1.1 COMPETENCE**

An LLLT shall provide competent representation to a client. Competent representation requires the legal knowledge, skill, thoroughness, and preparation reasonably necessary for the representation.

### **Comment**

[1] Rule 1.1 was adapted from Lawyer RPC 1.1 with no substantive changes and applies to LLLTs analogously.

**LLLT RPC 1.2**  
**SCOPE OF REPRESENTATION AND ALLOCATION OF AUTHORITY**  
**BETWEEN CLIENT AND LLLT**

(a) Subject to paragraphs (c), (d), and (g), an LLLT shall abide by a client's decisions concerning the objectives of representation and, as required by Rule 1.4, shall consult with the client as to the means by which they are to be pursued. An LLLT may take such action on behalf of the client as is impliedly authorized to carry out the representation. An LLLT shall abide by a client's decision whether to settle a matter.

(b) An LLLT's representation of a client does not constitute an endorsement of the client's political, economic, social, or moral views or activities.

(c) An LLLT must limit the scope of the representation and provide disclosures informing a potential client as required by these Rules and APR 28.

(d) An LLLT shall not counsel a client to engage, or assist a client, in conduct that the LLLT knows is criminal or fraudulent.

(e) [Reserved.]

(f) An LLLT shall not purport to act as an LLLT for any person or organization if the LLLT knows or reasonably should know that the LLLT is acting without the authority of that person or organization and beyond his or her authorized scope of practice, unless the LLLT is authorized or required to so act by law or a court order.

(g) Nothing in this Rule expands an LLLT's authorized scope of practice provided in APR 28.

**Comment**

[1] Rule 1.2 was adapted from Lawyer RPC 1.2 with changes to reflect the limited scope of practice authorized by APR 28. Otherwise, it applies to LLLTs analogously.

[2] Paragraph (a) was modified from the Lawyer RPC to exclude references to criminal cases, and paragraph (d) was modified from the Lawyer RPC to exclude (and therefore prohibit) an LLLT from discussing with a client the legal consequences of any proposed criminal or fraudulent conduct and assisting a client in determining the validity, scope, meaning, or application of the law with respect to any such conduct. In circumstances where a client has engaged or may engage in conduct that the LLLT knows is criminal or fraudulent, the LLLT shall not provide services related to such conduct and shall inform the client that the client should seek the services of a lawyer.

[3] Unlike a lawyer, an LLLT may perform only limited services for a client. Before performing any services for a fee, an LLLT must enter into a written contract with the client as required by APR 28(G)(2).

[4] Additional requirements concerning the authorized scope of an LLLT's practice are imposed by APR 28. An LLLT must ascertain whether the issue is within the defined practice area for which the LLLT is licensed. If not, the LLLT shall not render any legal assistance on the issue and must advise the client to seek the services of a lawyer. If the issue does lie within the defined practice area for which the LLLT is licensed, then the LLLT is authorized to render the services that are enumerated in APR 28.

[5] An LLLT must personally perform the authorized services for the client and may not delegate those services to a person who is not either an LLLT or a lawyer. This prohibition, however, does not prevent a person who is neither an LLLT nor a lawyer from performing translation services. APR 28(G)(1).

[6] An LLLT may not provide services that exceed the scope of the LLLT's authority under APR 28. If an issue arises for which the client needs services that exceed the scope of the LLLT's authority, the LLLT must inform that client that the client should seek the services of a lawyer. APR 28(G)(3).

[7] [Reserved.]

[8] Certain conduct and services are specifically prohibited to an LLLT by APR 28(H)

### **LLLT RPC 1.3 DILIGENCE**

An LLLT shall act with reasonable diligence and promptness in representing a client.

#### **Comment**

[1] Rule 1.3 was adapted from Lawyer RPC 1.3 with no substantive changes and applies to LLLTs analogously. *See also* Comment [5] to Rule 1.2.

### **LLLT RPC 1.4 COMMUNICATION**

(a) An LLLT shall:

(1) promptly inform the client of any decision or circumstance with respect to which the client's informed consent, as defined in Rule 1.0(e), is required by these Rules;

(2) reasonably consult with the client about the means by which the client's objectives are to be accomplished;

(3) keep the client reasonably informed about the status of the matter;

(4) promptly comply with reasonable requests for information; and

(5) consult with the client about any relevant limitation on the LLLT's conduct when the LLLT knows that the client expects assistance not permitted by the LLLT RPC or other law.

**(b)** An LLLT shall explain a matter to the extent reasonably necessary to permit the client to make informed decisions regarding the representation.

### **Comment**

[1] Rule 1.4 was adapted from Lawyer RPC 1.4 with no substantive changes and applies to LLLTs analogously.

### **LLLT RPC 1.5 FEES**

**(a)** An LLLT shall not make an agreement for, charge, or collect an unreasonable fee or an unreasonable amount for expenses. The factors to be considered in determining the reasonableness of a fee include the following:

(1) the time and labor required, the novelty and difficulty of the questions involved, and the skill requisite to perform the legal service properly;

(2) the likelihood, if apparent to the client, that the acceptance of the particular employment will preclude other employment by the LLLT;

(3) the fee customarily charged in the locality for similar legal services;

(4) the amount involved and the results obtained;

(5) the time limitations imposed by the client or by the circumstances;

(6) the nature and length of the professional relationship with the client;

(7) the experience, reputation, and ability of the LLLT or LLLTs performing the services;

(8) whether the fee is fixed or hourly; and

(9) the terms of the fee agreement between the LLLT and the client, including whether the fee agreement or confirming writing demonstrates that the client had received a reasonable and fair disclosure of material elements of the fee agreement and of the LLLT's billing practices.

**(b)** The scope of the representation and the basis or rate of the fee and expenses for which the client will be responsible shall be communicated to the client, in writing, before commencing

the representation. Upon the request of the client in any matter, the LLLT shall communicate to the client in writing the basis or rate of the fee.

(c) [Reserved.]

(d) An LLLT shall not enter into an arrangement for, charge, or collect any fee, the payment or amount of which is contingent upon the outcome of the case.

(e) An LLLT may not enter into an arrangement for the division of a fee with another LLLT or lawyer who is not in the same firm as the LLLT.

(f) Fees and expenses paid in advance of performance of services shall comply with Rule 1.15A, subject to the following exceptions:

(1) [Reserved.]

(2) An LLLT may charge a flat fee for specified legal services, which constitutes complete payment for those services and is paid in whole or in part in advance of the LLLT providing the services. A flat fee must be agreed to in advance in a writing signed by the client. The written agreement may specify that the flat fee is the LLLT's property on receipt, in which case the fee shall not be deposited into a trust account under Rule 1.15A. To qualify for the exception from the requirements of Rule 1.15A, the written fee agreement shall, in a manner that can easily be understood by the client, include the following: (i) the scope of the services to be provided; (ii) the total amount of the fee and the terms of payment; (iii) that the fee is the LLLT's property immediately on receipt and will not be placed into a trust account; (iv) that the fee agreement does not alter the client's right to terminate the client-LLLT relationship; and (v) that the client may be entitled to a refund of a portion of the fee if the agreed-upon legal services have not been completed. A statement in substantially the following form satisfies this requirement:

[LLLT/law firm] agrees to provide, for a flat fee of \$\_\_\_\_\_, the following services: \_\_\_\_\_ . The flat fee shall be paid as follows: \_\_\_\_\_ . Upon [LLLT's/law firm's] receipt of all or any portion of the flat fee, the funds are the property of [LLLT/law firm] and will not be placed in a trust account. The fact that you have paid your fee in advance does not affect your right to terminate the client-LLLT relationship. In the event our relationship is terminated before the agreed-upon legal services have been completed, you may or may not have a right to a refund of a portion of the fee.

(3) In the event of a dispute relating to a fee under paragraph (f)(2) of this Rule, the LLLT shall take reasonable and prompt action to resolve the dispute.

### **Comment**

[1] Rule 1.5 was adapted from Lawyer RPC 1.5 with changes to reflect the limited scope of an LLLT's authorized practice and special requirements imposed by APR 28. Otherwise, it applies to LLLTs analogously.

[2] An LLLT, unlike a lawyer, is prohibited from entering into a contingent fee or retainer agreement with a client. Lawyer RPC 1.5(c) and 1.5(f)(1) address contingent fees and retainers respectively. Accordingly, paragraphs (c) and (f)(1) are reserved under this Rule. Reservation of such paragraphs, however, is not intended to prohibit an LLLT from being apportioned a part of a fee earned by a lawyer under a contingent fee or retainer arrangement when the LLLT and the lawyer are associated in a for profit business relationship authorized under Rule 5.9.

[3] Under the circumstances specified in Lawyer RPC 1.5(e), a lawyer may agree to a division of a fee either with another lawyer who is not in the same firm or with an authorized lawyer referral service. By contrast, paragraph (e) of this Rule categorically prohibits an LLLT from dividing a fee. An LLLT may pay the usual charges of an LLLT referral service. *See* Rule 7.2(e).

[4] Unlike a lawyer, an LLLT is required by APR 28(G)(2) to enter into a written contract with the client before the LLLT begins to perform any services for a fee that includes, among other things, identification of all fees and costs to be charged to the client for the services to be performed. The provisions concerning a flat fee described in (f)(2) of this Rule, if applicable, should be included in that contract. The contract must be signed by both the client and the LLLT before the LLLT begins to perform any services for a fee.

[5] An LLLT is ordinarily prohibited from modifying the written contract with the client that is required by APR 28(G)(3). Courts have applied the provisions of RPC 1.8(a) to modifications or renegotiations of fee arrangements by lawyers made during the representation of a client when the modified or renegotiated terms are more favorable to the lawyer than originally agreed upon. *See, e.g., Valley/50th Ave., LLC v. Stewart*, 159 Wn.2d 736, 743-44, 153 P.3d 186, 189 (2007); *Rafel Law Grp. PLLC v. Defoor*, 176 Wn. App. 210, 223-24, 308 P.3d 767, 775 (2013), *review denied*, 179 Wn.2d 1011, 316 P.3d 495 (2014). Under these Rules, business transactions between LLLTs and clients are prohibited. *See* Rule 1.8(a). Accordingly, any changes in the basis or rate of an LLLT's fee that benefit the LLLT must be identified in the initial contract. *See also* Comment [8] to Rule 1.2.

### **LLLT RPC 1.6 CONFIDENTIALITY OF INFORMATION**

**(a)** An LLLT shall not reveal information relating to the representation of a client unless the client gives informed consent, the disclosure is impliedly authorized in order to carry out the representation or the disclosure is permitted by paragraph (b).

**(b)** An LLLT to the extent the LLLT reasonably believes necessary:

(1) shall reveal information relating to the representation of a client to prevent reasonably certain death or substantial bodily harm;

(2) may reveal information relating to the representation of a client to prevent the client from committing a crime;

(3) may reveal information relating to the representation of a client to prevent, mitigate, or rectify substantial injury to the financial interests or property of another that is reasonably certain to result or has resulted from the client's commission of a crime or fraud in furtherance of which the client has used the LLLT's services;

(4) may reveal information relating to the representation of a client to secure legal advice about the LLLT's compliance with these Rules;

(5) may reveal information relating to the representation of a client to establish a claim or defense on behalf of the LLLT in a controversy between the LLLT and the client, to establish a defense to a criminal charge or civil claim against the LLLT based upon conduct in which the client was involved, or to respond to allegations in any proceeding concerning the LLLT's representation of the client;

(6) may reveal information relating to the representation of a client to comply with a court order; or

(7) may reveal information relating to the representation of a client to inform a tribunal about any breach of fiduciary responsibility when the client is serving as a court appointed fiduciary such as a guardian, personal representative, or receiver.

