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## The State Bar of California

### *It Must Continue to Achieve Cost Savings and Reduce Its Growing Backlog of Disciplinary Cases*

#### **Background**

The State Bar’s mission is to regulate attorney education and conduct, create greater access to the legal system, and ensure the ethical and competent practice of law. It does so through a variety of activities, including investigating and prosecuting attorneys for rules violations, regulating certain law schools, and promoting diversity and inclusion in the legal system. Because most of the State Bar’s revenue is restricted, it primarily supports fulfilling its mission through general fund revenue derived from mandatory annual attorney licensing fees.

#### **Key Findings**

- » The State Bar’s general fund had a deficit in four out of five years from 2019 through 2023.
  - The Legislature approved an \$88 increase in mandatory fees for active attorneys and a \$22.60 increase for inactive attorneys’ fees for 2025. The State Bar expects this increase will reduce, but not eliminate, its reliance on its general fund’s working capital balance.
  - The State Bar has implemented cost-savings measures, but the impact of its most recent significant measures, including its efforts to reduce its workforce, remains uncertain.
- » The State Bar has a growing backlog of attorney discipline cases, but new changes to increase efficiency are reducing case processing times.
  - At the end of 2023, almost 36 percent of the total pending cases were in backlog, indicating that the Office of Chief Trial Counsel (OCTC) was not meeting its proposed case processing standards. Further, the State Bar has yet to formally adopt the case processing standards it created in 2022.
  - However, by implementing major changes, such as expanding its diversion program and reorganizing its teams, the OCTC closed cases up to 87 percent faster than previously.
- » While enrollment and racial diversity have increased in California law schools, the State Bar’s fees for oversight of these schools lack support.
  - The percentage of students of color increased in law schools from 2013 through 2023.
  - The State Bar increased some of its oversight fees for law schools; however, it was unable to clearly explain the methodology it used for these changes.

#### **Key Recommendations**

To address these findings, we recommend that the State Bar continue its reduction in workforce measure; adopt the proposed case processing standards as benchmarks against which to measure OCTC’s progress in shortening timelines and reducing backlogs; and reexamine its methodology for determining all fees for law schools the State Bar accredits and for unaccredited schools, and adopt reasonable fees for all law schools.

**Table 5**  
**State Bar General Fund Expenses Have Exceeded Revenues in Four of the Last Five Years**

	2019	2020	2021	2022	2023
Revenue*	\$79,996,000	\$94,027,000	\$105,037,000	\$92,644,000	\$97,247,000
Expenditures*	92,127,000	111,178,000	96,011,000	105,350,000	117,581,000
Change in Net Position	<b>\$(12,131,000)</b>	<b>\$(17,151,000)</b>	<b>\$9,026,000</b>	<b>\$(12,706,000)</b>	<b>\$(20,334,000)</b>

Source: The State Bar audited financial statements.

Note: Figures rounded to the nearest thousand.

\* Includes operating, non-operating, and fund transfers.