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The State Bar of California

It Needs Additional Revisions to Its Expense Policies to Ensure That It Uses Funds Prudently

Background

State law requires that every person licensed to practice law in California belong to the State Bar of California (State Bar). Supported primarily by member fees from its more than 260,000 members, the State Bar licenses and regulates individuals practicing law in California. The State Bar's highest priority is to protect the public from attorney misconduct through its attorney discipline system. This system includes the State Bar's Office of the Chief Trial Counsel, which investigates, prosecutes, and adjudicates complaints against attorneys, when warranted.

Our Key Recommendations

The State Bar should implement the following:

- Continue its efforts to better align its compensation practices with those of comparable agencies.
- Develop policies to limit issuing purchasing cards to employees who have a business need and ensure credit limits are appropriate.
- Update policies and procedures to reflect its alcohol prohibition, align meal and catering policies with those of the State's Executive Branch, and monitor the costs for section events to ensure they are reasonable and prudent.
- Revise lobbying contract terms to require detailed invoices that support the invoiced amounts.
- Identify key goals and metrics to measure how well its attorney discipline system protects the public from employee misconduct.

Key Findings

- The State Bar has not conducted an in-depth update of its job classifications since 2000 and, until recently, had not reviewed its compensation against comparable agencies since 2006.
 - » According to the April 2017 compensation study, most State Bar staff work a 36.25-hour workweek rather than a 40-hour workweek.
 - » After adjusting to a 40-hour workweek, it pays an average of 10 percent above the labor market median for comparable agencies.
 - » The State Bar provides its nonrepresented staff with health care benefits that are more generous than those provided to its represented staff and comparable agencies.
- Although the State Bar has revised some expense policies, it still does not have effective processes to ensure that its expenses are reasonable or appropriate.
 - » It assigns purchasing cards to nearly 38 percent of its staff with monthly credit limits up to \$75,000, but lacks a process to demonstrate that it only assigns purchasing cards to appropriate staff, and it does not document changes to staff's credit limits.
 - » It has not revised its procurement manual to prohibit alcohol purchases and its policies regarding catered meals do not align with those of the State's Executive Branch.
 - » It continues to have significant costs for the sections—voluntary organizations of attorneys and associates—including hotel charges that exceed the State Bar's lodging rate.
 - » Although the State Bar contracts with two lobbyists, it does not require the lobbyists to justify the amounts they bill, which totaled \$768,000 from 2014 to 2016.
- The State Bar continues to struggle with its discipline system: it has a persistent case backlog—generally defined as cases open for more than 180 days as of December 31 each year—and it lacks goals and metrics to measure whether the system is effectively protecting the public from attorney misconduct.

State Bar's Expenses Included \$52 Million in Salaries and \$24 Million in Benefits—51% of Its Total Expenses