### **Comment**

[1] Rule 1.6 was adapted from Lawyer RPC 1.6 with no substantive changes and applies to LLLTs analogously.

[2] Under APR 28(K)(3) the Washington law of attorney-client privilege extends to LLLTs “to the same extent as it would apply to an attorney-client relationship.” In communicating the existence or scope of this privilege to a client, a LLLT must take steps to ensure that the client understands the LLLTs role and to avoid any impression that the LLLT is serving as a lawyer in the matter.

## **LLLT RPC 1.7 CONFLICT OF INTEREST: CURRENT CLIENTS**

(a) Except as provided in paragraph (b), an LLLT shall not represent a client if the representation involves a concurrent conflict of interest. A concurrent conflict of interest exists if:

(1) the representation of one client will be directly adverse to another client; or

(2) there is a significant risk that the representation of one or more clients will be materially limited by the LLLT's responsibilities to another client, a former client, or a third person or by a personal interest of the LLLT.



(b) Notwithstanding the existence of a concurrent conflict of interest under paragraph (a), an LLLT may represent a client if:

(1) the LLLT reasonably believes that the LLLT will be able to provide competent and diligent representation to each affected client;

(2) the representation is not prohibited by law;

(3) the representation does not involve the assertion of a claim by one client against another client represented by the LLLT with respect to the same litigation or other proceeding before a tribunal; and

(4) each affected client gives informed consent, confirmed in writing (following authorization from the other client to make any required disclosures).

### **Comment**

[1] Rule 1.7 was adapted from Lawyer RPC 1.7 with no substantive changes and applies to LLLTs analogously.

[2] Under no circumstances may an LLLT represent more than one party in any domestic relations matter. *See* Appendix APR 28 Regulation 2.

## **LLLT RPC 1.8**

### **CONFLICT OF INTEREST: CURRENT CLIENTS: SPECIFIC RULES**

(a) An LLLT shall not enter into a business transaction with a current client.

(b) An LLLT shall not use information relating to representation of a client to the disadvantage of the client unless the client gives informed consent, except as permitted or required by these Rules.

(c) An LLLT shall not solicit any substantial gift from a client, including a testamentary gift, or prepare on behalf of the client an instrument giving the LLLT or a person related to the LLLT any substantial gift unless the LLLT or other recipient of the gift is related to the client. For purposes of this paragraph, related persons include spouse, child, grandchild, parent, grandparent or other relative or individual with whom the LLLT or the client maintains a close, familial relationship.

(d) Prior to the conclusion of representation of a client, an LLLT shall not make or negotiate an agreement giving the LLLT literary or media rights to a portrayal or account based in substantial part on information relating to the representation.

(e) An LLLT shall not, while representing a client in connection with contemplated or pending litigation, advance or guarantee financial assistance to a client, except that:

(1) an LLLT may advance or guarantee the expenses of litigation, including court costs, expenses of investigation, expenses of medical examination, and costs of obtaining and presenting evidence, provided the client remains ultimately liable for such expenses.

(2) [Reserved.]

**(f)** An LLLT shall not accept compensation for representing a client from one other than the client unless:

(1) the client gives informed consent;

(2) there is no interference with the LLLT's independence of professional judgment or with the client-LLLT relationship; and

(3) information relating to representation of a client is protected as required by Rule 1.6.

**(g)** [Reserved.]

**(h)** An LLLT shall not:

(1) make an agreement prospectively limiting the LLLT's liability to a client for malpractice; or

(2) settle a claim or potential claim for such liability with an unrepresented client or former client unless that person is advised in writing of the desirability of seeking and is given a reasonable opportunity to seek the advice of an independent lawyer in connection therewith.

**(i)** An LLLT shall not acquire a proprietary interest in the cause of action or subject matter of litigation in which the LLLT is assisting a client.

**(j)** An LLLT shall not:

(1) have sexual relations with a current client of the LLLT unless a consensual sexual relationship existed between them at the time the client-LLLT relationship commenced; or

(2) have sexual relations with a representative of a current client if the sexual relations would, or would likely, damage or prejudice the client in the representation.

(3) For purposes of Rule 1.8(j), "LLLT" means any LLLT who assists in the representation of the client, but does not include other LLLT members of a firm with which the LLLT is associated if those other LLLTs provide no such assistance.

**(k)** Except as otherwise provided in these Rules,

(1) while LLLTs are associated in a firm with other LLLTs, a prohibition in the foregoing paragraphs (a) through (i) that applies to any one of them shall apply to all of them; and

(2) while LLLTs and lawyers are associated in a firm, the prohibitions in Lawyer RPC 1.8(a) through (i) that apply to any lawyer shall apply to any LLLT, and the prohibitions in the foregoing paragraphs (a), (h), and (i) shall not apply to any lawyers unless the conduct is otherwise prohibited by the Lawyer RPC.

(l) An LLLT who is related to another LLLT or a lawyer as parent, child, sibling, or spouse, or who has any other close familial or intimate relationship with another LLLT or lawyer, shall not represent a client in a matter directly adverse to a person who the LLLT knows is represented by the related LLLT or lawyer unless:

- (1) the client gives informed consent to the representation; and
- (2) the representation is not otherwise prohibited by Rule 1.7.

(m) [Reserved.]

### Comment

[1] This Rule was adapted from Lawyer RPC 1.8 with modifications described in these Comments. Otherwise, it applies to LLLTs analogously.

[2] Under limited and defined circumstances, Lawyer RPC 1.8(a) permits a lawyer to enter into a business transaction with a client, or to acquire a property interest adverse to a client. Because of the limitations on the scope of an LLLT's authorized practice, the analysis and disclosures that suffice under Lawyer RPC 1.8(a) to enable a lawyer to enter into such a transaction despite the existence of a conflict of interest are not feasible in the client-LLLTT relationship. For this reason, LLLT RPC 1.8(a) strictly prohibits an LLLT from entering into any business transaction with a current client.

[3] LLLTs will have no role in class action litigation and Rule 1.8(e)(2) is accordingly reserved in this Rule. LLLT RPC 1.8(e) does not authorize activities that are beyond the scope of the LLLT's limited license. Nothing in Rule 1.8(e) is intended to prohibit lawyer members of a firm with which an LLLT is associated from engaging in conduct permitted by Lawyer RPC 1.8(e)(2).

[4] Rule 1.8(g) is reserved. LLLTs do not engage in the making of aggregate settlements, or aggregated agreements as to guilty or nolo contendere pleas in criminal cases. Nothing in Rule 1.8(g) is intended to prohibit lawyer members of a firm with which an LLLT is associated from participating in such settlements if permitted by the Lawyer RPC.

[5] Unlike a lawyer, an LLLT is strictly prohibited by Rule 1.8(h)(1) from making any agreement that prospectively limits the LLLT's liability to the client for malpractice.

[6] A client or former client of an LLLT who is not represented by a lawyer is unrepresented for purposes of Rule 1.8(h)(2).

[7] Unlike a lawyer, an LLLT is prohibited by Rule 1.8(i) from acquiring any proprietary interest in a client's cause of action or the subject matter of litigation.

[8] If one LLLT or lawyer in a firm has a conflict of interest specified under this Rule, other LLLTs and lawyers in the firm may, under some circumstances, have the same conflict of interest or be subject to the same prohibition. This is called imputation of a conflict of interest. Similarly, in a firm that includes both LLLTs and lawyers, a conflict of interest of a lawyer will, under some circumstances, be imputed to an LLLT in the firm. Rule 1.8(k) describes the imputations of Rule 1.8 conflicts in a firm.

[9] Rule 1.8(m) is reserved. LLLTs are not permitted to engage in the scope of practice anticipated by Lawyer RPC 1.8(m). The reservation of Rule 1.8(m) in these Rules is not intended to prohibit lawyer members of a firm with which an LLLT is associated from engaging in the scope of practice described in Rule 1.8(m) of the Lawyer RPC.

### **LLLT RPC 1.9 DUTIES TO FORMER CLIENTS**

**(a)** An LLLT who has formerly represented a client in a matter shall not thereafter represent another person in the same or a substantially related matter in which that person's interests are materially adverse to the interests of the former client unless the former client gives informed consent, confirmed in writing.

**(b)** An LLLT shall not knowingly represent a person in the same or a substantially related matter in which a firm with which the LLLT formerly was associated had previously represented a client

(1) whose interests are materially adverse to that person; and

(2) about whom that LLLT had acquired information protected by Rules 1.6 and 1.9(c) that is material to the matter; unless the former client gives informed consent, confirmed in writing.

**(c)** An LLLT who has formerly represented a client in a matter or whose present or former firm has formerly represented a client in a matter shall not thereafter:

(1) use information relating to the representation to the disadvantage of the former client except as these Rules would permit or require with respect to a client, or when the information has become generally known; or

(2) reveal information relating to the representation except as these Rules would permit or require with respect to a client.

### **Comment**

[1] Rule 1.9 was adapted from Lawyer RPC 1.9 with no substantive changes and applies to LLLTs analogously.

**LLLT RPC 1.10**  
**IMPUTATION OF CONFLICTS OF INTEREST: GENERAL RULE**

(a) Except as provided in paragraph (e), while LLLTs are associated in a firm, none of them shall knowingly represent a client when any one of them practicing alone would be prohibited from doing so by Rules 1.7 or 1.9, unless the prohibition is based on a personal interest of the disqualified LLLT and does not present a significant risk of materially limiting the representation of the client by the remaining LLLTs in the firm.

(b) When an LLLT has terminated an association with a firm, the firm is not prohibited from thereafter representing a person with interests materially adverse to those of a client represented by the formerly associated LLLT and not currently represented by the firm, unless:

(1) the matter is the same or substantially related to that in which the formerly associated LLLT represented the client; and

(2) any LLLT remaining in the firm has information that is material to the matter and that is protected by Rules 1.6 and 1.9(c).

(c) A disqualification prescribed by this Rule may be waived by the affected client under the conditions stated in Rule 1.7.

(d) The disqualification of LLLTs associated in a firm with former or current government LLLTs is governed by Rule 1.11.

(e) When the prohibition on representation under paragraph (a) is based on Rule 1.9(a) or

(b) and arises out of the disqualified LLLT's association with a prior firm, no other LLLT in the firm shall knowingly represent a person in a matter in which that LLLT is disqualified unless:

(1) the personally disqualified LLLT is screened by effective means from participation in the matter and is apportioned no part of the fee therefrom;

(2) the former client of the personally disqualified LLLT receives notice of the conflict and the screening mechanism used to prohibit dissemination of information relating to the former representation;

(3) the firm is able to demonstrate by convincing evidence that no material information relating to the former representation was transmitted by the personally disqualified LLLT before implementation of the screening mechanism and notice to the former client.

