



The State Bar of California

OPEN SESSION AGENDA ITEM 4.3 MAY 2025 FINANCE COMMITTEE

DATE: May 22, 2025

TO: Members, Finance Committee
Members, Board of Trustees

FROM: Aracely Montoya-Chico, Chief Financial Officer
Jake Lewis, Principal Financial Analyst, Office of Finance

SUBJECT: Technical Corrections to the Schedule of Charges and Deadlines (Appendix A to the Rules of the State Bar) including Retroactive Approval of Changes to the Annual Licensee and Noncompliance Deadline and Update to Accreditation Services Fees Based on Law School Enrollment; and Annual Recommendation to the Supreme Court for Suspensions of Licensees Delinquent in Payment of License Fees

EXECUTIVE SUMMARY

This staff report seeks Board approval of the recommendation for the annual recurring suspension of attorneys who fail to pay their license fees to the Supreme Court of California. Additionally, it requests the approval of the following proposed changes to the Schedule of Charges and Deadlines (Appendix A to the Rules of the State Bar):

1. Updates to the Annual Licensee and Noncompliance deadline for 2025 from March 30 to April 3;
 2. Technical corrections and edits to the document; and
 3. Updates to the Accreditation Services fee applied to California Accredited Law Schools based on updated aggregate student enrollment.
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RECOMMENDED ACTION

That the Board of Trustees, upon the recommendation of Finance Committee, approves the annual suspension of attorneys for failure to pay license fees to the Supreme Court of California and approve the technical corrections to the sections of the Rules of the State Bar of California, Appendix A: Schedule of Charges and Deadlines, as presented in Attachments A (redline version) and B (clean version). Only the revised sections of Appendix A are being presented, the

remainder is excluded as it remains unchanged.

Further, that the Board of Trustees, upon recommendation of the Finance Committee, approve changing the amount of the Accreditation Services fee from \$60.44 to \$54.85 per enrolled student for California Accredited Law Schools (CALS) and changing the fee amount from \$53.79 to \$48.81 per enrolled student for CALS that are recognized by the Committee of Bar Examiners as jointly accredited, as presented in Attachments A and B.

DISCUSSION

Extension of the 2025 Annual Billing Cycle Deadline for Licensees to April 3, 2025

In 2025, the State Bar began its billing cycle on February 1, with a special group of attorneys starting on January 13, a change from the previous years when the cycle opened on December 1. The new timeline allowed attorneys to renew their annual licenses using the updated My State Bar Profile (MSBP) and Agency Billing (AB) interface. The new billing cycle was originally set to close on April 1. Although Appendix A indicates a March 30 deadline, the actual deadline for 2025 was April 1. This adjustment was made because March 30 fell on a Sunday, and March 31 was a holiday.

As discussed in Board Chair Brandon Stallings's report during the [April 2025 Board meeting](#), there were challenges during the 2025 billing cycle, including a temporary outage of MSBP and AB systems for 2.5 hours on April 1. To accommodate the outage and ensure that licensees were not penalized for late submissions, the deadline was extended to April 3. This change requires retroactive Board approval for formal adoption.

Technical Corrections Relating to the Uniformity of the Document

Appendix A has been updated primarily through individual submissions from State Bar offices over the years. This piecemeal approach has led to various errors in style, formatting, and editing. Recently, it has begun to be managed as a cohesive document. Staff conducted a review of Appendix A to address formatting inconsistencies and technical errors.

All changes are highlighted in redline format in Attachment A, with a clean version provided in Attachment B. Only the revised sections of Appendix A are being presented, the remainder is excluded as it remains unchanged.

Recommendation of Suspension of Attorneys to the Supreme Court of California for Failure to Pay License Fees

Each year, the Board instructs State Bar staff to recommend the suspension of licensees to the Supreme Court of California who fail to pay their fees by the payment deadlines specified in the Schedule of Charges and Deadlines. Staff is now requesting approval to make this recommendation for 2025. Additionally, staff proposes that the Board authorize State Bar staff to automatically submit this recommendation annually on behalf of the Board moving forward, eliminating the need for yearly approval.

Update to Accreditation Services Fee Based on Law School Enrollment

In [March 2024](#), the Board approved revisions to the fees assessed to CALS. The revisions included an Accreditation Services fee based on total law school student enrollment numbers.

