



DUES INCREASE FAQs

IS THE STATE BAR OF TEXAS CONSIDERING A DUES INCREASE?

Yes. On April 19, 2024, the State Bar Board of Directors will consider a 10% increase in membership dues rates, as authorized by statute, to be effective June 1, 2025.

If approved by the board in 2024, the dues increase proposal would become part of the proposed budget for fiscal year 2025-2026. The budget process is transparent and includes extensive review and approval by the Budget Committee, Executive Committee, Board of Directors, and Supreme Court. A public hearing on the proposed 2025-2026 budget will be held in the spring of 2025.

HOW MUCH WOULD DUES RATES INCREASE BY?

A 10% increase is proposed. If approved by the board and Supreme Court, annual membership dues would be adjusted as follows:

0-3 years: \$68 to \$74 (a \$6 increase)
4-5 years: \$148 to \$162 (a \$14 increase)
>5 years: \$235 to \$258 (a \$23 increase)
Inactive: \$50 to \$55 (a \$5 increase)

According to the ABA, the State Bar of Texas is the third largest bar in the U.S. but ranks 31st in the amount of dues it charges to its members. If dues were raised by \$23 to \$258, Texas would be ranked 26th, right after Florida and Missouri.

WHEN WOULD THE DUES INCREASE TAKE EFFECT?

If approved by the board and Supreme Court, the proposed 10% dues rate increase would take effect for the 2025-2026 bar year, beginning June 1, 2025.

WHY IS THE STATE BAR PROPOSING TO INCREASE DUES RATES?

Like every organization, the State Bar is subject to the inflation affecting the national economy. The 10-year average rate of inflation from calendar year 2014 to 2023 was 2.75%, with the last three years hitting record numbers of 4.1% up to 8% in 2022. And, the State Bar has not raised dues since 1991. If membership dues had kept up with inflation, the maximum dues rate would be approximately \$565 a year today. In addition, as the membership continues to both grow and age, the State Bar is serving more lawyers each year, including an increasing number who are transitioning to emeritus status at age 70, meaning they no longer pay dues.

The result is that the bar's budgeted operating expenditures are increasing faster than its budgeted operating revenues, resulting in budgeted deficits that started in fiscal year 2023.

Due to years of responsible fiscal planning, the State Bar has reserves to cover deficits in the short term. The board is attempting to address the bar's long-term needs by considering an increase in dues rates.

WHEN LOOKING AT THE STATE BAR'S MOST RECENT FINANCIAL STATEMENTS, THE STATE BAR HAS A POSITIVE INCOME. WHY CAN'T THE STATE BAR USE THE INCOME TO COVER THE BUDGETED DEFICITS?

The State Bar has been setting aside a majority of its net income to cover projected budget deficits, to fund IT and other infrastructure, and to maintain minimum reserves. Since the State Bar is self-funded, meaning it does not receive any appropriations from the State of Texas, it must respond to projected budgetary shortfalls before they occur. Also, it must plan for contingencies, such as unforeseen events, to ensure financial resources are available should it encounter a difficult event.

WHY DOESN'T THE STATE BAR CUT STAFFING OR PROGRAMS TO BALANCE THE LONG-TERM BUDGET?

Because our goal is to meet the bar's statutory purposes and maintain the high level of services that our members and the public have come to expect. Many programs are statutorily required, and others are very popular with our members because they help support lawyers in the practice of law.

The State Bar has reduced staffing and programs in the past, which helped delay a dues increase for over 30 years. During that time, the number of active members of the State Bar has doubled, while the number of State Bar staff has declined from a peak of 324 employees in 1999 to 271 for the 2023-2024 bar year.

WHAT DO I GET FOR MY BAR DUES?

Dues help to fund the operations of the State Bar, which is an administrative arm of the judicial branch of state government. Through your State Bar membership, you have the ability to practice law in a self-regulated profession with an independent grievance system. Since the bar's inception, Texas lawyers have retained the right to approve proposed disciplinary rule changes in referenda elections and vote on members of the board of directors, which governs all manner of bar administration.

In addition, the State Bar serves its members with continuing education and resources such as the *Texas Bar Journal*, Law Practice Management Program, Ethics Helpline, Texas

Lawyers' Assistance Program, Texas Bar Career Center, Fastcase free legal research, TexasBarCLE (including scholarships for free CLE programs), Client-Attorney Assistance Program, and the Member Benefits Program, which offers access to health insurance as well as discounts on a variety of services to help members with the practice of law.

IS THE STATE BAR NOTIFYING MEMBERS OF THE PROPOSED DUES INCREASE?

Yes. The March 2024 issue of the *Texas Bar Journal* includes two articles related to the dues increase proposal. The *Texas Bar Journal* is distributed to all members by mail and/or email and is available online at texasbar.com/tbj. The bar will continue to keep members updated on the proposal as part of its 2025-2026 budget approval process, which will include a public hearing in the spring of 2025.

DON'T STATE BAR MEMBERS GET TO VOTE ON DUES INCREASES?

The State Bar Act [Texas Gov't Code 81.022 (a-4)] provides that the State Bar Board of Directors may increase membership fees by up to 10% every six years without calling a referendum. Increases of over that threshold would go to the membership for a vote.

ARE ADDITIONAL DUES INCREASES UNDER CONSIDERATION BEYOND THE PROPOSED 10% INCREASE?

Yes. By itself, the proposed 10% increase is not expected to be enough to balance the bar's long-term finances. The State Bar leadership anticipates proposing a referendum on an additional dues increase for the 2026-2027 budget cycle, in an amount to be determined by the board. The State Bar is proposing this two-step approach to give members time to budget for the changes and to allow members to vote on any dues increase beyond the 10%.

CAN I PROVIDE FEEDBACK TO THE BOARD ON THIS PROPOSAL?

Yes. The board invites public comment at each of its quarterly meetings, and you can email comments anytime to boardofdirectors@texasbar.com. A public hearing on the proposed 2025-2026 budget will take place in the spring of 2025.