Any presumption that information protected by Rules 1.6 and 1.9(c) has been or will be transmitted may be rebutted if the personally disqualified LLLT serves on his or her former firm and former client an affidavit attesting that the personally disqualified LLLT will not participate in the matter and will not discuss the matter or the representation with any other LLLT or employee of his or her current firm, and attesting that during the period of the LLLT's personal disqualification those LLLTs, or employees who do participate in the matter will be apprised that the personally disqualified LLLT is screened from participating in or discussing the matter. Such affidavit shall describe the procedures being used effectively to screen the personally disqualified LLLT. Upon request of the former client, such affidavit shall be updated periodically to show actual compliance with the screening procedures. The firm, the personally disqualified LLLT, or the former client may seek judicial review in a court of general jurisdiction of the screening mechanism used, or may seek court supervision to ensure that implementation of the screening procedures has occurred and that effective actual compliance has been achieved.

(f) When LLLTs and lawyers are associated in a firm, a lawyer's conflict of interest under Lawyer RPC 1.7 or Lawyer RPC 1.9 is imputed to LLLTs in the firm in the same way as conflicts are imputed to LLLTs under this Rule. Each of the other provisions of this Rule also applies in the same way when lawyer conflicts are imputed to LLLTs in the firm.

### **Comment**

[1] Rule 1.10 was adapted from Lawyer RPC 1.10 with no substantive changes except to reflect the fact that LLLTs and lawyers may practice in a firm together. The general rules concerning imputation of conflicts of interest apply to LLLTs and firms in which both LLLTs and lawyers are associated analogously.

### **LLLT RPC 1.11 SPECIAL CONFLICTS OF INTEREST FOR FORMER AND CURRENT GOVERNMENT OFFICERS AND EMPLOYEES**

(a) Except as law may otherwise expressly permit, an LLLT who has formerly served as a public officer or employee of the government:

(1) is subject to Rule 1.9(c); and

(2) shall not otherwise represent a client in connection with a matter in which the LLLT participated personally and substantially as a public officer or employee, unless the appropriate government agency gives its informed consent, confirmed in writing, to the representation.

(b) When an LLLT or lawyer is disqualified from representation under paragraph (a) of this Rule or Lawyer RPC 1.11, no LLLT in a firm with which that LLLT or lawyer is associated may knowingly undertake or continue representation in such a matter unless:

(1) the disqualified LLLT or lawyer is timely screened from any participation in the matter and is apportioned no part of the fee therefrom; and

(2) written notice is promptly given to the appropriate government agency to enable it to ascertain compliance with the provisions of this Rule.

(c) Except as law may otherwise expressly permit, an LLLT having information that the LLLT knows is confidential government information about a person acquired when the LLLT was a public officer or employee, may not represent a private client whose interests are adverse to that person in a matter in which the information could be used to the material disadvantage of that person. As used in this Rule the term "confidential government information" means information that has been obtained under governmental authority and which, at the time this Rule is applied, the government is prohibited by law from disclosing to the public or has a legal privilege not to disclose and which is not otherwise available to the public. A firm with which that LLLT is associated may undertake or continue representation in the matter only if the disqualified LLLT is screened from any participation in the matter and is apportioned no part of the fee therefrom.

(d) Except as law may otherwise expressly permit, an LLLT currently serving as a public officer or employee:

(1) is subject to Rules 1.7 and 1.9; and

(2) shall not:

(i) participate in a matter in which the LLLT participated personally and substantially while in private practice or nongovernmental employment, unless the appropriate government agency gives its informed consent, confirmed writing; or

(ii) negotiate for private employment with any person who is involved as a party or as LLLT for a party in a matter in which the LLLT is participating personally and substantially, except that an LLLT who may otherwise be serving as a law clerk to a judge, other adjudicative officer or arbitrator may negotiate for private employment as permitted by Rule 1.12(b) and subject to the conditions stated in Rule 1.12(b).

(e) As used in this Rule, the term "matter" includes:

(1) any judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, investigation, charge, accusation, arrest, or other particular matter involving a specific party or parties; and

(2) any other matter covered by the conflict of interest rules of the appropriate government agency.

### **Comment**

[1] Rule 1.11 was adapted from Lawyer RPC 1.11 with no substantive changes except to reflect the fact that LLLTs and lawyers may practice in a firm together. This Rule applies to LLLTs and firms in which both LLLTs and lawyers are associated analogously.



**LLLT RPC 1.12**  
**FORMER JUDGE, ARBITRATOR, MEDIATOR OR OTHER**  
**THIRD-PARTY NEUTRAL**

(a) Except as stated in paragraph (d), an LLLT shall not represent anyone in connection with a matter in which the LLLT participated personally and substantially as a judge or other adjudicative officer or law clerk to such a person or as an arbitrator, mediator, or other third-party neutral, unless all parties to the proceeding give informed consent confirmed in writing.

(b) An LLLT shall not negotiate for employment with any person who is involved as a party or as LLLT for a party in a matter in which the LLLT is participating personally and substantially as a judge or other adjudicative officer or as an arbitrator, mediator, or other third-party neutral. An LLLT serving as a law clerk to a judge or other adjudicative officer may negotiate for employment with a party or LLLT involved in a matter in which the clerk is participating personally and substantially, but only after the LLLT has notified the judge or other adjudicative officer.

(c) If an LLLT or lawyer is disqualified by paragraph (a) of this Rule or Lawyer RPC 1.12, no LLLT in a firm with which that LLLT or lawyer is associated may knowingly undertake or continue representation in the matter unless:

(1) the disqualified LLLT or lawyer is timely screened from any participation in the matter and is apportioned no part of the fee therefrom; and

(2) written notice is promptly given to the parties and any appropriate tribunal to enable them to ascertain compliance with the provisions of this Rule.

(d) An arbitrator selected as a partisan of a party in a multimember arbitration panel is not prohibited from subsequently representing that party.

**Comment**

[1] Rule 1.12 was adapted from Lawyer RPC 1.12 with no substantive changes. This Rule applies to LLLTs and firms in which both LLLTs and lawyers are associated analogously.

**LLLT RPC 1.13**  
[Reserved.]

**Comment**

[1] At present, the authorized scope of LLLT practice does not contemplate representation of an organization.

**LLLT RPC 1.14**  
**CLIENT WITH DIMINISHED CAPACITY**

(a) When a client's capacity to make adequately considered decisions in connection with a representation is diminished, whether because of minority, mental impairment or for some other reason, the LLLT shall, as far as reasonably possible, maintain a normal client-LLLT relationship with the client.

(b) When the LLLT reasonably believes that the client has diminished capacity, is at risk of substantial physical, financial, or other harm unless action is taken and cannot adequately act in the client's own interest, the LLLT may take reasonably necessary protective action, including consulting with individuals or entities that have the ability to take action to protect the client. In taking any protective action under this Rule, the LLLT shall not exceed the LLLT's authorized scope of practice.

(c) Information relating to the representation of a client with diminished capacity is protected by Rule 1.6. When taking protective action pursuant to paragraph (b), the LLLT is impliedly authorized under Rule 1.6(a) to reveal information about the client, but only to the extent reasonably necessary to protect the client's interests.

### **Comment**

[1] Rule 1.14 was adapted from Lawyer RPC 1.14 with no substantive changes except in Rule 1.14(b). Otherwise, this Rule applies to LLLTs analogously.

[2] Unlike Lawyer RPC 1.14, Rule 1.14(b) does not suggest seeking the appointment of a guardian ad litem, conservator or guardian. Those actions contemplate court appearances and knowledge of multiple areas of law which may exceed the authorized scope of an LLLT's practice. Accordingly, that language from Lawyer Rule 1.14(b) has been omitted from this Rule.

[3] Protective action taken by an LLLT under paragraph (b) of this Rule may include obtaining the services of a lawyer. An LLLT should proceed cautiously when independently undertaking protective action on behalf of a person with diminished capacity, and the LLLT should carefully evaluate and weigh all the circumstances and options. For a discussion of potential protective actions and relevant considerations, see Lawyer RPC 1.14, Comments [5] - [7].

### **LLLT RPC 1.15A SAFEGUARDING PROPERTY**

(a) This Rule applies to property of clients or third persons in an LLLT's possession in connection with a representation.

(b) An LLLT must not use, convert, borrow, or pledge client or third person property for the LLLT's own use.

(c) An LLLT must hold property of clients and third persons separate from the LLLT's own property.

(1) An LLLT must deposit and hold in a trust account funds subject to this Rule pursuant to paragraph (h) of this Rule.

(2) Except as provided in Rule 1.5(f), and subject to the requirements of paragraph (h) of this Rule, an LLLT shall deposit into a trust account legal fees and expenses that have been paid in advance, to be withdrawn by the LLLT only as fees are earned or expenses incurred.

(3) An LLLT must identify, label, and appropriately safeguard any property of clients or third persons other than funds. The LLLT must keep records of such property that identify the property, the client or third person, the date of receipt, and the location of safekeeping. The LLLT must preserve the records for seven years after return of the property.

(d) An LLLT must promptly notify a client or third person of receipt of the client or third person's property.

(e) An LLLT must promptly provide a written accounting to a client or third person after distribution of property or upon request. An LLLT must provide at least annually a written accounting to a client or third person for whom the LLLT is holding funds.

(f) Except as stated in this Rule, an LLLT must promptly pay or deliver to the client or third person the property which the client or third person is entitled to receive.

(g) If an LLLT possesses property in which two or more persons (one of which may be the LLLT) claim interests, the LLLT must maintain the property in trust until the dispute is resolved. The LLLT must promptly distribute all undisputed portions of the property. The LLLT must take reasonable action to resolve the dispute.

(h) An LLLT must comply with the following for all trust accounts:

(1) No funds belonging to the LLLT may be deposited or retained in a trust account except as follows:

(i) funds to pay bank charges, but only in an amount reasonably sufficient for that purpose;

(ii) funds belonging in part to a client or third person and in part presently or potentially to the LLLT must be deposited and retained in a trust account, but any portion belonging to the LLLT must be withdrawn at the earliest reasonable time; or

(iii) funds necessary to restore appropriate balances.

(2) An LLLT must keep complete records as required by Rule 1.15B.

(3) An LLLT may withdraw funds when necessary to pay client costs. The LLLT may withdraw earned fees only after giving reasonable notice to the client of the intent to do so, through a billing statement or other document.

(4) Receipts must be deposited intact.

(5) All withdrawals must be made only to a named payee and not to cash. Withdrawals must be made by check or by electronic transfer.

(6) Trust account records must be reconciled as often as bank statements are generated or at least quarterly. The LLLT must reconcile the check register balance to the bank statement balance and reconcile the check register balance to the combined total of all client ledger records required by Rule 1.15B(a)(2).

(7) An LLLT must not disburse funds from a trust account until deposits have cleared the banking process and been collected, unless the LLLT and the bank have a written agreement by which the LLLT personally guarantees all disbursements from the account without recourse to the trust account.

(8) Disbursements on behalf of a client or third person may not exceed the funds of that person on deposit. The funds of a client or third person must not be used on behalf of anyone else.

(9) Only an LLLT or a lawyer admitted to practice law may be an authorized signatory on the account. If an LLLT is associated in a practice with one or more lawyers, any check or other instrument requiring a signature must be signed by a signatory lawyer in the firm.