The Accreditation Services fee is collected annually when law schools submit their compliance reports to the State Bar. It supports a range of accreditation-related services, including the review of compliance reports, ongoing engagement with schools, rule development and enforcement, and guidance on maintaining compliance. Schools that are accredited by another entity and are recognized as jointly accredited by the Committee of Bar Examiners are charged a reduced fee, reflecting the lower level of State Bar staff time and resources required.

In setting the Accreditation Services fee, the Board established a baseline total anticipated revenue generated from the fee of \$275,000 annually. This was a reduction from the \$412,000 originally proposed by staff in [September 2023](#), which would have fully covered the cost of law school oversight at the time. The Board opted to lower the fee to continue partially subsidizing law school oversight activities.

Currently, the Accreditation Services fee amount is determined using the following methodology:

$$(\$275,000/\text{aggregate student enrollment across all CALS}) \times \text{school's total enrollment}$$

The Board also approved a reduced Accreditation Services fee for CALS recognized by the Committee of Bar Examiners as jointly accredited by another accreditor¹:

$$[(\$275,000/\text{aggregate student enrollment across all CALS}) \times 89\%] \times \text{school's total enrollment}$$

In [July 2024](#), staff brought to the Board validated enrollment figures and the Board approved the fee to be paid in late 2024. Staff were directed to return to the Board annually to update the fee amount according to updated enrollment figures gathered from law schools through their annual compliance reports submitted at the end of each year.

The updated aggregate enrollment reported by CALS in the annual compliance reports received in late 2024 is 5,014 students yielding a new Accreditation Services fee amount of \$54.85 per enrolled student and \$48.81 per enrolled student for jointly accredited CALS. Because

¹ The Committee of Bar Examiners accredits certain law schools in California that fully comply with the Accredited Law School Rules. Schools accredited by both the committee and a U.S. Department of Education-recognized accreditor can become "Jointly Accredited Law Schools." Jointly accredited law schools must comply with core requirements defined in Rule 4.147(C) but are subject to fewer accreditation requirements. The aim is to streamline regulation and reduce redundancies for both the committee and the law schools. Staff estimate an approximate 11 percent reduction in staff time dedicated to accreditation services for jointly accredited schools resulting in a reduced accreditation services fee for those schools as detailed in the staff report provided to the Board in March 2024 titled ["Adoption of Admissions Fee Increases Related to California Accredited Law Schools."](#)

aggregate enrollment has increased, the per-student fee amounts are lower than the current fee amounts.

Staff seeks Board action at this time because the Accreditation Services fee is invoiced to CALS in mid-September, ahead of the Board's next scheduled meeting, with payment due by November 15.

PREVIOUS ACTION

[Approval of the 2025 Schedule of Charges and Deadlines](#)

FISCAL/PERSONNEL IMPACT

The Accreditation Services fee is expected to continue to generate roughly \$275,000 in revenue annually regardless of aggregate enrollment at CALS. Total expenditures for the law school regulation program are budgeted at \$798,000 and total revenue generated across all law school fees for CALS and registered unaccredited law schools is budgeted at \$430,000 for 2025.

AMENDMENTS TO RULES

Title 2, Division 3, Rule 2.45

Appendix A of the Rules of the State Bar, Schedule of Charges and Deadlines

AMENDMENTS TO BOARD OF TRUSTEES POLICY MANUAL

None

STRATEGIC PLAN GOALS & IMPLEMENTATION STEPS

Goal 2. Protect the Public by Enhancing Access to and Inclusion in the Legal System

RESOLUTIONS

Should the Finance Committee concur, it is:

RESOLVED, that the Finance Committee recommends that the Board of Trustees approves and adopts the amendments to the Rules of the State Bar of California, Appendix A: Schedule of Charges and Deadlines, as set forth in Attachments A (redline version) and B (clean version). Only the revised sections of Appendix A are being presented, the remainder is excluded as it remains unchanged; and it is

FURTHER RESOLVED, that the Finance Committee recommends that the Board of Trustees recommends to the Supreme Court that each licensee who fails to fully pay fees, penalties, and/or costs as established pursuant to sections 6086.10, 6140, 6140.5(c), 6140.55, 6140.6, 6140.7, 6140.9, and 6141 on or before June 30, as identified by staff, be suspended from the practice of law in California, effective July 1, or as soon as practicable thereafter for the State Bar to effectuate the suspensions, until such time

as they may be reinstated, upon the payment of the delinquent fees, penalties, or costs and of such additional fees, penalties, or costs as may have accrued at the time of such payment; and it is

