

Stretching Your Dues Dollar

by Karen A. Gould



The purpose of this column is to advise Virginia State Bar members about the status of the bar's finances: the budget for the next fiscal year, the projection for the future, and the status of a possible bar dues increase.

Historically, the budget has been based on a dues revenue cycle. Dues were set to generate sufficient funds to create a reserve that subsidizes the bar's operations, usually for seven to eight years. A large reserve is created on the front end of the dues cycle, and then is spent down as costs of operations increase. The current dues cycle was planned to last seven to eight years, but it will last longer. Through careful management of resources and increases in nondues revenue, the reserve created as a result of dues last being increased in 2000 will sustain the bar through 2010, based on current projections. The VSB is projected to use \$975,000 from the reserve during 2010. At the end of 2010, the reserve is projected to stand at \$740,434 in the operating account and \$300,000 in the administration and finance account, which is not available for operating expenses. That means our total reserve will be 8.35 percent of our operating expenses — well below an adequate reserve.

The VSB staff worked in January and February on budgets for their departments, committees, and conferences. I have urged the staff to do more with less, to work more efficiently, and to leverage technology to operate at less

cost to Virginia's lawyers, while still providing excellent service. We need to squeeze every penny out of the dues dollar, and we have been looking for the "coins in the couch." We are also mindful, however, of the trust placed in the bar to protect the public, regulate Virginia's lawyers, improve access to justice for all Virginians, and help attorneys be the best they can.

As I write this column in early March 2008, the proposed budget for fiscal 2008–09 has been finalized to be forwarded to the VSB Standing Committee on Budget and Finance for review. For the first time in recent memory, the proposed budget shows a slight decrease in expenses, rather than an increase. The bar's revenue is projected to be up by \$289,000. Expenses are projected in FY 2008–09 to be \$12.7 million, and revenue is projected to be \$11.9 million. We still will need to dip into the reserve to meet our operating expenses.

Note that I use the terms "projected" and "approximately." Expenses may be more and revenue may be less, or vice versa. One large unknown budget item every year is the cost of court-ordered receiverships to close out practices due to a lawyer's disability, death, dishonesty, or abandonment. We already know that the bar's budget of \$200,000 for receiverships this year is going to increase because of a large Northern Virginia practice with millions of dollars in defalcations. Receiverships are but

one element of the bar's fluctuating expenses related to its responsibility to protect the public.

The bar's expenses increase every year as a result of fixed costs such as rent, salary increases, and benefits. Despite what many perceive as a large number of new admittees every year, dues revenue increases yearly by only approximately 2.6 percent. We may very well need a dues increase in the next couple of years in order to match revenue to expenses.

Part of the challenge for the bar is to improve the services we offer to our members. The bar's website — <http://www.vsb.org> — contains a wealth of information about the many ways the bar carries out its mission. We hope to make the site even more useful by enabling lawyers to interact with the bar electronically. The ability to certify mandatory continuing legal education attendance and to allow members to update their contact information online will, we hope, be introduced this summer. A recent low-cost improvement to the website changed the color scheme to a lighter and brighter background and moved news items to the top of the home page. If you are not receiving the bar's monthly E-News, please log in to the Member's Area at <https://member.vsb.org/vsbportal/>, enter the E-Newsletter Enrollment link, and select Subscribe. If you need to

continued on page 24

Executive Director's Message

continued from page 8

update your e-mail address with the bar so you can receive the E-News, submit the change in writing to **membership@vsb.org**.

Although not directly related to the subject of the budget, the online Member Directory now has more than three thousand VSB members who have opted in. Please register for the

Member Directory so a colleague or a member of the public can reach you more easily. It is easy to make the change: you just log in to the members area at **<https://member.vsb.org/vsbportal/>** and opt in to the Member Directory.

Our goal is be more user-friendly to our members and fulfill the VSB's mission as set by the Supreme Court, while

using our resources economically. I invite your questions and comments on this or any other topic. My e-mail address is **gould@vsb.org**. Also, if you would like the president or the executive director to attend a meeting of your local bar, we would be delighted to do so. ☺