(i) Trust accounts must be interest-bearing and allow withdrawals or transfers without any delay other than notice periods that are required by law or regulation and meet the requirements of ELLTC 15.7(d) and (e). In the exercise of ordinary prudence, an LLLT may select any financial institution authorized by the Legal Foundation of Washington (Legal Foundation) under ELLTC 15.7(c). In selecting the type of trust account for the purpose of depositing and holding funds subject to this Rule, an LLLT shall apply the following criteria:

(1) When client or third-person funds will not produce a positive net return to the client or third person because the funds are nominal in amount or expected to be held for a short period of time the funds must be placed in a pooled interest-bearing trust account known as an Interest on Limited License Legal Technician's Trust Account or IOLTA. The interest earned on IOLTA accounts shall be paid to, and the IOLTA program shall be administered by, the Legal Foundation of Washington in accordance with ELLTC 15.4 and ELLTC 15.7(e).

(2) Client or third-person funds that will produce a positive net return to the client or third person must be placed in one of the following two types of non-IOLTA trust accounts, unless the client or third person requests that the funds be deposited in an IOLTA account:

(i) a separate interest-bearing trust account for the particular client or third person with earned interest paid to the client or third person; or

(ii) a pooled interest-bearing trust account with sub-accounting that allows for computation of interest earned by each client or third person's funds with the interest paid to the appropriate client or third person.

(3) In determining whether to use the account specified in paragraph (i)(1) or an account specified in paragraph (i)(2), an LLLT must consider only whether the funds will produce a positive net return to the client or third person, as determined by the following factors:

(i) the amount of interest the funds would earn based on the current rate of interest and the expected period of deposit;

(ii) the cost of establishing and administering the account, including the cost of the LLLT's services and the cost of preparing any tax reports required for interest accruing to a client or third person's benefit; and

(iii) the capability of financial institutions to calculate and pay interest to individual clients or third persons if the account in paragraph (i)(2)(ii) is used.

(4) The provisions of paragraph (i) do not relieve an LLLT or law firm from any obligation imposed by these Rules or the ELLTTC.

### **Comment**

[1] Rule 1.15A was adapted from Lawyer RPC 1.15A with no substantive changes except to reflect limitations on the authorized scope of an LLLT's practice. Otherwise, this Rule applies to LLLTs analogously. The Comments to Lawyer RPC 1.15A provide important guidance to the correct interpretation and application of this Rule.

[2] Lawyer RPC 1.15A(a) contemplates that lawyers may act as escrow agents for the closing of a purchase and sale of real estate or personal property, a practice area that is not contemplated by APR 28. Accordingly, there is no counterpart in this Rule to Lawyer RPC 1.15A(a)(2).

### **LLLT RPC 1.15B REQUIRED TRUST ACCOUNT RECORDS**

(a) An LLLT must maintain current trust account records. They may be in electronic or manual form and must be retained for at least seven years after the events they record. At minimum, the records must include the following:

(1) Checkbook register or equivalent for each trust account, including entries for all receipts, disbursements, and transfers, and containing at least:

(i) identification of the client matter for which trust funds were received, disbursed, or transferred;

(ii) the date on which trust funds were received, disbursed, or transferred;

- (iii) the check number for each disbursement;
  - (iv) the payor or payee for or from which trust funds were received, disbursed, or transferred; and
  - (v) the new trust account balance after each receipt, disbursement, or transfer;
- (2) Individual client ledger records containing either a separate page for each client or an equivalent electronic record showing all individual receipts, disbursements, or transfers, and also containing:
- (i) identification of the purpose for which trust funds were received, disbursed, or transferred;
  - (ii) the date on which trust funds were received, disbursed or transferred;
  - (iii) the check number for each disbursement;
  - (iv) the payor or payee for or from which trust funds were received, disbursed, or transferred; and
  - (v) the new client fund balance after each receipt, disbursement, or transfer;
- (3) Copies of any agreements pertaining to fees and costs;
- (4) Copies of any statements or accountings to clients or third parties showing the disbursement of funds to them or on their behalf;
- (5) Copies of bills for legal fees and expenses rendered to clients;
- (6) of invoices, bills, or other documents supporting all disbursements or transfers from the trust account;
- (7) Bank statements, copies of deposit slips, and cancelled checks or their equivalent;
- (8) Copies of all trust account bank and client ledger reconciliations; and
- (9) Copies of those portions of clients' files that are reasonably necessary for a complete understanding of the financial transactions pertaining to them.
- (b)** Upon any change in the LLLT's practice affecting the trust account, including dissolution or sale of a law firm or other entity, or suspension or other change in membership status, the LLLT must make appropriate arrangements for the maintenance of the records specified in this Rule.

### Comment

[1] Rule 1.15B was adapted from Lawyer RPC 1.15B with no substantive changes and applies to LLLTs analogously.

### LLLT RPC 1.16 DECLINING OR TERMINATING REPRESENTATION

**(a)** An LLLT shall not represent a client or, where representation has commenced, shall withdraw from the representation of a client if:

- (1) the representation will result in violation of these Rules or other law;
- (2) the LLLT's physical or mental condition materially impairs the LLLT's ability to represent the client; or
- (3) the LLLT is discharged.

**(b)** An LLLT may withdraw from representing a client if:

- (1) withdrawal can be accomplished without material adverse effect on the interests of the client;
- (2) the client persists in a course of action involving the LLLT's services that the LLLT reasonably believes is criminal or fraudulent;
- (3) the client has used the LLLT's services to perpetrate a crime or fraud;
- (4) the client insists upon taking action that the LLLT considers repugnant or with which the LLLT has a fundamental disagreement;
- (5) the client fails substantially to fulfill an obligation to the LLLT regarding the LLLT's services and has been given reasonable warning that the LLLT will withdraw unless the obligation is fulfilled;
- (6) the representation will result in an unreasonable financial burden on the LLLT or has been rendered unreasonably difficult by the client; or
- (7) other good cause for withdrawal exists.

**(c)** [Reserved.]

**(d)** Upon termination of representation, an LLLT shall take steps to the extent reasonably practicable to protect a client's interests, such as giving reasonable notice to the client, allowing time for employment of a lawyer or another LLLT, surrendering papers and property to which

the client is entitled, and refunding any advance payment of fee that has not been earned or incurred.

### **Comment**

[1] This Rule was adapted from Lawyer RPC 1.16 with no substantive changes except to reflect the limited scope of representation that an LLLT provides to pro se clients and that an LLLT does not enter a notice of appearance. For this reason, paragraph (c) is reserved. Otherwise, Lawyer RPC 1.16 applies to LLLTs analogously.

### **LLLT RPC 1.17 SALE OF LAW PRACTICE**

An LLLT, firm of LLLTs, or a law firm with which one or more LLLTs are associated may sell or purchase a law practice, or an area of law practice, including good will, if the following conditions are satisfied:

(a) [Reserved.]

(b) The entire practice, or the entire area of practice, is sold to one or more LLLTs, lawyers, LLLT firms or law firms;

(c) The seller gives written notice to each of the seller's clients regarding:

(1) the proposed sale;

(2) the client's right to retain a lawyer or another LLLT or to take possession of the file; and

(3) the fact that the client's consent to the transfer of the client's files will be presumed if the client does not take any action or does not otherwise object within ninety (90) days of receipt of the notice. If a client cannot be given notice, the representation of that client may be transferred to the purchaser only upon entry of an order so authorizing by a court having jurisdiction. The seller may disclose to the court in camera information relating to the representation only to the extent necessary to obtain an order authorizing the transfer of a file.

(d) The fees charged clients shall not be increased by reason of the sale.

### **Comment**

[1] This Rule was adapted from Lawyer RPC 1.17 with no substantive changes except to reflect that an LLLT may practice in the same firm with one or more lawyers. Otherwise, this Rule applies to LLLTs analogously.

[2] A law firm consisting solely of LLLT owners is not authorized to purchase a law practice that includes client matters requiring provision of legal services outside the authorized LLLT scope of practice or defined practice area(s). See APR 28 and related regulations.



**LLLT RPC 1.18**  
**DUTIES TO PROSPECTIVE CLIENT**

(a) A person who discusses with an LLLT the possibility of forming a client-LLLT relationship with respect to a matter is a prospective client.

(b) Even when no client-LLLT relationship ensues, an LLLT who has had discussions with a prospective client shall not use or reveal information learned in the consultation, except as Rule 1.9 would permit with respect to information of a former client or except as provided in paragraph (e).

(c) An LLLT subject to paragraph (b) shall not represent a client with interests materially adverse to those of a prospective client in the same or a substantially related matter if the LLLT received information from the prospective client that could be significantly harmful to that person in the matter, except as provided in paragraph (d) or (e). If an LLLT or lawyer is disqualified from representation under this paragraph or Lawyer RPC 1.18(c), no LLLT in a firm with which that LLLT or lawyer is associated may knowingly undertake or continue representation in such a matter, except as provided in paragraph (d) or, with respect to lawyers, Lawyer RPC 1.18(d).

(d) When the LLLT has received disqualifying information as defined in paragraph (c), representation is permissible if:

(1) both the affected client and the prospective client have given informed consent, confirmed in writing, or:

(2) the LLLT who received the information took reasonable measures to avoid exposure to more disqualifying information than was reasonably necessary to determine whether to represent the prospective client; and

(i) the disqualified LLLT is timely screened from any participation in the matter and is apportioned no part of the fee therefrom; and

(ii) written notice is promptly given to the prospective client.

(e) An LLLT may condition conversations with a prospective client on the person's informed consent that no information disclosed during the consultation will prohibit the LLLT from representing a different client in the matter. The prospective client may also expressly consent to the LLLT's subsequent use of information received from the prospective client.

**Comment**

[1] This Rule was adapted from Lawyer RPC 1.18 with no substantive changes except to reflect that LLLTs and lawyers may practice in the same firm. It applies to LLLTs and to firms in which both LLLTs and lawyers are associated analogously.

[2] The Comments to Lawyer RPC 1.18 offer valuable guidance to the correct interpretation and application of this Rule. In particular, Comment 2 to Lawyer RPC 1.18 explains application of this Rule to unsolicited and unilateral communications of information from a person who does not have a reasonable expectation that the LLLT is willing to discuss the possibility of forming a client-LLLT relationship.

## **TITLE 2. COUNSELOR**

### **LLLT RPC 2.1 ADVISOR**

In representing a client, an LLLT shall exercise independent professional judgment and render candid advice. In rendering advice, an LLLT may refer not only to law but to other considerations, such as moral, economic, social and political factors, that may be relevant to the client's situation.

#### **Comment**

[1] This Rule was adapted from Lawyer RPC 2.1 with no substantive changes and applies to LLLTs analogously.

[2] This Rule and its requirement regarding the exercise of independent professional judgment do not expand the limitations on the authorized scope of an LLLT's practice under APR 28 and related regulations..

### **LLLT RPC 2.2 [Reserved.]**

### **LLLT RPC 2.3 [Reserved.]**

#### **Comment**

[1] Lawyer RPC 2.3 pertains to a lawyer providing an evaluation of a matter affecting a client for the use of someone other than the client. If the need for an evaluation arises in an LLLT's authorized scope of practice under APR 28, an LLLT should look to Lawyer RPC 2.3 for guidance.