FURTHER RESOLVED, that the Finance Committee recommends that the Board of Trustees, for the purpose of withdrawing the foregoing recommendation for suspension in particular cases, authorizes and directs State Bar staff to notify the Clerk of the Supreme Court of California of the name of any licensee of the State Bar who, by proper remittance and prior to the effective date of the Supreme Court of California order of suspension, pays to the State Bar fees, penalties, or costs in the amount in which they are delinquent; and to notify the Clerk of the Supreme Court of California of the consequent withdrawal of the Board of Trustees' recommendation for suspension; and it is

FURTHER RESOLVED, that the Finance Committee recommends that the Board of Trustees orders State Bar staff, on behalf of the Board of Trustees, to annually recommend to the Supreme Court that each licensee, as identified by staff, who fails to fully pay fees, penalties, and/or costs as established pursuant to sections 6086.10, 6140, 6140.5(c), 6140.55, 6140.6, 6140.7, 6140.9, and 6141 be suspended from the practice of law in California until such time as they may be reinstated, upon the payment of the delinquent fees, penalties, or costs and of such additional fees, penalties, or costs as may have accrued at the time of such payment; and that for the purpose of withdrawing the foregoing recommendation for suspension in particular cases, orders State Bar staff to notify the Clerk of the Supreme Court of California of the name of any licensee of the State Bar who, by proper remittance and prior to the effective date of the Supreme Court of California order of suspension, pays to the State Bar fees, penalties, or costs in the amount in which they are delinquent; and to notify the Clerk of the Supreme Court of California of the consequent withdrawal of the Board of Trustees' recommendation for suspension.

Should the Board of Trustees concur, it is:

RESOLVED, that the Board of Trustees, upon recommendation of the Finance Committee, approves and adopts the amendments to the Rules of the State Bar of California, Appendix A: Schedule of Charges and Deadlines, as set forth in Attachments A (redline version) and B (clean version). Only the revised sections of Appendix A are being presented, the remainder is excluded as it remains unchanged; and it is

FURTHER RESOLVED, that the Board of Trustees, upon recommendation of the Finance Committee, recommends to the Supreme Court, that each licensee who fails to fully pay fees, penalties, and/or costs as established pursuant to sections 6086.10, 6140, 6140.5(c), 6140.55, 6140.6, 6140.7, 6140.9, and 6141 on or before June 30, as identified by staff, be suspended from the practice of law in California, effective July 1, or as soon as practicable thereafter for the State Bar to effectuate the suspensions, until such time as they may be reinstated, upon the payment of the delinquent fees, penalties, or costs

and of such additional fees, penalties, or costs as may have accrued at the time of such payment; and it is

FURTHER RESOLVED, that the Board of Trustees, upon recommendation of the Finance Committee, for the purpose of withdrawing the foregoing recommendation for suspension in particular cases, authorizes and direct State Bar staff to notify the Clerk of the Supreme Court of California of the name of any licensee of the State Bar who, by proper remittance and prior to the effective date of the Supreme Court of California order of suspension, pays to the State Bar fees, penalties, or costs in the amount in which they are delinquent; and to notify the Clerk of the Supreme Court of California of the consequent withdrawal of the Board of Trustees' recommendation for suspension; and it is

FURTHER RESOLVED, that the Board of Trustees, upon the recommendation of the Finance Committee, orders State Bar staff, on behalf of the Board of Trustees, to annually recommend to the Supreme Court that each licensee, as identified by staff, who fails to fully pay fees, penalties, and/or costs as established pursuant to sections 6086.10, 6140, 6140.5(c), 6140.55, 6140.6, 6140.7, 6140.9, and 6141 be suspended from the practice of law in California until such time as they may be reinstated, upon the payment of the delinquent fees, penalties, or costs and of such additional fees, penalties, or costs as may have accrued at the time of such payment; and that for the purpose of withdrawing the foregoing recommendation for suspension in particular cases, orders State Bar staff to notify the Clerk of the Supreme Court of California of the name of any licensee of the State Bar who, by proper remittance and prior to the effective date of the Supreme Court of California order of suspension, pays to the State Bar fees, penalties, or costs in the amount in which they are delinquent; and to notify the Clerk of the Supreme Court of California of the consequent withdrawal of the Board of Trustees' recommendation for suspension.

ATTACHMENTS LIST

- A. Redlined version of the sections of Appendix A: Schedule of Charges and Deadlines
- B. Clean version of the sections of Appendix A: Schedule of Charges and Deadlines