

STATE BAR *of* TEXAS

2023-2024 PROPOSED COMBINED BUDGET

The State Bar of Texas proposed budgets for the 2023-2024 fiscal year are included here for your information. If you would like a copy of the budget summary, contact the State Bar finance division director at 512-427-1481. All interested persons are invited to a public hearing on the proposed budgets that will be held at 9 a.m. CDT April 4, 2023, in Room 101 at the Texas Law Center, 1414 Colorado St., Austin, TX 78701. The General Fund is the operating fund for the State Bar of Texas. The Texas Bar Books Fund is considered an enterprise fund, which is defined as a proprietary fund used to account for goods/services provided to the general public on a user-charge basis. The Special Revenue Funds are independent funds and do not use any membership dues or revenues from the General Fund for operations. Capital Projects Funds are used to account for the acquisition and construction of the State Bar's major capital facilities and other capital expenditures.

	GENERAL FUND	TEXAS BAR BOOKS FUND	SPECIAL REVENUE & CAPITAL PROJECTS FUNDS	TOTAL COMBINED PROPOSED BUDGET
REVENUES & RECEIPTS				
ATTORNEY MEMBERSHIP FEES	\$21,579,602	\$0	\$0	\$21,579,602
FEES	18,156,399	40,000	2,028,408	20,224,807
ADVERTISING	780,000	0	0	780,000
SALES	1,071,301	2,382,765	26,000	3,480,066
INVESTMENTS	200,000	8,916	45,000	253,916
GRANTS	0	0	424,000	424,000
CONTRIBUTIONS	735,252	0	365,000	1,100,252
ADMINISTRATIVE FEES	478,306	55,008	0	533,314
RENT	172,673	0	0	172,673
OTHER REVENUE	1,848,273	1,435,288	0	3,283,561
TOTAL REVENUES	\$45,021,806	\$3,921,977	\$2,888,408	\$51,832,191
RECEIPTS FROM RESERVES	3,554,167	0	0	3,554,167
TOTAL REVENUES & RECEIPTS	\$48,575,973	\$3,921,977	\$2,888,408	\$55,386,358
EXPENDITURES				
SALARIES	\$19,722,579	\$1,396,326	\$657,921	\$21,776,826
BENEFITS	7,226,227	487,922	233,770	7,947,919
TRAVEL	2,109,877	40,500	215,470	2,365,847
MEETINGS & CONFERENCES	4,243,470	3,000	692,082	4,938,552
PROFESSIONAL SERVICES	3,496,584	114,142	293,021	3,903,747
COURT FEES	80,500	0	0	80,500
PUBLICITY/ADVERTISING	380,802	105,560	121,500	607,862
DUES/SUBSCRIPTIONS/LICENSES	757,859	75,785	17,920	851,564
EDUCATION/TRAINING	204,165	10,440	1,150	215,755
SUPPLIES/AWARDS/GIFTS/SPEC. ITEMS	617,690	19,500	123,600	760,790
RENTALS—OFFICE, EQUIPMENT, STORAGE	1,203,612	159,172	191,900	1,554,684
MAINTENANCE/REPAIR	863,537	50,004	105,000	1,018,541
UTILITIES	248,960	0	0	248,960
POSTAGE & FREIGHT	921,204	126,099	64,000	1,111,303
TELEPHONE	403,866	2,400	18,000	424,266
INSURANCE	827,906	12,000	0	839,906
ADMINISTRATIVE	386,839	742,728	822,184	1,951,751
FIXED ASSETS	0	56,208	993,000	1,049,208
PRINTING & COPYING	1,312,351	378,882	86,890	1,778,123
RESERVE FOR CONTINGENCIES	150,000	0	0	150,000
TOTAL EXPENDITURES	\$45,158,028	\$3,780,668	\$4,637,408	\$53,576,104
BOARD COMMITMENTS (IN)/OUT	2,005,827	0	(1,500,000)	505,827
TRANSFERS (IN)/OUT	1,412,118	0	(1,412,118)	0
TOTAL EXPENDITURES, BOARD COMMITMENTS & TRANSFERS	\$48,575,973	\$3,780,668	\$1,725,290	\$54,081,931
NET REVENUES & RECEIPTS OVER EXPENDITURES, BOARD COMMITMENTS & TRANSFERS	\$0	\$141,309	\$1,163,118	\$1,304,427
TOTAL BUDGETED FULL-TIME EQUIVALENTS	271.00	20.25	8.38	299.63