### **LLLT RPC 2.4 LLLT SERVING AS THIRD-PARTY NEUTRAL**

(a) An LLLT serves as a third-party neutral when the LLLT assists two or more persons who are not clients of the LLLT to reach a resolution of a dispute or other matter that has arisen between them. Service as a third-party neutral may include service as an arbitrator, a mediator, or in such other capacity as will enable the LLLT to assist the parties to resolve the matter.

(b) An LLLT serving as a third-party neutral shall inform unrepresented parties that the LLLT is not representing them. When the LLLT knows or reasonably should know that a party does not understand the LLLT's role in the matter, the LLLT shall explain the difference between the LLLT's role as a third-party neutral and an LLLT's role as one who represents a client.

### **Comment**

[1] This Rule was adapted from Lawyer RPC 2.4 with no substantive changes and applies to LLLTs analogously.

## **TITLE 3. ADVOCATE**

### **LLLT RPC 3.1**

#### **ADVISING AND ASSISTING CLIENTS IN PROCEEDINGS BEFORE A TRIBUNAL**

(a) In a matter reasonably related to a pending or potential proceeding before a tribunal, an LLLT shall not engage, counsel a client to engage, or assist a client, in conduct involving:

(1) an abuse of legal procedure, including asserting or controverting a position that is frivolous or lacks a good faith basis in law and fact;

(2) delay of a proceeding without reasonable and substantial purpose;

(3) submission of a false statement of fact or law to a tribunal or offering evidence known to be false;

(4) obstruction of another party's access to evidence or the unlawful alteration, destruction, or concealment of a document or other material having potential evidentiary value;

(5) falsification of evidence or assisting or inducing false testimony of a witness;

(6) knowingly disobeying an obligation under the rules of a tribunal except for an open refusal based on an assertion that no valid obligation exists; or

(7) making frivolous discovery requests or failing to reasonably comply with legally proper discovery requests of an opposing party.

(b) An LLLT shall not seek to influence a judge, juror, prospective juror, or other official by means prohibited by law, communicate ex parte with such an individual unless authorized to do so by law or court order, or engage in conduct intended to disrupt a tribunal. An LLLT shall not counsel or assist a client or another person to do such an act.

### **Comment**

[1] This Rule is substantially different from Lawyer RPC 3.1 because the role of the LLLT as an advocate is limited. In many instances, an LLLT will be providing assistance to a client who is a party to a court proceeding. In providing such assistance, an LLLT may be authorized within the scope of a specific practice area to accompany and assist a pro se client in certain proceedings. Assistance may include responding to factual and procedural questions from a tribunal. As a member of the legal profession, an LLLT is ethically bound to avoid conduct that undermines the integrity of the adjudicative process or threatens the fair and orderly administration of justice. Although less comprehensive than Title 3 of the Lawyer RPC, the core Title 3 principles incorporated into Rule 3.1 address the issues likely to be encountered by an LLLT, with supplemental guidance available in Title 3 of the Lawyer RPC and commentary thereto.

[2] Certain provisions of Title 3 of the Lawyer RPC, such as Lawyer as Witness in Rule 3.7 and the Special Responsibilities of a Prosecutor in Rule 3.8, do not apply to LLLTs. In these instances, the corresponding LLLT RPC has been reserved. Rules 3.6 and 3.9 represent ethical issues that would rarely if ever arise in the context of an LLLT's limited-scope representation. Accordingly, these provisions have been reserved as well, though guidance is available in the corresponding Lawyer RPC in the event that such an ethical dilemma does arise in a LLLT representation.

### **LLLT RPC 3.2**

[Reserved.]

#### **Comment**

[1] See Comments [1] and [2] to Rule 3.1.

### **LLLT RPC 3.3**

[Reserved.]

#### **Comment**

[1] See Comments [1] and [2] to Rule 3.1.

### **LLLT RPC 3.4**

[Reserved.]

#### **Comment**

[1] See Comments [1] and [2] to Rule 3.1.

### **LLLT RPC 3.5**

[Reserved.]

#### **Comment**

[1] See Comment [1] to Rule 3.1.

**LLLT RPC 3.6**

[Reserved.]

**Comment**

[1] See Comment [2] to Rule 3.1.

**LLLT RPC 3.7**

[Reserved.]

**Comment**

[1] See Comment [2] to Rule 3.1.

**LLLT RPC 3.8**

[Reserved.]

**Comment**

[1] See Comment [2] to Rule 3.1.

**LLLT RPC 3.9**

[Reserved.]

**Comment**

[1] See Comment [2] to Rule 3.1.

**TITLE 4. TRANSACTIONS WITH PERSONS OTHER THAN CLIENTS**

**LLLT RPC 4.1**

**TRUTHFULNESS IN STATEMENTS TO OTHERS**

In the course of representing a client an LLLT shall not knowingly:

(a) make a false statement of material fact or law to a third person; or

(b) fail to disclose a material fact to a third person when disclosure is necessary to avoid assisting a criminal or fraudulent act by a client, unless disclosure is prohibited by Rule 1.6.

**Comment**

[1] This Rule was adapted from Lawyer RPC 4.1 with no substantive changes and applies to LLLTs analogously.

**LLLT RPC 4.2**

**COMMUNICATION WITH PERSON REPRESENTED BY LAWYER**

In representing a client, an LLLT shall not communicate about the subject of the representation with a person the LLLT knows to be represented by a lawyer in the matter.

### **Comment**

[1] A person who has chosen to be represented by a lawyer should be protected against possible overreaching by another lawyer. *See* Lawyer RPC 4.2 and Comments to that rule. Rule 4.2 extends to LLLTs the prohibition on communicating with a person represented by a lawyer. This Rule differs from Lawyer RPC 4.2 in that the prohibition is absolute. While a lawyer may be permitted to communicate directly with a person who is represented by another lawyer with the other lawyer's consent, or if authorized to do so by law or court order, there are no exceptions to the prohibition as it applies to LLLTs.

## **LLLT RPC 4.3 DEALING WITH PERSON NOT REPRESENTED BY LAWYER**

In dealing on behalf of a client with a person who is not represented by a lawyer, an LLLT shall not state or imply that the LLLT is disinterested. When the LLLT knows or reasonably should know that the unrepresented person misunderstands the LLLT's role in the matter, the LLLT shall make reasonable efforts to correct the misunderstanding. The LLLT shall not give legal advice to an unrepresented person, other than the advice to secure the services of another legal practitioner, if the LLLT knows or reasonably should know that the interests of such a person are or have a reasonable possibility of being in conflict with the interests of the client.

### **Comment**

[1] This Rule was adapted from Lawyer RPC 4.3 with no substantive changes and applies to LLLTs analogously.

[2] [Reserved.]

[3] The client of an LLLT is an unrepresented person for purposes of Lawyer RPC 4.2 and 4.3.

[4] An LLLT may have occasion to communicate directly with a nonparty who is assisted by another LLLT. A risk of unwarranted intrusion into a privileged relationship may arise when an LLLT deals with a person who is assisted by another LLLT. Client-LLLT communications, however, are privileged to the same extent as client-lawyer communications. *See* APR 28(K)(3). An LLLT's ethical duty of confidentiality further protects the LLLT client's right to confidentiality in that professional relationship. *See* LLLT RPC 1.6(a). When dealing with a person who is assisted by another LLLT, an LLLT must respect these legal rights that protect the client-LLLT relationship.

## **LLLT RPC 4.4 RESPECT FOR RIGHTS OF THIRD PERSONS**

(a) In representing a client, an LLLT shall not use means that have no substantial purpose other than to embarrass, delay, or burden a third person, or use methods of obtaining evidence that violate the legal rights of such a person.

(b) An LLLT who receives a document relating to the representation of the LLLT's client and knows or reasonably should know that the document was inadvertently sent shall promptly notify the sender.

### **Comment**

[1] This Rule was adapted from Lawyer RPC 4.4 with no substantive changes and applies to LLLTs analogously.

## **TITLE 5. LAW FIRMS AND ASSOCIATIONS**

### **LLLT RPC 5.1 RESPONSIBILITIES OF PARTNERS, MANAGERS, AND SUPERVISORY LLLTS**

(a) An LLLT partner in a law firm, and an LLLT who individually or together with other LLLTs possesses comparable managerial authority in a law firm, shall make reasonable efforts to ensure that the firm has in effect measures giving reasonable assurance that all LLLTs in the firm conform to the LLLT RPC.

(b) An LLLT having direct supervisory authority over another LLLT shall make reasonable efforts to ensure that the other LLLT conforms to the LLLT RPC.

(c) An LLLT shall be responsible for another LLLT's violation of the LLLT RPC if:

(1) the LLLT orders or, with knowledge of the specific conduct, ratifies the conduct involved; or

(2) the LLLT is a partner or has comparable managerial authority in the firm in which the other LLLT practices, or has direct supervisory authority over the other LLLT, and knows of the conduct at a time when its consequences can be avoided or mitigated but fails to take reasonable remedial action.

(d) An LLLT shall be responsible for a lawyer violation of the Lawyer RPC if the LLLT is a partner or has comparable managerial authority and knows of the conduct at a time when its consequences can be avoided or mitigated but fails to take reasonable remedial action.

### **Comment**

[1] This Rule was adapted from Lawyer RPC 5.1 with no substantive changes and applies to LLLTs analogously.

[2] When under Rule 5.9 an LLLT has managerial authority in a firm comprised of both lawyers and LLLTs, the LLLT should support efforts of the firm's lawyers with managerial authority under Lawyer RPC 5.1 and 5.10 to make reasonable efforts to ensure that the firm has in effect measures giving reasonable assurance that all lawyers in the firm conform to the Lawyer RPC.

[3] Under paragraph (d), when an LLLT with managerial authority in a firm comprised of both lawyers and LLLTs knows of a lawyer's violation of the Lawyer RPC at a time when its consequences can be avoided or mitigated, reasonable remedial action will ordinarily consist of promptly reporting the violation to one of the firm's lawyers with managerial authority so that the lawyer manager can take appropriate action under Lawyer RPC 5.1(c).

### **LLLT RPC 5.2 RESPONSIBILITIES OF A SUBORDINATE LLLT**

(a) An LLLT is bound by the LLLT RPC notwithstanding that the LLLT acted at the direction of another person.

(b) A subordinate LLLT does not violate the LLLT RPC if that LLLT acts in accordance with a supervisory LLLT or a supervisory lawyer's reasonable resolution of an arguable question of professional duty.

### **Comment**

[1] This Rule was adapted from Lawyer RPC 5.2 with no substantive changes except to reflect that LLLTs and lawyers may practice in the same firm. It applies to LLLTs and to firms in which both LLLTs and lawyers are associated analogously.

