

STATE BAR OF CALIFORNIA
 BUDGET-TO-ACTUAL VARIANCE ANALYSIS FOR THE SIX MONTHS ENDED JUNE 30, 2024
 REVENUE VARIANCES +/- \$100,000

ATTACHMENT D

	Cost Center	Cost Center Description	Revenue Category	Account	Account Description	2024 YTD Actual	2024 YTD Budget	YTD Variance Fav (Unfav)	Variance Explanation
FUND 110 - ADMINISTRATION & DISCIPLINE									
1	0001	Admin & Discipline Fund	Licensing Fees and Donations	40110	Mandatory Licensee Fees	\$ 82,336,364	\$ 82,625,000	\$ (288,636)	Variance is due to fewer active attorneys paid than projected due to an aggressive growth target.
2				40310	Penalties-Current Year	933,545	714,000	\$ 219,545	Variance is due to more penalties received as more attorneys paid past the deadline.
3			47110	Investment Income	1,950,712	1,350,000	\$ 600,712	Variance is due to continued higher than anticipated interest rates earned in our money market and investments purchased during the year.	
4			47210	Investment Income	248,925	Unrealized Gain/Loss on Invest	-	\$ 248,925	Gains and Losses are not budgeted.
5	9110	Regulation	Other Fees	42380	Late Compliance Fees	2,267,975	350,000	\$ 1,917,975	Variance is due to late fees from CTAPP non-compliance. The budget assumed that CTAAP non-compliance and penalties would be zero in the program's second year. A significant number of attorney did not meet the compliance deadline, leading to higher than expected revenue. The \$350K budget was only for MCLE non-compliance fees.
6	9111	Child & Family Support	Other Fees	45901	All Other Miscellaneous	123,869	-	\$ 123,869	Variance is due to administrative reimbursements for administering the State Licensing Match System (SLMS) with the California Department of Child Support Services for the previous three-years. This is not normally budgeted.
FUND 118 - LEGAL EDUCATION AND DEVELOPMENT FUND									
7	1120	Group Insurance Programs	Affinity Insurance Revenue	45802	Life	1,103,347	1,275,000	\$ (171,653)	Variance is due to policy holder attrition after change in insurance carrier. These funds are disbursed to outside agencies - California Lawyers Association (CLA) and CalBar Affinity, and have no financial impact to the State Bar. There is an offsetting variance in the Passthrough account (Below) to record the disbursements.
8				45820	Passthroughs	(1,160,146)	(1,327,000)	\$ 166,854	Variance is due to a drop in Life Insurance Policy revenue (above) as there was less revenue to pass-through/disburse to CLA and CalBar Affinity.
FUND 228 - LEGAL SERVICES TRUST FUND									
9	8218	LSTF Grants	Grant Revenue	44310	IOLTA Revenue	86,110,669	60,668,700	\$ 25,441,969	Variance due to a continuation of significantly larger account balances than estimated in the budget.
10			Investment Income	47110	Investment Income	4,352,496	2,525,000	\$ 1,827,496	Variance is due to continued higher than anticipated interest rates earned and larger investments purchased during the year.
11			Investment Income	47210	Unrealized Gain/Loss on Invest	369,756	-	\$ 369,756	Gains and Losses are not budgeted.
12	8223	LSTF Asset BU	Licensing Fees and Donations	41110	Voluntary Fees/Donations	6,429,623	6,300,000	\$ 129,623	Variance is due fewer attorneys opting out of Legal Services voluntary fees.
FUND 229 - EQUAL ACCESS									
13	8225	Equal Access - Grants	Grant Revenue	44130	Ptnr Grant - EAF	4,101,185	4,695,000	\$ (593,815)	Variance is due to grant funds returned to the State Bar in 2023 and disbursed in 2024.
14	8227	Justice Gap Fund - BU	Licensing Fees and Donations	41113	Voluntary Fees/Donations – Cy Pres	732,143	-	\$ 732,143	Variance is due to Cy Pres donations from legal settlements that are unbudgeted.
FUND 312 - GRANTS									
15	8237	Equal Access - Homeless Prevention III	Grant Revenue	44110	Grant Revenue	27,086,081	26,000,000	\$ 1,086,081	Variance is due to re-distribution of funds in 2024 from returned, unused grantee funds from 2023.