STATE BAR *of* TEXAS

2023-2024 PROPOSED GENERAL FUND BUDGET

REVENUES & RECEIPTS

Attorney Membership Dues	\$21,579,602
Accounting/Management Fees	586,843
Texas Bar Journal Revenue	554,200
MCLE Fees	3,692,050
TexasBarCLE Revenue	14,059,514
Website	580,000
CDC Disciplinary Fees	584,453
Texas Minority Counsel Program Fees	425,000
Member Benefit Vendor Fees	1,183,061
Other Revenue	1,777,083
TOTAL REVENUES	\$45,021,806
Receipts from Reserves	3,554,167
TOTAL REVENUES & RECEIPTS	\$48,575,973

EXPENDITURES, BOARD COMMITMENTS & TRANSFERS CONTINUED

ATTORNEY COMPLIANCE DIVISION		BUDGET	FTEs
Attorney Compliance		\$205,424	1.00
Advertising Review		160,706	2.00
Client-Attorney Assistance Program		648,855	9.00
Lawyer Referral & Information Service		430,766	5.00
MCLE		598,409	7.00
OPERATIONS/SECURITY			
Purchasing & Facilities		\$1,310,652	6.00
Membership		1,216,521	7.00
Research & Analysis		203,181	1.00
Insurance Member Benefits		43,094	-
Volunteer Committees		326,723	1.00

EXPENDITURES, BOARD COMMITMENTS & TRANSFERS

EXECUTIVE DIVISION	BUDGET	FTEs
Executive	\$695,735	2.50
Legal Counsel	805,068	4.00
Deputy Executive Director	254,694	1.00
Deputy Executive Director/External Affairs	288,005	1.00
Officers & Directors	1,238,503	-
Human Resources & Training/Tuition	479,541	3.00
MEMBER & PUBLIC SERVICES DIVISION		
Center for Legal History	\$172,890	2.00
Law-Related Education	549,259	3.00
Governmental Relations	336,271	2.00
Texas Young Lawyers Association	1,039,959	3.00
LeadershipSBOT	98,672	-
Sections	378,800	4.00
Law Student Division	20,266	-
LEGAL & ATTORNEY SERVICES DIVISION		
Texas Lawyers' Assistance Program	\$538,868	5.00
Legal Access Division	1,458,267	7.00
ACCESS TO JUSTICE COMMISSION	\$789,557	3.00
LAW PRACTICE MANAGEMENT	\$323,139	2.00
PROFESSIONAL DEVELOPMENT DIVISION		
TexasBarCLE	\$9,967,908	40.50
Office of Diversity, Equity, and Inclusion	620,183	3.00

FINANCE DIVISION			
Accounting		\$1,205,397	12.50
Other Administrative		1,762,624	-
IT DIVISION			
Customer Service		410,396	3.00
Information Technology		\$1,528,419	8.00
COMMUNICATIONS DIVISION			
Communications		\$300,306	2.00
Texas Bar Journal		1,608,729	5.00
Printing and Graphics		271,968	3.00
Public Information		164,584	1.50
Website		438,298	2.00
Member Benefits		102,305	1.00
Local Bars		488,501	4.00
Special Events		73,604	-
PUBLIC PROTECTION DIVISION			
Chief Disciplinary Counsel		\$10,660,523	99.00
Ombudsman		113,698	1.00
Statewide Committees		257,126	-
Board of Disciplinary Appeals		571,634	3.00
BOARD COMMITMENTS		\$2,005,827	1.00
TRANSFERS TO SPECIAL REVENUE & CAPITAL PROJECTS FUNDS			
Texas Law Center Fund		\$412,118	
Technology Fund		500,000	
Client Security Fund		500,000	

