

Spending Your Money Wisely

Last year, the State Bar of Texas collected more than \$20 million from member dues and over \$16 million in CLE revenues and other fees to fund its operations. For me, and for the rest of the State Bar leadership, it's a given that the board of directors needs to ensure that money is spent prudently.

It's no accident that bar dues have not been increased in over 28 years, and no increase is being considered. The good news from our last budget is that—with excellent assistance from bar members, budget staff, and the Financial Responsibility and Fiscal Control Task Force—the bar trimmed over \$2 million (about 5 percent) from its general fund budget.¹

To keep this winning streak going, we need to continue to tighten our “expenditure belt” further if we are to reach a 5 percent reduction for the 2019-2020 proposed budget. Doing this would achieve my personal goal of a 10 percent overall reduction² off the State Bar's 2017-2018 \$45 million general fund budget.³

Here Is How Our Budget Planning Works:

The budget “season” starts this month for 2019-2020 and includes the following steps:

- (1) recommendation by the State Bar staff in October,
- (2) review and vote by the board's Budget Committee on December 13,
- (3) review by the board's Executive Committee on January 10,
- (4) review and vote by the board on January 18 to publish the proposed budget in the *Texas Bar Journal*,
- (5) publication and call for public comments in the March issue of the *Texas Bar Journal*,
- (6) presentation in a posted public hearing on Tuesday, April 2, 2019, at the Texas Law Center in Austin,
- (7) review and vote by the board on April 26 to present the proposed budget to the Texas Supreme Court,
- (8) presentation to the Supreme Court, and
- (9) review and approval by the Supreme Court.

In considering the budget, it's helpful to know that the State Bar is self-funded and relies solely on the revenue it receives to fund its operations.



The bar uses an incremental budgeting approach,⁴ where each department's budget must be submitted with at least the same or fewer dollars spent. Any increase in a department's budget must be explained and approved by the executive director to be included in the budget proposal. In this regard, I have recommended the bar study a “zero-based” approach.

The bar continues to seek efficiency in its personnel. The bar has reduced the number of general fund employees by more than 14 percent over the past two decades while the number of active attorneys increased by nearly 61 percent.⁵

These are steps in the right direction. Nevertheless, there's more work to be done.

Doing My Part

I continue to do my part by paying my own travel expenses associated with bar business without seeking reimbursement. Likewise, I've not sought, nor do I seek, any of the combined \$70,000 stipend money the bar sets aside for the offices of president-elect, president, and immediate past president to offset the costs they incur. That said, I'm certainly not critical of any officer or director using these funds in the future where necessary.

Furthermore, the bar has taken on initiatives to review its business expense policies, study alternative budgeting approaches, and reduce certain travel-related expenses such as spousal travel.

In closing, I pledge to continue to work with you to reduce the budget as much as possible so that all of our members can have confidence in what the State Bar does and how it spends your money. I welcome your ideas and suggestions to help achieve these goals—and I look forward to hearing from you.

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2018-2019

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NOTES

1. See *2018-2019 Proposed Combined Budget*, 81 TBJ 182 (March 2018).
2. This 10 percent goal came from the American Bar Association model used in its recent budget reductions.
3. See *2017-2018 Proposed Combined Budget*, 80 TBJ 166 (March 2017).
4. According to the National Conference on State Legislatures, an incremental budgeting approach is the method most widely used in state government.
5. The total budgeted general fund employees decreased from 306 in fiscal year 1998 to 264 in fiscal year 2018. The number of active licensed attorneys increased from 63,469 to 102,044 during the same period.