

License Fee Policy (Adopted by the Board of Governors on July 18, 2025)

A. Purpose

To create a consistent approach to setting license fees by which fees increase in alignment with an annual market measure (based on an industry benchmark defined in section D) that more closely ties to actual increases in the cost of doing business, while also incorporating flexibility to adjust the fee based on availability of reserves.

B. Policy

a. Policy regarding growth of the license fee

In order to maintain existing programing and services, it is anticipated that license fees will be adjusted annually to account for increasing costs, including facilities, salaries and benefits, and direct costs. Adjustments will vary based on membership trends and the changes to the industry benchmark defined in section D. From that basepoint assumption, the license fee may need to be adjusted up or down to account for shifts in programming and the availability of reserves. Because license fees are set before all organizational needs are identified, WSBA should maintain reserves sufficient to seed desired shifts in programming, which will require adjustments to license fees to maintain.

b. Policy regarding use of license fees

License fees are collected primarily to cover the cost of regulation, as well as programs mandated by the Supreme Court. At the discretion of the Board of Governors, license fees are also used to support programing, services, and the development of tools to serve other aspects of the mission, including supporting legal professionals to better serve the public and other purposes as articulated in GR12.

WSBA shall determine the criteria for evaluating all programs and services to determine resource allocation. Examples of criteria for evaluating member benefits could include: (1) how many members the activity can potentially benefit, (2) how closely the benefit is tied to or furthers a strategic goal, (3) how popular the benefit is, and (4) cost per member to fully or partially subsidize.

C. Process for developing a proposed license fee

Step 1: An effective license fee increase will be developed based on membership trends and apply the industry benchmark (defined in section D). This is considered the status quo effective license fee.

Step 2: Identify desired program shifts and their impact on the effective license fee.

Step 3: The effective license fee can be adjusted up or down based on the level of required reserves, as well as the level of reserves available. This is considered the status quo actual license fee change.

D. Industry Benchmark

Inflation reflects the average change in the price of goods and services over time. WSBA will use the Cost-of-Living Adjustment (COLA) for Washington State L&I as the industry benchmark for calculating the effective license fee. The rate is established annually and will be used to developing a license fee recommendation in alignment with WSBA's annual budget and license fee approval process.