TOTAL EXPENDITURES, BOARD COMMITMENTS & TRANSFERS \$48,575,973

**TOTAL REVENUES & RECEIPTS OVER EXPENDITURES,
BOARD COMMITMENTS & TRANSFERS \$0**

TOTAL BUDGETED GENERAL FUND FTEs 271.00

(FTE—Full-Time Equivalent)

STATE BAR *of* TEXAS

2023-2024 PROPOSED BUDGETS FOR SPECIAL REVENUE & CAPITAL PROJECTS FUNDS

	LAW FOCUSED GRANTS	TEXAS BOARD OF LEGAL SPECIALIZATION	TEXAS BAR COLLEGE	CONVENTION FUND	BUILDING FUND	TECHNOLOGY FUND	CLIENT SECURITY FUND	TOTAL
REVENUES								
FEES	\$0	\$1,407,750	\$320,658	\$300,000	\$0	\$0	\$0	\$2,028,408
SALES	0	0	1,000	25,000	0	0	0	26,000
INVESTMENTS	0	2,500	500	0	30,000	0	12,000	45,000
GRANTS	424,000	0	0	0	0	0	0	424,000
CONTRIBUTIONS	0	0	0	360,000	0	0	5,000	365,000
RESTITUTION	0	0	0	0	0	0	0	0
TOTAL REVENUES	\$424,000	\$1,410,250	\$322,158	\$685,000	\$30,000	\$0	\$17,000	\$2,888,408
RECEIPTS FROM RESERVES								
TOTAL REVENUES & RECEIPTS	\$424,000	\$1,410,250	\$322,158	\$685,000	\$30,000	\$0	\$17,000	\$2,888,408
EXPENDITURES								
SALARIES	\$0	\$559,715	\$98,206	\$0	\$0	\$0	\$0	\$657,921
BENEFITS	0	200,623	33,147	0	0	0	0	233,770
TRAVEL	135,170	40,000	30,000	10,300	0	0	0	215,470
MEETINGS & CONFERENCES	44,650	79,322	20,000	548,110	0	0	0	692,082
PROFESSIONAL SERVICES	150,800	120,000	13,221	9,000	0	0	0	293,021
PUBLICITY/ADVERTISING	0	80,000	5,000	36,500	0	0	0	121,500
DUES/SUBSCRIPTIONS/LICENSES	0	15,000	2,500	420	0	0	0	17,920
EDUCATION/TRAINING	0	650	500	0	0	0	0	1,150
SUPPLIES/AWARDS/GIFTS/SPEC. ITEMS	60,000	21,600	25,000	17,000	0	0	0	123,600
RENTALS—OFFICE, EQUIPMENT, STORAGE	2,900	180,000	9,000	0	0	0	0	191,900
MAINTENANCE/REPAIR	0	0	0	0	105,000	0	0	105,000
POSTAGE & FREIGHT	9,000	7,000	25,000	23,000	0	0	0	64,000
TELEPHONE	0	18,000	0	0	0	0	0	18,000
ADMINISTRATIVE	6,600	76,600	30,584	8,400	0	0	700,000	822,184
FIXED ASSETS	0	2,000	0	0	350,000	641,000	0	993,000
PRINTING AND COPYING	14,880	9,740	30,000	32,270	0	0	0	86,890
TOTAL EXPENDITURES	\$424,000	\$1,410,250	\$322,158	\$685,000	\$455,000	\$641,000	\$700,000	\$4,637,408
BOARD COMMITMENTS - TRANSFERS IN	0	0	0	0	(1,000,000)	(500,000)	0	(1,500,000)
TRANSFERS (IN)/OUT	0	0	0	0	(412,118)	(500,000)	(500,000)	(1,412,118)
TOTAL EXPENDITURES, BOARD COMMITMENTS & TRANSFERS	\$424,000	\$1,410,250	\$322,158	\$685,000	(\$957,118)	(\$359,000)	\$200,000	\$1,725,290
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES, BOARD COMMITMENTS & TRANSFERS	\$0	\$0	\$0	\$0	\$987,118	\$359,000	(\$183,000)	\$1,163,118
FULL-TIME EQUIVALENTS	0	6.88	1.50	0	0	0	0	8.38