### **LLLT RPC 5.3 RESPONSIBILITIES REGARDING NON-LLLT ASSISTANTS**

With respect to a non-LLLT employed or retained by or associated with an LLLT:

(a) an LLLT partner, and an LLLT who individually or together with other LLLTs possesses comparable managerial authority in a law firm, shall make reasonable efforts to ensure that the firm has in effect measures giving reasonable assurance that the person's conduct is compatible with the professional obligations of the LLLT;

(b) an LLLT having direct supervisory authority over the non-LLLT shall make reasonable efforts to ensure that the person's conduct is compatible with the professional obligations of the LLLT; and

(c) an LLLT shall be responsible for conduct of such a person that would be a violation of the Rules of Professional Conduct if engaged in by an LLLT if:

(1) the LLLT orders or, with the knowledge of the specific conduct, ratifies the conduct involved; or



(2) the LLLT is a partner or has comparable managerial authority in the firm in which the person is employed, or has direct supervisory authority over the person, and knows of the conduct at a time when its consequences can be avoided or mitigated but fails to take reasonable remedial action.

### **Comment**

[1] This Rule was adapted from Lawyer RPC 5.3 with no substantive changes and applies to LLLTs analogously.

## **LLLT RPC 5.4 PROFESSIONAL INDEPENDENCE OF AN LLLT**

**(a)** An LLLT or LLLT firm shall not share legal fees with anyone who is not an LLLT, except that:

(1) an agreement by an LLLT with the LLLT's firm, partner, or LLLT associate may provide for the payment of money, over a reasonable period of time after the LLLT's death, to the LLLT's estate or to one or more specified persons;

(2) an LLLT who purchases the practice of a deceased, disabled, or disappeared LLLT or lawyer may, pursuant to the provisions of Rule 1.17, pay to the estate or other representative of that LLLT or lawyer the agreed-upon purchase price;

(3) an LLLT or LLLT firm may include employees who are not LLLTs in a compensation or retirement plan, even though the plan is based in whole or in part on a profit-sharing arrangement; and

(4) [Reserved.]

(5) an LLLT authorized to complete unfinished legal business of a deceased LLLT may pay to the estate or other representative of the deceased LLLT that proportion of the total compensation that fairly represents the services rendered by the deceased LLLT.

**(b)** An LLLT shall not form a partnership with anyone who is not an LLLT if any of the activities of the partnership consist of the practice of law.

**(c)** An LLLT shall not permit a person who recommends, employs, or pays the LLLT to render legal services for another to direct or regulate the LLLT's professional judgment in rendering such legal services.

**(d)** An LLLT shall not practice with or in the form of a professional corporation or association authorized to practice law for a profit, if:

(1) a person who is not an LLLT owns any interest therein, except that a fiduciary representative of the estate of an LLLT may hold the stock or interest of the LLLT for a reasonable time during administration;

(2) a person who is not an LLLT is a corporate director or officer (other than as secretary or treasurer) thereof or occupies the position of similar responsibility in any form of association other than a corporation; or

(3) a person who is not an LLLT has the right to direct or control the professional judgment of an LLLT.

### **Comment**

[1] This Rule was adapted from Lawyer RPC 5.4 with no substantive changes except to change references to a “nonlawyer” to “person who is not an LLLT” to avoid confusion. It applies to LLLTs analogously.

[2] Rule 5.4 does not prohibit lawyers and LLLTs from sharing fees and forming business structures to the extent permitted by Rule 5.9.

## **LLLT RPC 5.5 UNAUTHORIZED PRACTICE OF LAW**

(a) An LLLT shall not practice law in a jurisdiction in violation of the regulation of the legal profession in that jurisdiction, or assist another in doing so.

(b) [Reserved.]

(c) [Reserved.]

(d) [Reserved.]

### **Comment**

[1] Lawyer RPC 5.5(a) expresses the basic prohibition on a legal practitioner practicing law in a jurisdiction where that individual is not specifically licensed or otherwise authorized to practice law. It reflects the general notion (enforced through criminal-legal prohibitions and other law) that legal services may only be provided by those licensed to do so. This limitation on the ability to practice law is designed to protect the public against the rendition of legal services by unqualified persons. *See* Comment [2] to Lawyer RPC 5.5.

As applied to LLLTs, this principle should apply with equal force. An actively licensed LLLT should practice law as an LLLT only in a jurisdiction where he or she is licensed to do so, i.e., Washington State. An LLLT must not practice law in a jurisdiction where he or she is not authorized to do so. Unless and until other jurisdictions authorize Washington-licensed LLLTs to practice law, it will be unethical under this Rule for the LLLT to provide or attempt to provide

legal services extraterritorially. Relatedly, it is unethical to assist anyone in activities that constitute the unauthorized practice of law in any jurisdiction. *See also* APR 28(H)(6) (prohibiting an LLLT from providing services to a client in connection with a legal matter in another state unless permitted by the laws of that state to perform the services for the client).

[2] Lawyer RPC 5.5(b) through (d) define the circumstances in which lawyers can practice in Washington despite being unlicensed here. For example, lawyers actively licensed elsewhere may provide services on a temporary basis in Washington in association with a lawyer admitted to practice here or when the lawyer's activities "arise out of or are reasonably related to the lawyer's practice in his or her home jurisdiction." These provisions also recognize that certain non-Washington-licensed lawyers may practice here on more than a temporary basis (e.g., lawyers providing services authorized by federal law), and otherwise prohibit non-Washington-licensed lawyers from establishing a systematic and continuous presence in Washington for the practice of law.

These provisions are, at this time, unnecessary in the LLLT RPC because there are no limited licenses in other jurisdictions tantamount to Washington's LLLT rules and no need to authorize limited license practitioners in other jurisdictions to practice law in Washington, either temporarily or on an ongoing basis. For this reason, paragraphs (b) through (d) are reserved.

### **LLLT RPC 5.6 RESTRICTIONS ON RIGHT TO PRACTICE**

An LLLT shall not participate in offering or making:

(a) a partnership, shareholders, operating, employment, or other similar type of agreement that restricts the rights of an LLLT or lawyer to practice after termination of the relationship, except an agreement concerning benefits upon retirement; or

(b) an agreement in which a restriction on the LLLT's right to practice is part of the settlement of a client controversy.

### **Comment**

[1] This Rule was adapted from Lawyer RPC 5.6 with no substantive changes except to reflect that LLLTs and lawyers may practice in the same firm. It applies to LLLTs and to firms in which both LLLTs and lawyers are associated analogously.

### **LLLT RPC 5.7 RESPONSIBILITIES REGARDING LAW-RELATED SERVICES**

(a) An LLLT shall be subject to the LLLT RPC with respect to the provision of law-related services, as defined in paragraph (b), if the law-related services are provided:

(1) by the LLLT in circumstances that are not distinct from the LLLT's provision of legal services to clients; or

(2) in other circumstances by an entity controlled by the LLLT individually or with others if the LLLT fails to take reasonable measures to assure that a person obtaining the law-related services knows that the services are not legal services and that the protections of the client-LLLT relationship do not exist.

(b) The term "law-related services" denotes services that might reasonably be performed in conjunction with and in substance are related to the provision of legal services, and that are not prohibited as unauthorized practice of law when provided by anyone except an LLLT or a lawyer.

### **Comment**

[1] This Rule was adapted from Lawyer RPC 5.7 with no substantive changes except to change the reference to a "nonlawyer" (in Lawyer RPC 5.7(b)) to "anyone except an LLLT or a lawyer" (in Rule 5.7(b)) to avoid confusion. It applies to LLLTs analogously.

## **LLLT RPC 5.8 MISCONDUCT INVOLVING LLLTS AND LAWYERS NOT ACTIVELY LICENSED TO PRACTICE LAW**

(a) An LLLT shall not engage in the practice of law while on inactive status, or while suspended from the practice of law for any cause.

(b) An LLLT shall not engage in any of the following with an LLLT or lawyer who is disbarred or suspended, or who has resigned in lieu of disbarment or discipline or whose license has been revoked or voluntarily canceled in lieu of discipline:

- (1) practice law with or in cooperation with such an individual;
- (2) maintain an office for the practice of law in a room or office occupied or used in whole or in part by such an individual;
- (3) permit such an individual to use the LLLT's name for the practice of law;
- (4) practice law for or on behalf of such an individual; or
- (5) practice law under any arrangement or understanding for division of fees or compensation of any kind with such an individual.

### **Comment**

[1] This Rule was adapted from Lawyer RPC 5.8 with no substantive changes except to incorporate disciplinary dispositions applicable to LLLTs in paragraph (b). Otherwise, this Rule applies to LLLTs analogously.

**LLLT RPC 5.9**  
**BUSINESS STRUCTURES INVOLVING LLLT AND**  
**LAWYER OWNERSHIP**

(a) Notwithstanding the provisions of Rule 5.4, an LLLT may:

- (1) share fees with a lawyer who is in the same firm as the LLLT;
- (2) form a partnership with a lawyer where the activities of the partnership consist of the practice of law; or
- (3) practice with or in the form of a professional corporation, association, or other business structure authorized to practice law for a profit in which a lawyer owns an interest or serves as a corporate director or officer or occupies a position of similar responsibility.

(b) An LLLT and a lawyer may practice in a jointly owned firm or other business structure authorized by paragraph (a) of this Rule only if:

- (1) LLLTs do not direct or regulate any lawyer's professional judgment in rendering legal services;
- (2) LLLTs have no direct supervisory authority over any lawyer;
- (3) LLLTs do not possess a majority ownership interest or exercise controlling managerial authority in the firm; and
- (4) lawyers with managerial authority in the firm expressly undertake responsibility for the conduct of LLLT partners or owners to the same extent they are responsible for the conduct of lawyers in the firm under Lawyer RPC 5.1.

**Comment**

[1] This Rule codifies the proposition that LLLTs may enter into fee-sharing arrangements and for-profit business relationships with lawyers. It is an exception to the general prohibition stated in Rule 5.4 that LLLTs may not share fees or enter into business relationships with individuals other than LLLTs. Rule 5.4 governs an LLLT's responsibilities with respect to individuals who are neither LLLTs nor lawyers.

[2] In addition to expressly authorizing intra-firm fee-sharing and business structures between LLLTs and lawyers in paragraph (a), paragraph (b) of the Rule sets forth limitations on the role of LLLTs in jointly owned firms, specifying that regardless of an LLLT's ownership interest in such a firm, the business may not be structured in a way that permits LLLTs directly or indirectly to supervise lawyers or to otherwise direct or regulate a lawyer's independent professional judgment. This includes a limitation on LLLTs possessing a majority ownership interest or controlling managerial authority in a jointly owned firm, a structure that could result indirectly in nonlawyer decision-making affecting the professional independence of lawyers. Lawyer

managers, by contrast, will be required to undertake responsibility for a firm's LLLT owners by expressly assuming responsibility for their conduct to the same extent as they are responsible for the conduct of firm lawyers.

## **TITLE 6. PUBLIC SERVICE**

### **LLLT RPC 6.1 PRO BONO PUBLICO SERVICE**

Every LLLT has a professional responsibility to assist in the provision of legal services to those unable to pay. An LLLT should aspire to render at least thirty (30) hours of pro bono publico service per year. In fulfilling this responsibility, the LLLTs should:

**(a)** provide legal services without fee or expectation of fee to:

(1) persons of limited means or

(2) charitable, religious, civic, community, governmental, and educational organizations in matters which are designed primarily to address the needs of persons of limited means; and

**(b)** provide pro bono publico service through:

(1) [Reserved.]

