

**DISCUSSION:****Late Fee Assessment – CLE Sponsor Attendance Submissions**

**Discussion Summary: Should the attendance late fees for CLE Sponsors, which are assessed when a CLE Sponsor reports attendance past the 30-day deadline, be assessed per each late attendance submission or only once per activity?**

**Background**

As part of developing the new online MCLE System staff would like the MCLE Board to be aware and potentially reconsider the way attendance late fees for CLE Sponsors is currently being assessed.

**Current Attendance Late Fee Assessment**

When a CLE sponsor submits attendance for a CLE 30 days after the CLE takes place a late fee is assessed. This fee is currently being assessed every time the CLE sponsor uploads a late attendance submission. Fees are not based on the number of attendees, or on the number of days late, but rather the number of times attendance is submitted after the deadline. Licensed Legal Professionals are not required to pay any late attendance fees if they self-report their own attendance.

*Example Scenario 1*

CLE Sponsor submits late attendance three different times for the same activity and is assessed a late attendance fee each time.

- **31 days after the CLE:** Sponsor submits attendance for 15 attendees 31 days after the CLE. A \$50 late fee is assessed.
- **32 days after the CLE:** Sponsor then submits an additional attendance for 10 attendees an additional \$50 late fee is assessed.
- **90 days after the CLE:** Sponsor then submits attendance for 1 attendee and an additional \$50 late fee is assessed. Attendance is processed only once late fee is paid.
- In this scenario three attendance late fees have been assessed for a single activity for a total of \$150.

**Possible Alternative:***Example Scenario 2*

CLE Sponsor submits late attendance three different times for the same activity and is assessed one late fee.

- **31 days after the CLE:** Sponsor submits attendance for 15 attendees 31 days after the CLE. A \$50 late fee is assessed.
- **32 days after the CLE:** Sponsor then submits an additional attendance for 10 attendees—as late fee has already been assessed for this activity no additional fee is assessed.
- **90 days after the CLE:** Sponsor then submits attendance for 1 attendee —as late fee has already been assessed for this activity no additional fee is assessed.

- In this scenario only one late fee has been assessed.

#### **Possible Discussion Topics:**

- Do multiple late attendance fees discourage CLE sponsors from performing their sponsor duty to report attendance?
- Should the CLE Sponsor continue to be charged multiple times to encourage timely reporting?
- What are the budget implications of a change to the late fee assessment for CLE sponsor reporting attendance late?
- Equity Assessment
  - o Who would be impacted by this change?
- Should the fees continue to be assessed based on each individual late submission or change to one attendance late fee per activity?

#### **Next Steps if changing the fee structure:**

The new fee structure would need to be approved WSBA Board of Governors per APR 11(d)(2)(v)

- ... A memo will need to be drafted for the Board of Governors meeting.
- When to implement?
  - A possible timeline is to launch with the upcoming new online MCLE system and implement as soon as IT can develop the code changes.

#### **Relevant Rules:**

APR 11(d)(2)(v):

Fees. The MCLE Board shall determine and adjust fees for the failure to comply with these rules and to defray the reasonably necessary costs of administering these rules. Fees shall be approved by the Board of Governors.

APR 11 (j)(3):

The sponsor must submit an attendance report in a form and manner as prescribed by the Bar and pay the required reporting fee no later than 30 days after the conclusion of the course. A late fee will be assessed for failure to report attendance by the deadline.

Fiscal Year	Total Revenue for CLE Sponsor Attendance Late Fees	Late Fee Revenue from activities with multiple late fees (excludes original late fee assessed)
FY2020	\$97,900	\$8,500
FY2021	\$115,221	\$12,650
FY2022	\$119,450	\$16,250
FY2023 YTD	\$77,700 – as of April 30, 2023 (\$98,000 budgeted for FY2023)	\$8,300– as of 5/31/23

#### **Enclosed Documents:**

- **Current MCLE Fee Structure**
- **MCLE Budget Summary April 2023**