The purpose of the State Bar of Texas is to engage in those activities enumerated at § 81.012 of the State Bar Act. The expenditure of funds by the State Bar of Texas is limited as set forth at § 81.034 of the State Bar Act and in *Keller v. State Bar of California*, 496 U.S. 1 (1990), and *McDonald v. Longley*, 4 F4th 229 (5th Cir. 2021). If any member has a reasonable belief that any actual or proposed expenditure is not within such purposes of, or limitations on, the State Bar, then such member may object thereto and seek a refund of a *pro rata* portion of his or her dues expended, plus interest, by filing a written objection with the Executive Director. The objection must be made in writing, on the official State Bar Fees Objection Form, addressed to the Executive Director of the State Bar, P.O. Box 12487, Austin, TX 78711, or by email to objections@texasbar.com. The objection must be submitted no later than 60 calendar days after the annual audit of the State Bar for the fiscal year in which the transaction objected to occurred is published on the State Bar website. A copy of the State Bar Fees Objection Form may be obtained by written or in person request to the Executive Director or from the State Bar website at www.texasbar.com/objections.

Upon receipt of a member's objection, the Executive Director shall within 60 calendar days review such objection together with the allocation of dues monies spent on the challenged activity and, in consultation with the President, shall have the discretion to resolve the objection, including refunding a *pro rata* portion of the member's dues, plus interest. If the objecting member contests the Executive Director's determination of the member's claim, the objecting member may, within 30 calendar days of notice of the Executive Director's determination, invoke the objection procedures set forth in Section 3.14 of the State Bar of Texas Board of Directors Policy Manual, which include an opportunity for the objection to be decided by an impartial decisionmaker. Any refund of a *pro rata* share of the member's dues shall not be construed as an admission by the State Bar that the challenged activity was not or would not have been within the purposes of or limitations on the State Bar.

STATE BAR of TEXAS

2023-2024 PROPOSED GENERAL FUND BUDGET DUES ALLOCATION

Dues Allocation Formula

Dues are allocated to the budget first by determining the percent of total dues revenue to the total general fund expenditures. That percent is then applied to all operating expenditures of the general fund to determine how much of each expenditure category is paid for by Bar dues.

The formula for this allocation is:

$$\text{Total Dues Allocated to Expenditure Category} = (\text{Total Dues Revenue} / \text{Total GF Expenditures}) * \text{Expenditure Category}$$

Individual Dues Allocation Formula

The member dues payment is allocated to each expenditure category first by determining the percent of the "expenditure category" to the total expenditures of the general fund. That percent is then applied to the amount of dues payment received, which allocates the dues payment based on the cost of the expenditure category.

The formula for this allocation is:

$$\text{Individual Dues Allocated to Expenditure Category} = (\text{Total Expenditure Category} / \text{Total GF Expenditures}) * \text{Dues Payment}$$