(2) delivery of legal services at a substantially reduced fee to persons of limited means; or

(3) participation in activities for improving the law, the legal system or the legal profession.

Pro bono publico service may be reported annually on a form provided by the WSBA. An LLLT rendering a minimum of fifty (50) hours of pro bono publico service shall receive commendation for such service from the Limited License Legal Technician Board.

### **Comment**

[1] Paragraph (a) of this Rule was adapted from Lawyer RPC 6.1(a) with no substantive changes and applies to LLLTs analogously.

[2] Paragraph (b) of this Rule was adapted from Lawyer RPC 6.1(b) with no substantive changes except that paragraph (b)(1) is reserved. Lawyer RPC 6.1(b)(1) refers to the delivery of pro bono public services to individuals or organizations to secure civil rights, civil liberties or public rights, or to further the organizational purposes of certain not-for-profit organizations and entities. These kinds of services are beyond the scope of a LLLT's authority under APR 28. Accordingly, Rule 6.1(b)(1) is reserved. Otherwise, this Rule applies to LLLTs analogously.

### **LLLT RPC 6.2 [Reserved.]**

### **Comment**

[1] Lawyer RPC 6.2 relates to appointments by a tribunal for the representation of persons before that tribunal. These kinds of services are beyond the scope of an LLLT's authority under APR 28. Accordingly, Rule 6.2 is reserved.

## **LLLT RPC 6.3 MEMBERSHIP IN LEGAL SERVICES ORGANIZATION**

An LLLT may serve as a director, officer, or member of a legal services organization, apart from the firm in which the LLLT practices, notwithstanding that the organization serves persons having interests adverse to a client of the LLLT. The LLLT shall not knowingly participate in a decision or action of the organization:

(a) if participating in the decision or action would be incompatible with the LLLT's obligations to a client under Rule 1.7; or

(b) where the decision or action could have a material adverse effect on the representation of a client of the organization whose interests are adverse to a client of the LLLT.

### **Comment**

[1] This Rule was adapted from Lawyer RPC 6.3 with no substantive changes and applies to LLLTs analogously.

## **LLLT RPC 6.4 LAW REFORM ACTIVITIES AFFECTING CLIENT INTERESTS**

An LLLT may serve as a director, officer, or member of an organization involved in reform of the law or its administration notwithstanding that the reform may affect the interests of a client of the LLLT. When the LLLT knows that the interests of a client may be materially benefited by a decision in which the LLLT participates, the LLLT shall disclose that fact but need not identify the client.

### **Comment**

[1] This Rule was adapted from Lawyer RPC 6.4 with no substantive changes and applies to LLLTs analogously.

## **LLLT RPC 6.5 NONPROFIT AND COURT-ANNEXED LIMITED LEGAL SERVICE PROGRAMS**

(a) An LLLT who, under the auspices of a program sponsored by a nonprofit organization or court, provides short-term limited legal services to a client without expectation by either the LLLT or the client that the LLLT will provide continuing representation in the matter and without expectation that the LLLT will receive a fee from the client for the services provided:

(1) is subject to Rules 1.7, 1.9(a), and 1.18(c) only if the LLLT knows that the representation of the client involves a conflict of interest, except that those Rules shall not prohibit an LLLT from providing limited legal services sufficient only to determine eligibility of the client for assistance by the program and to make an appropriate referral of the client to another program;

(2) is subject to Rule 1.10 only if the LLLT knows that another LLLT or lawyer associated with the LLLT in a firm is disqualified by Rule 1.7 or 1.9(a), or by Lawyer RPC 1.7 or 1.9(a), with respect to the matter; and

(3) notwithstanding paragraph (1) and (2), is not subject to Rules 1.7, 1.9(a), 1.10, or 1.18(c) in providing limited legal services within the authorized scope of the LLLT's practice to a client if:

(i) any program LLLTs or lawyers representing the opposing clients are screened by effective means from information relating to the representation of the opposing client;

(ii) each client is notified of the conflict and the screening mechanism used to prohibit dissemination of information relating to the representation; and

(iii) the program is able to demonstrate by convincing evidence that no material information relating to the representation of the opposing client was transmitted by the personally disqualified LLLTs or lawyers to the LLLT representing the conflicting client before implementation of the screening mechanism and notice to the opposing client.

(b) Except as provided in paragraph (a)(2), Rule 1.10 is inapplicable to a representation governed by this Rule.

### **Comment**

[1] This Rule was adapted from Lawyer RPC 6.5 with no substantive changes except to reflect that LLLTs and lawyers may practice in the same firm and to reflect the authorized scope of an LLLT's practice. It applies to LLLTs and to firms in which both LLLTs and lawyers are associated analogously.

## **TITLE 7. INFORMATION ABOUT LEGAL SERVICES**

### **LLLT RPC 7.1**

#### **COMMUNICATIONS CONCERNING AN LLLT'S SERVICES**

An LLLT shall not make a false or misleading communication about the LLLT or the LLLT's services. A communication is false or misleading if it contains a material misrepresentation of fact or law, or omits a fact necessary to make the statement considered as a whole not materially misleading.



### Comment

[1] This Rule was adapted from Lawyer RPC 7.1 with no substantive changes and applies to LLLTs analogously. *See also* APR 28(H)(1) (prohibiting an LLLT from making any statement that the LLLT can or will obtain special favors from or has special influence with any court or governmental agency).

### LLLT RPC 7.2 ADVERTISING

(a) Subject to the requirements of Rules 7.1 and 7.3, an LLLT may advertise services through written, recorded, or electronic communication, including public media.

(b) An LLLT shall not give anything of value to a person for recommending the LLLT's services, except that an LLLT may

- (1) pay the reasonable cost of advertisements or communications permitted by this Rule;
- (2) pay the usual charges of a legal service plan or a not-for-profit LLLT referral service;
- (3) pay for a law practice in accordance with Rule 1.17; and

(4) refer clients to a lawyer or to another LLLT pursuant to an agreement not otherwise prohibited under these Rules that provides for the other person to refer clients or customers to the LLLT, if

- (i) the reciprocal referral agreement is not exclusive, and
- (ii) the client is informed of the existence and nature of the agreement.

(c) Any communication made pursuant to this Rule shall include the name and office address of at least one LLLT or law firm responsible for its content.

### Comment

[1] This Rule was adapted from Lawyer RPC 7.2 with no substantive changes except to reflect that client referrals may occur reciprocally between lawyers and LLLTs. It applies to LLLTs analogously.

[2] This Rule prohibits LLLTs from paying others for referrals. *See also* Rule 1.5(e) (prohibiting the division of fees with another LLLT or lawyer who is not in the same firm as the LLLT); Rule 5.4 (subject to Rule 5.9, prohibiting the sharing of fees with anyone who is not an LLLT).

[3] In advertising, an LLLT also has an affirmative obligation to communicate the fact that the LLLT has a limited license to practice in the particular fields of law for which the LLLT is licensed and is prohibited from stating or implying that the LLLT is licensed to practice in any

other areas of law, or has an unlimited license to practice law in any area of law. *See* Rule 7.4(a).

### **LLLT RPC 7.3 DIRECT CONTACT WITH PROSPECTIVE CLIENTS**

(a) An LLLT shall not directly or through a third person, by in-person, live telephone, or real-time electronic contact solicit professional employment from a prospective client when a significant motive for the LLLT's doing so is the LLLT's pecuniary gain, unless the person contacted:

- (1) is a lawyer or an LLLT;
- (2) has a family, close personal, or prior professional relationship with the LLLT; or
- (3) has consented to the contact by requesting a referral from a not-for-profit LLLT referral service.

(b) An LLLT shall not solicit professional employment from a prospective client by written, recorded or electronic communication or by in-person, telephone, or real-time electronic contact even when not otherwise prohibited by paragraph (a), if;

- (1) the prospective client has made known to the LLLT a desire not to be solicited by the LLLT; or
- (2) the solicitation involves coercion, duress or harassment.

(c) [Reserved.]

(d) Notwithstanding the prohibitions in paragraph (a), an LLLT may participate with a prepaid or group legal service plan operated by an organization not owned or directed by the LLLT that uses in-person or telephone contact to solicit memberships or subscriptions for the plan from persons who are not known to need legal services in a particular matter covered by the plan.

### **Comment**

[1] This Rule was adapted from Lawyer RPC 7.3 with no substantive changes except to reflect that LLLTs may solicit employment from lawyers as well as other LLLTs, and that referral services may refer to both lawyers and LLLTs. This Rule applies to LLLTs analogously.

### **LLLT RPC 7.4 COMMUNICATION OF FIELDS OF PRACTICE AND SPECIALIZATION**

(a) In all advertising, an LLLT shall communicate the fact that the LLLT has a limited license practice in the particular fields of law for which the LLLT is licensed, and shall not state

or imply that an LLLT is licensed to practice in any other areas of law, or has an unlimited license to practice law in any area of law.

(b) [Reserved.]

(c) [Reserved.]

(d) An LLLT shall not state or imply that an LLLT is "certified," a "specialist," or an "expert," or use any other similar term to describe his or her qualifications as an LLLT, but may identify any award or recognition that the LLLT has received from a group, organization, or association. If an LLLT has received any other legal title, credential, or certificate from any group, organization, or association, then the LLLT may identify the legal title, credential, or certificate provided that the reference must:

(1) be truthful and verifiable and otherwise comply with Rule 7.1;

(2) identify the group, organization, or association that issued the legal title, credential, or certificate; and

(3) state that the Supreme Court of Washington does not recognize certification of specialties in the practice of law and that the legal title, credential, or certificate is not a requirement of the LLLT's limited license to practice in the particular fields of law for which the LLLT is licensed.

### **Comment**

[1] An LLLT's license to provide legal services is unique and may not be understood by persons who are not familiar with the limited scope of practice of an LLLT and with the differences between an LLLT and a lawyer. Advertising is designed to help educate the public on the availability of legal services, but advertising by an LLLT may not be false or misleading. *See* Rule 7.1. In order to avoid confusion about the scope of services that an LLLT can provide as distinct from the broader scope of services that a lawyer is authorized to provide, advertising by an LLLT must communicate that an LLLT may deliver legal services only within a limited scope. Accordingly, Rule 7.4(a) differs from Lawyer RPC 7.4(a) in that it requires that all advertising by an LLLT communicate relevant facts concerning the scope of the LLLT's license and expressly prohibits communications that state or imply that the LLLT's license exceeds that scope.

[2] Lawyer RPC 7.4(b) pertains to a patent practice before the United States Patent and Trademark Office, a practice that exceeds the authorized scope of APR 28. Accordingly, Rule 7.4(b) is reserved.

[3] Lawyer RPC 7.4(c) pertains to an admiralty practice, a practice that exceeds the authorized scope of APR 28. Accordingly, Rule 7.4(c) is reserved.