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16	8241	CARE Court	Grant Revenue	44210	Grant Administrative Cost Reimb.	307,602	745,000	\$ (437,398)	Variance is due to reduced funding, coupled with staff turnover, resulting in less billable time. Billings are expected to ramp up and close this gap with staff time dedicated to closing out the grant and the associated reporting.
17	2340	AccessLex	Grant Revenue	44410	Other Grants	2,788	230,000	\$ (227,213)	\$110K of the variance is due to timing of invoices received; the remainder will not be spent as it was not funded by AccessLex.
FUND 320 - ADMISSIONS									
18	8316	Admissions Revenue	Exam App. & Moral Char. Fees	43320	Attorney Applic.-New July	3,041,594	3,225,000	\$ (183,406)	Variance is due to fewer July exam attorney applicants than anticipated in the budget.
19				43110	Applic. Fees-New February	2,960,823	3,230,000	\$ (269,177)	Variance is due to fewer Feb exam student applicants than anticipated in the budget.
20				43120	Attorney Applic.-New February	2,519,922	2,189,000	\$ 330,922	Variance is due to more Feb exam attorney applicants than anticipated in the budget.
21				43310	Applic. Fees-New July	6,329,791	5,950,000	\$ 379,791	Variance is due to more July exam student applicants than anticipated in the budget.
22				43330	Laptop Fee-July	1,389,048	1,260,000	\$ 129,048	Variance is due to more July exam applicants than anticipated in the budget.
23				42402	Determination	3,034,063	2,785,000	\$ 249,063	Variance is due to more moral character applicants than anticipated in the budget.

STATE BAR OF CALIFORNIA
 BUDGET-TO-ACTUAL VARIANCE ANALYSIS FOR THE SIX MONTHS ENDED JUNE 30, 2024
 EXPENSE VARIANCES +/- \$100,000

	Cost Center	Cost Center Description	Expense Category	Account	Account Description	2024 YTD Actual	2024 YTD Budget	YTD Variance Fav/(Unfav)	Variance Explanation
FUND 110 - ADMINISTRATION & DISCIPLINE									
1	1210	Strategic Communications	Personnel Expenses	50110	Regular Salaries	352,715	496,502	\$ 143,787	Variance is due to vacancies. 8 FTEs were budgeted and only 5 were filled at the beginning of the year. The office averaged 2.5 FTE vacancies in the first six months due to recruitments which took several months to fill.
2	1210	1310 Public Trust Liaison	Personnel Expenses	52105	Professional Services	125,399	236,744	\$ 111,345	Variance is due to project delays with the Contact Center implementation. These expenses will be realized later in the year.
3	6110	Chief Trial Counsel	Personnel Expenses	50250	CalPERS Employer Share	2,703,846	2,976,154	\$ 272,308	Variance is due to CalPERS Unfunded Accrued Liability (UAL) over-budgeting. The budget was developed assuming the unfunded rate applied to 100% of budgeted 2024 salaries. The actual charges are derived from the actuarial valuation with a 2022 measurement (latest valuation available), prior to the latest MOU. A budget transfer is being requested to transfer these funds to cover unanticipated expenses.
4				52105	Professional Services	20,376	175,397	\$ 155,021	Variance is due to lower case activity for outside counsel compared to last year. The budget was based on 2023 actuals for outside counsel.
5				50120	Casual Hourly Pay	190,179	-	\$ (190,179)	Variance is due to the budget including long-term casual attorneys and paralegals hired to address the case backlog in the salaries account. However, the actual costs are being recorded in this casual hourly account. Casual hourly staff actuals are in line with budget.
6				Payouts and Reimbursements	58230	CSF proc. Costs reimb. Collect	(872,296)	(1,132,409)	\$ 260,113
7	6120	Rule 2201 Conflict Cases	Professional Services	52105	Professional Services	319,151	534,299	\$ 215,148	Variance is due to less referrals from OCTC, resulting in less expenses in the first half of the year. In addition, recent hires to the Rule 2201 program have prior OCTC experience and are processing cases more efficiently.
8	7110	Clerk of the Court	Professional Services	50130	Special - Other Salary	-	150,000	\$ 150,000	Variance is due to implementation of judges' stipends, which is on hold pending fee bill passage but is expected to be incurred by end of year.
9	9110	Regulation	Personnel Expenses	50110	Regular Salaries	1,087,731	1,367,002	\$ 279,271	Variance is due to vacancies. 23.7 FTEs were budgeted and only 20 were filled at the beginning of the year. The office averaged 3 FTE vacancies through the first six months. Salary savings were offset (\$242K) by hiring temporary help (below) in response to the backlog of attorney emails.
10				50410	Temporary Outside Help/Contractors	242,468	-	\$ (242,468)	Variance due to hiring of temporary help in response to the backlog of attorney emails. The emails included matters such as compliance status for CTAPP and MCLE, payments, various individual account matters. This is offset by regular salary savings variance above.
11	9210	Professional Competence	Professional Services	52105	Professional Services	60,743	208,000	\$ 147,257	Variance is due to a slowdown of e-learning projects due to vendor issues.
FUND 123 - SUPPORT AND ADMINISTRATION									
12	5210	Human Resources	Personnel Expenses	50410	Temporary Outside Help/Contractors	-	120,000	\$ 120,000	HR has not used any of the budgeted temp help. However, HR hired casual hourly staff and cost are being incurred in that account. Temp help and casual hourly staff is often used interchangeably by offices. Net savings from temporary help line is \$91K.
13	5310	Information Technology	Computers & Software	55440	Software Maintenance	1,968,548	1,804,395	\$ (164,153)	Variance is due to a misalignment of invoice allocation and the budget, which will be resolved by the end of the year.
14	4110	General Counsel	Personnel Expenses	50110	Regular Salaries	1,844,184	2,143,499	\$ 299,315	Variance is due to vacancies. 26 FTEs were budgeted and only 20 were filled at the beginning of the year. The office has averaged 5 FTE vacancies through the first six months.
15				50150	Severance	162,131	-	\$ (162,131)	Variance is due to severance payout to staff upon separation, that is not historically budgeted.

