



# FACT SHEET

ELAINE M. HOWLE  
State Auditor

Date: April 26, 2007

Report: 2007-030

The California State Auditor released the following report today:

**State Bar of California**  
***With Strategic Planning Not Yet Completed, It Projects General Fund Deficits and Needs Continued Improvements in Program Administration***

## BACKGROUND

Californians rely on the State Bar of California (State Bar) to preserve and improve the justice system and to protect them from the unethical or unauthorized practice of law. With a membership of over 200,000, the law requires every person admitted and licensed to practice law in a court in California to be a member. Among its many duties, the State Bar admits new members, investigates and resolves complaints against members, and disciplines members who violate laws or rules. More than half of the State Bar's operations are paid through annual membership fees.

## KEY FINDINGS

The State Bar has not fully implemented the strategic plan adopted three years ago:

- Some of its departments have not completed viable plans and performance measures and have not updated annual action plans.
- The State Bar believes its information technology systems are obsolete, impede some of its progress in implementing departmental plans, and will need between \$3 million and \$6 million each year through 2013 for systems upgrades.
- Annual budgets are prepared by using estimated costs for current levels of staffing and other resources rather than as an outcome of its strategic planning efforts.

The State Bar is pursuing an increase in membership fees for active members to avoid a projected general fund deficit of \$12 million by 2010. Its efforts may be hampered since the fee increase is not based on strategic planning for effective and efficient operations.

The State Bar needs to better administer the Legal Services Trust Fund Program (legal services program), intended to provide legal assistance to indigent Californians. Specifically, the State Bar:

- Does not ensure that all members establish an interest bearing trust account—25 percent of actively practicing attorneys have not reported whether they have established such trust accounts.
- Does not consistently perform audits of the program's grant recipients.
- Does not retain documentation to demonstrate that it completes all the steps in the on-site monitoring of grantees.

Our follow-up on prior recommendations indicates that the State Bar has reduced its backlog of disciplinary cases, but it continues to need improvement in processing such cases.

## RECOMMENDATIONS

Among numerous recommendations we made to the State Bar were the following:

- Fully implement its strategic plan, complete revisions to all departmental plans, and include meaningful and measureable performance indicators.
- Align its budgets with the results of strategic planning.
- Maximize revenue available for its legal services program by first determining the costs and benefits of pursuing nonreporting members.
- Perform and document all monitoring reviews to improve its oversight of processing disciplinary cases.

**Contact:** ELAINE M. HOWLE    **Telephone:** (916) 445-0255    **Internet:** [www.bsa.ca.gov](http://www.bsa.ca.gov)