[4] In order to avoid confusion about the scope of services that an LLLT can provide, APR 28(H)(4) prohibits an LLLT from representing or advertising, in connection with the provision of legal services, other legal titles or credentials that could cause a client to believe that the LLLT possesses professional legal skills beyond those authorized by the license held by the LLLT. The terms “certified,” “specialist,” “expert,” and similar terms suggest achievement of skills beyond those that are authorized by the LLLT’s license, and may not be used when describing an LLLT’s credentials. Other titles and recognitions, however, may provide useful information that is not likely to mislead clients or potential clients concerning the skills and authorized scope of an LLLT’s practice. Accordingly, if an LLLT has received a legal title, credential, or certificate from a group, organization, or association, the LLLT may identify that title, credential, or certificate so long as communications about it meet the requirements enumerated in Rule 7.4(d)(1)-(3). Those requirements are substantially similar to Lawyer Rule 7.4(d)(1)-(3). An LLLT may also identify awards and recognitions that the LLLT has received from a group, organization, or association.

### **LLLT RPC 7.5 FIRM NAMES AND LETTERHEADS**

**(a)** An LLLT shall not use a firm name, letterhead, or other professional designation that violates Rule 7.1. A trade name may be used by an LLLT in private practice if the trade name does not imply that lawyers are members or employees of the firm unless that is the case, and if it does not imply a connection with a government agency or with a public or charitable legal services organization and is not otherwise in violation of Rule 7.1. If there are no lawyers in the firm, any firm name used by an LLLT in private practice shall include the words "Legal Technician."

**(b)** A law firm with offices in more than one jurisdiction may use the same name or other professional designation in each jurisdiction, but identification of the lawyers or LLLTs in an office of the firm shall indicate the jurisdictional limitations on those not licensed to practice in the jurisdiction where the office is located.

**(c)** The name of an LLLT or lawyer holding a public office shall not be used in the name of a law firm, or in communications on its behalf, during any substantial period in which the LLLT or lawyer is not actively and regularly practicing with the firm.

**(d)** LLLTs may state or imply that they practice in a partnership or other organization only when that is a fact.

### **Comment**

[1] This Rule was adapted from Lawyer RPC 7.5 with no substantive changes except that provisions have been added to subpart (a) to require that any trade name not imply that lawyers are members or employees of the firm unless that is the case, and that, if there are no lawyers in the firm, any trade name include the words “Legal Technician.” Otherwise, this Rule applies to LLLTs analogously.

[2] An LLLT's license to provide legal services is unique and may not be understood by persons who are not familiar with the limited scope of an LLLT's practice and with the differences between an LLLT and a lawyer. A trade name is a brand and is therefore similar to forms of advertising and is often used in advertising. A trade name must not be false or misleading. *See* Rules 7.1 and 7.4. In order to avoid confusion, trade names should communicate the nature of the legal services that a licensed practitioner or firm can deliver. Rule 7.5(a) requires that any trade name communicate relevant facts concerning the scope of the legal services that can be delivered by the legal professional or firm.

**LLLT RPC 7.6**  
**POLITICAL CONTRIBUTIONS TO OBTAIN GOVERNMENT LEGAL**  
**ENGAGEMENTS OR APPOINTMENTS BY JUDGES**

An LLLT or law firm shall not accept a government legal engagement or an appointment by a judge if the LLLT or law firm makes a political contribution or solicits political contributions for the purpose of obtaining or being considered for that type of legal engagement or appointment.

**Comment**

[1] This Rule was adapted from Lawyer RPC 7.6 with no substantive changes and applies to LLLTs analogously.

**TITLE 8. MAINTAINING THE INTEGRITY OF THE PROFESSION**

**LLLT RPC 8.1**  
**LICENSING, ADMISSION, AND DISCIPLINARY MATTERS**

An applicant for an LLLT license, or an LLLT in connection with an application for reinstatement or admission to the Bar or a disciplinary matter involving a legal practitioner shall not:

(a) knowingly make a false statement of material fact; or

(b) fail to disclose a fact necessary to correct a misapprehension known by the person to have arisen in the matter, or knowingly fail to respond to a lawful demand for information from a licensing or disciplinary authority, except that this Rule does not require disclosure of information otherwise protected by Rule 1.6.

**Comment**

[1] This Rule was adapted from Lawyer RPC 8.1 with no substantive changes. This Rule applies to LLLTs analogously.

**LLLT RPC 8.2**  
**JUDICIAL AND LEGAL OFFICIALS**

(a) An LLLT shall not make a statement that the LLLT knows to be false or with reckless disregard as to its truth or falsity concerning the qualifications, integrity, or record of a judge, adjudicatory officer, or public legal officer, or of a candidate for election or appointment to judicial or legal office.

(b) [Reserved.]

### **Comment**

[1] Rule 8.2(a) was adapted from Lawyer RPC 8.2(a) with no substantive changes and applies to LLLTs analogously.

[2] Lawyer Rule 8.2(b) pertains to lawyers who are candidates for judicial office. Judges in the judicial branch of the state of Washington must be lawyers. Accordingly, Rule 8.2(b) does not apply to LLLTs and is reserved.

## **LLLT RPC 8.3 REPORTING PROFESSIONAL MISCONDUCT**

(a) An LLLT who knows that another LLLT or a lawyer has committed a violation of the applicable Rules of Professional Conduct that raises a substantial question as to that LLLT's or that lawyer's honesty, trustworthiness, or fitness as an LLLT or lawyer in other respects, should inform the appropriate professional authority.

(b) An LLLT who knows that a judge has committed a violation of applicable rules of judicial conduct that raises a substantial question as to the judge's fitness for office should inform the appropriate authority.

(c) This Rule does not permit an LLLT to report the professional misconduct of another LLLT, a lawyer, or a judge to the appropriate authority if doing so would require the LLLT to disclose information otherwise protected by Rule 1.6.

### **Comment**

[1] This Rule was adapted from Lawyer RPC 8.3 with no substantive changes except to reflect that LLLTs have the same rights and responsibilities with respect to the actions of lawyers that they have with respect to the actions of LLLTs. It applies to LLLTs analogously.

## **LLLT RPC 8.4 MISCONDUCT**

It is professional misconduct for an LLLT to:

(a) violate or attempt to violate the LLLT RPC, knowingly assist or induce another to do so, or do so through the acts of another;

**(b)** commit a criminal act that reflects adversely on the LLLT's honesty, trustworthiness, or fitness as an LLLT in other respects;

**(c)** engage in conduct involving dishonesty, fraud, deceit, or misrepresentation;

**(d)** engage in conduct that is prejudicial to the administration of justice;

**(e)** state or imply an ability to influence improperly a government agency or official or to achieve results by means that violate the LLLT Rules of Professional Conduct or other law;

**(f)** knowingly assist

(1) a judge or judicial officer in conduct that is a violation of applicable rules of judicial conduct or other law or

(2) a lawyer in conduct that is a violation of the lawyer Rules of Professional Conduct or other law;

**(g)** commit a discriminatory act prohibited by state law on the basis of sex, race, age, creed, religion, color, national origin, disability, sexual orientation, or marital status, where the act of discrimination is committed in connection with the LLLT's professional activities. In addition, it is professional misconduct to commit a discriminatory act on the basis of sexual orientation if such an act would violate this Rule when committed on the basis of sex, race, age, creed, religion, color, national origin, disability, or marital status. This Rule shall not limit the ability of an LLLT to accept, decline, or withdraw from the representation of a client in accordance with Rule 1.16;

**(h)** in representing a client, engage in conduct that is prejudicial to the administration of justice toward LLLTs, lawyers, judges, other parties, witnesses, jurors, or court personnel or officers, that a reasonable person would interpret as manifesting prejudice or bias on the basis of sex, race, age, creed, religion, color, national origin, disability, sexual orientation, or marital status. This Rule does not restrict an LLLT from assisting a client to advance material factual or legal issues or arguments.

**(i)** commit any act involving moral turpitude, or corruption, or any unjustified act of assault or other act which reflects disregard for the rule of law, whether the same be committed in the course of his or her conduct as an LLLT, or otherwise, and whether the same constitutes a felony or misdemeanor or not; and if the act constitutes a felony or misdemeanor, conviction thereof in a criminal proceeding shall not be a condition precedent to disciplinary action, nor shall acquittal or dismissal thereof preclude the commencement of a disciplinary proceeding;

**(j)** willfully disobey or violate a court order directing him or her to do or cease doing an act which he or she ought in good faith to do or forbear;

**(k)** violate his or her oath as an LLLT;

(l) violate a duty or sanction imposed by or under the ELLLTTC in connection with a disciplinary matter; including, but not limited to, the duties catalogued at ELLLTTC 1.5;

(m) [Reserved.];

(n) engage in conduct demonstrating unfitness to practice law; or

(o) violate or attempt to violate APR 28 (F)-(H) or Appendix APR 28 Regulation 2.

### **Comment**

[1] This Rule was adapted from Lawyer RPC 8.4 with no substantive changes except as discussed in these Comments, and otherwise applies to LLLTs analogously.

[2] An LLLT holds a unique form of license to practice law. As a legal professional, an LLLT has a duty to uphold the integrity of the justice system and of those who are authorized to participate in it as judges, lawyers, and LLLTs. Rule 8.4(f)(1) prohibits an LLLT from knowingly assisting a judge or judicial officer in conduct that violates applicable rules of judicial conduct or other law. Rule 8.4(f)(2) adds a prohibition against knowingly assisting a lawyer in conduct that violates the Lawyer RPC or other law. Rule 8.4(f)(2) is substantially identical to Rule 8.4(f)(1) except for its reference to the applicable code of conduct and should be interpreted and applied analogously. Similarly, Rule 8.4(h) has been modified to reflect that an LLLT's obligation to avoid conduct that is prejudicial to the administration of justice extends to an LLLT's conduct toward lawyers.

[3] Lawyer Rule 8.4(m) pertains to lawyers who serve as judges. Judges in the judicial branch of the state of Washington must in nearly all instances be lawyers. Accordingly, because Rule 8.4(m) will have little or no applicability to LLLTs, it is reserved.

[4] LLLTs are subject to discipline when they violate or attempt to violate the LLLT RPC, knowingly assist or induce another to do so, or do so through the acts of another, as when they require or instruct an agent to do so on the LLLT's behalf. In this way, LLLTs are held to the same standards that apply to lawyers. Rule 8.4(o), which does not appear in the Lawyer RPC, states that violating or attempting to violate APR 28(F-H) or Appendix APR 28 Regulation 2 is professional misconduct that subjects an LLLT to discipline.

### **LLLT RPC 8.5 DISCIPLINARY AUTHORITY**

**(a) Disciplinary Authority.** An LLLT licensed to practice in this jurisdiction is subject to the disciplinary authority of this jurisdiction, regardless of where the LLLT's conduct occurs.

(b)[Reserved.]

(c) [Reserved.]



### **Comment**

[1] The first sentence of Rule 8.5 was adapted from the first sentence of Lawyer RPC 8.5 with no substantive changes and applies to LLLTs analogously.

[2] An LLLT holds a unique form of license to practice law. Unlike lawyers, LLLTs are not recognized licensed legal practitioners in jurisdictions other than Washington. With the exception of the first sentence of Lawyer RPC 8.5, that rule applies either to the conduct of lawyers from this jurisdiction who practice law in another jurisdiction, lawyers from another jurisdiction who practice law in this jurisdiction, and lawyers who serve as judges or justices. For this reason, paragraphs (b) and (c) are reserved.

[Adopted effective February 3, 2015; Amended effective June 4, 2019.]

### **APPENDIX** [Reserved.]