	Cost Center	Cost Center Description	Expense Category	Account	Account Description	2024 YTD Actual	2024 YTD Budget	YTD Variance Fav/(Unfav)	Variance Explanation
16	5530	Risk Management/Insurance	Building Operations	51310	Insurance	580,689	748,998	\$ 168,309	Variance is primarily from savings on earthquake policy due to sale of the San Francisco building.
17	4110	General Counsel	Professional Services	52105	Professional Services	505,668	635,000	\$ 129,332	Variance is due to delayed invoice submissions and fewer referrals to Outside Counsel, as in-house attorneys are absorbing a greater share of the case load.
18	5310	Information Technology	Professional Services	52105	Professional Services	1,318,282	1,996,593	\$ 678,311	Variance is due to IT projects that are delayed and/or in review.
19			Computers & Software	55470	Equipment - Hardware Purch. Ca	4,252	322,500	\$ 318,248	Variance is due to delayed start of two projects. More expenses will be incurred the later part of the year.
20			Personnel Expenses	50110	Regular Salaries	2,577,006	2,466,002	\$ (111,004)	Variance is due to payouts of vacation and sick leave for multiple employees at the time of their separation.
FUND 227 - CLIENT SECURITY									
21	8720	Client Security Fund	Payouts and Reimbursements	58110	CSF Applications Paid	1,480,843	2,221,079	\$ 740,236	Variance is due to fewer applications eligible for payment than budgeted in the first half of the year. CSF anticipates more payouts in the second half of the year, ending the year at approximately \$6.0M out of the \$6.9M annual budget.
FUND 228 - LEGAL SERVICES TRUST FUND									
22	8219	LSTF Administration	Professional Services	52105	Professional Services	266,132	460,250	\$ 194,118	Variance is due to delayed spending. No savings are expected for the year and will ramp up in second half of the year.
FUND 229 - EQUAL ACCESS									
23	8224	Equal Access -Admin	Professional Services	52105	Professional Services	106,939	235,000	\$ 128,061	Variance is due to delayed spending. No savings are expected for the year and will ramp up in second half of the year.
24	8225	Equal Access - Grants	Legal Services Grants	53010	Grants Expenses	19,838,158	20,547,500	\$ 709,342	Variance is due to the return of prior year revenue of \$0.6M plus \$0.1M returned from 2024 disbursements.
FUND 237 - BANK SETTLEMENT									
25	8228	BofA-Second Settlement	Legal Services Grants	53010	Grants Expenses	2,260,285	4,521,000	\$ 2,260,715	Variance is due to a budgeting error that included two years instead of one. A budget amendment is submitted to correct this.
FUND 312 - GRANTS									
26	8237	Equal Access - Homeless Prevention III	Legal Services Grants	53010	Grants Expenses	27,086,081	26,000,000	\$ (1,086,081)	Variance is due to re-distribution in 2024 of returned, unspent grantee proceeds from 2023.
FUND 320 - ADMISSIONS									
27	8311	Admissions Overhead	Professional Services	52105	Professional Services	129,777	260,000	\$ 130,223	Variance is due to delayed invoice submissions for exam grading and psychometric consulting.
28	8312	Admission Operations	Exam Related Expenses	57110	Exam. Room Rental-Feb. GBX	442,976	750,000	\$ 307,024	Variance is due to use of State Bar facilities and use of staff as volunteers, resulting in less expenditures. A budget transfer is being requested to transfer \$225K to cover bar exam experiment.
29				57130	Exam. Room Rental-July GBX	250,656	-	\$ (250,656)	Variance is due to timing of invoices received earlier than budgeted; will be resolved by the end of the year.
30				57410	57410 Electrical - Feb GBX	253,774	151,000	\$ (102,774)	Variance is due to higher electrical costs related to labor and lighting.
31				57610	57610 Proctors-February GBX	799,290	900,000	\$ 100,710	Variance is from using less paid proctors and more staff volunteers.
32	8313	Admissions Administration	Professional Services	52105	Professional Services	76,712	210,000	\$ 133,288	Variance is due to delayed invoices for Testing Accommodation consultants and process improvements. By year end, these savings are expected to be approximately \$50K. Savings are a result of the newly implemented automatic approval process in the testing accommodation unit.