Proposed FY23-24 Budget

General Fund (GF) Revenues	Budget
Attorney Membership Fees	\$21,579,602

Expenditure Categories	Budget	Dues Allocation		Individual Dues Allocation			
		Dues Allocated to Expenditure Category	% of Total Expenditures	Dues Payment Allocation of \$235*	Dues Payment Allocation of \$148*	Dues Payment Allocation of \$68*	Dues Payment Allocation of \$50*
Executive Division							
Executive	695,735	\$322,389	1.49%	\$3.51	\$2.21	\$1.02	\$0.75
Legal Counsel	805,068	\$373,051	1.73%	\$4.06	\$2.56	\$1.18	\$0.86
Deputy Executive Director	254,694	\$118,020	0.55%	\$1.29	\$0.81	\$0.37	\$0.27
Deputy Executive Director/External Affairs	288,005	\$133,455	0.62%	\$1.45	\$0.92	\$0.42	\$0.31
Officers & Directors	1,238,503	\$573,896	2.66%	\$6.25	\$3.94	\$1.81	\$1.33
Human Resources	479,541	\$222,209	1.03%	\$2.42	\$1.52	\$0.70	\$0.51
Member & Public Services Division							
Center for Legal History	172,890	\$80,113	0.37%	\$0.87	\$0.55	\$0.25	\$0.19
Law-Related Education	549,259	\$254,515	1.18%	\$2.77	\$1.75	\$0.80	\$0.59
Governmental Relations	336,271	\$155,821	0.72%	\$1.70	\$1.07	\$0.49	\$0.36
Texas Young Lawyers Association	1,039,959	\$481,895	2.23%	\$5.25	\$3.30	\$1.52	\$1.12
LeadershipSBOT	98,672	\$45,722	0.21%	\$0.50	\$0.31	\$0.14	\$0.11
Sections	378,800	\$175,528	0.81%	\$1.91	\$1.20	\$0.55	\$0.41
Law Student Division	20,266	\$9,391	0.04%	\$0.10	\$0.06	\$0.03	\$0.02
Legal & Attorney Services Division							
Texas Lawyers' Assistance Program	538,868	\$249,700	1.16%	\$2.72	\$1.71	\$0.79	\$0.58
Legal Access Division	1,458,267	\$675,729	3.13%	\$7.36	\$4.63	\$2.13	\$1.57
Access to Justice Commission							
	789,557	\$365,864	1.70%	\$3.98	\$2.51	\$1.15	\$0.85
Law Practice Management							
	323,139	\$149,736	0.69%	\$1.63	\$1.03	\$0.47	\$0.35
Professional Development Division							
TexasBarCLE	9,967,908	\$4,618,914	21.40%	\$50.30	\$31.68	\$14.55	\$10.70
Office of Diversity, Equity, and Inclusion	620,183	\$287,379	1.33%	\$3.13	\$1.97	\$0.91	\$0.67
Attorney Compliance Division							
Attorney Compliance	205,424	\$95,189	0.44%	\$1.04	\$0.65	\$0.30	\$0.22
Advertising Review	160,706	\$74,468	0.35%	\$0.81	\$0.51	\$0.23	\$0.17
Client-Attorney Assistance Program	648,855	\$300,665	1.39%	\$3.27	\$2.06	\$0.95	\$0.70
Lawyer Referral	430,766	\$199,608	0.92%	\$2.17	\$1.37	\$0.63	\$0.46
MCLE	598,409	\$277,290	1.28%	\$3.02	\$1.90	\$0.87	\$0.64

(STATE BAR OF TEXAS 2023-2024 PROPOSED GENERAL FUND BUDGET CONTINUED)

Expenditure Categories	Budget	Dues Allocation		Individual Dues Allocation			
		Dues Allocated to Expenditure Category	% of Total Expenditures	Dues Payment Allocation of \$235*	Dues Payment Allocation of \$148*	Dues Payment Allocation of \$68*	Dues Payment Allocation of \$50*
Operations/Security							
Purchasing & Facilities	1,310,652	\$607,328	2.81%	\$6.61	\$4.17	\$1.91	\$1.41
Membership	1,216,521	\$563,710	2.61%	\$6.14	\$3.87	\$1.78	\$1.31
Research & Analysis	203,181	\$94,150	0.44%	\$1.03	\$0.65	\$0.30	\$0.22
Insurance Member Benefits	43,094	\$19,969	0.09%	\$0.22	\$0.14	\$0.06	\$0.05
Volunteer Committees	326,723	\$151,396	0.70%	\$1.65	\$1.04	\$0.48	\$0.35
Finance Division							
Accounting	1,205,397	\$558,555	2.59%	\$6.08	\$3.83	\$1.76	\$1.29
Other Administrative	1,762,624	\$816,762	3.78%	\$8.89	\$5.60	\$2.57	\$1.89
IT Division							
Customer Service	410,396	\$190,169	0.88%	\$2.07	\$1.30	\$0.60	\$0.44
Information Technology	1,528,419	\$708,236	3.28%	\$7.71	\$4.86	\$2.23	\$1.64
Communications Division							
Communications	300,306	\$139,155	0.64%	\$1.52	\$0.95	\$0.44	\$0.32
Texas Bar Journal	1,608,729	\$745,450	3.45%	\$8.12	\$5.11	\$2.35	\$1.73
Printing and Graphics	271,968	\$126,024	0.58%	\$1.37	\$0.86	\$0.40	\$0.29
Public Affairs	164,584	\$76,265	0.35%	\$0.83	\$0.52	\$0.24	\$0.18
Website	438,298	\$203,098	0.94%	\$2.21	\$1.39	\$0.64	\$0.47
Member Benefits	102,305	\$47,406	0.22%	\$0.52	\$0.33	\$0.15	\$0.11
Local Bars	488,501	\$226,361	1.05%	\$2.47	\$1.55	\$0.71	\$0.52
Special Events	73,604	\$34,107	0.16%	\$0.37	\$0.23	\$0.11	\$0.08
Public Protection Division							
Chief Disciplinary Counsel's Office	10,660,523	\$4,939,857	22.89%	\$53.79	\$33.88	\$15.57	\$11.45
Ombudsman	113,698	\$52,685	0.24%	\$0.57	\$0.36	\$0.17	\$0.12
Statewide Committees	257,126	\$119,147	0.55%	\$1.30	\$0.82	\$0.38	\$0.28
Board of Disciplinary Appeals	571,634	\$264,883	1.23%	\$2.88	\$1.82	\$0.83	\$0.61
Transfers to Special Revenue & Capital Projects Funds							
Texas Law Center Fund	412,118	\$190,967	0.88%	\$2.08	\$1.31	\$0.60	\$0.44
Technology Fund	500,000	\$231,689	1.07%	\$2.52	\$1.59	\$0.73	\$0.54
Client Security Fund	500,000	\$231,689	1.07%	\$2.52	\$1.59	\$0.73	\$0.54
Total Operating Expenditures & Transfers	\$46,570,146	\$21,579,602	100%	\$235.00	\$148.00	\$68.00	\$50.00

The State Bar of Texas' expenditure of these budgeted funds is limited in accordance with § 81.034 of the State Bar Act, *Keller v. State Bar of California*, 496 U.S. 1 (1990), and *McDonald v. Longley*, 4 F.4th 229 (5th Cir. 2021). As such, no State Bar of Texas expenditure of these budgeted funds is non-chargeable to members under those authorities.

*Sums in columns may not add due to rounding.



Independent Accountant's Report

To the Board of Directors and Management
State Bar of Texas
Austin, Texas

We have performed the procedures enumerated below on the proposed general fund budget dues allocation schedule of the State Bar of Texas (the "State Bar") for the 2023-2024 budget year. The State Bar's management is responsible for the proposed general fund budget dues allocation schedule for the 2023-2024 budget year.

The State Bar has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting users in evaluating the State Bar's methodology and calculations related to the proposed general fund budget dues allocation schedule for the 2023-2024 budget year. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

1. We obtained the State Bar's proposed 2023-2024 general fund budget and confirmed the major expenditure categories in relation to the categories represented in the 2023-2024 general fund budget dues allocation schedule were accurate. No exceptions noted.
2. We obtained the 2023-2024 general fund budget dues allocation schedule and verified that the membership dues revenue budget was properly disclosed. We further obtained the State Bar's proposed 2023-2024 general fund budget and confirmed the membership dues revenue budget in relation to the amounts reported on the 2023-2024 general fund budget dues allocation schedule were accurate. No exceptions noted.
3. We recalculated the allocation of membership dues revenue to each major category of expenditures using the methodology as disclosed in the 2023-2024 general fund budget dues allocation schedule and determined that the allocation was mathematically correct. No exceptions noted.

We were engaged by the State Bar to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA). We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the 2023-2024 general fund budget dues allocation schedule. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the State Bar and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas
February 8, 2023

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