

# State Bar of Arizona

## 2023 Budget

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**State Bar of Arizona  
Summary Statement of Activities  
2023 Budget**

	2020 Actual	2021 Actual	2022 Budget	2023 Budget
<b>SUPPORT AND REVENUE</b>				
<b><u>Membership Fees</u></b>	<b><u>\$10,983,223</u></b>	<b><u>\$11,110,384</u></b>	<b><u>\$11,341,787</u></b>	<b><u>\$11,204,935</u></b>
<b><u>Program Service Revenue</u></b>				
Regulatory	267,803	204,521	177,825	178,752
Compliance	571,777	1,193,482	996,784	1,120,260
Professional development	3,634,413	4,431,845	4,693,452	5,060,602
Lawyer referral services	46,775	16,780		
<b><u>Subtotal Program Service Revenue</u></b>	<b><u>4,520,768</u></b>	<b><u>5,846,628</u></b>	<b><u>5,868,061</u></b>	<b><u>6,359,614</u></b>
<b><u>Other Revenue</u></b>				
Rental income	500,980	571,164	497,862	595,485
Interest and dividend income	25,817	138,962	150,000	
Gain/Loss on asset disposal		(1,473)		
Other revenue	353,991	622,132	419,236	458,844
<b>TOTAL SUPPORT AND REVENUE</b>	<b><u>16,384,779</u></b>	<b><u>18,287,797</u></b>	<b><u>18,276,946</u></b>	<b><u>18,618,878</u></b>
<b>EXPENSES</b>				
Personnel Costs	9,887,744	9,803,773	10,133,247	10,529,704
Depreciation	788,275	720,028	645,363	625,311
Other expenses	4,951,327	5,192,203	6,959,782	7,242,350
<b>TOTAL EXPENSES</b>	<b><u>15,627,346</u></b>	<b><u>15,716,004</u></b>	<b><u>17,738,392</u></b>	<b><u>18,397,365</u></b>
<b>CHANGE IN NET ASSETS</b>	<b><u>\$757,433</u></b>	<b><u>2,571,793</u></b>	<b><u>538,554</u></b>	<b><u>221,513</u></b>

**State Bar of Arizona  
Statement of Activities  
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	2020 Actual	2021 Actual	2022 Budget	2023 Budget
<b>SUPPORT AND REVENUE</b>				
<b><u>Membership Fees</u></b>				
Active	\$8,892,411	\$9,027,979	\$9,223,159	\$9,186,927
Inactive	1,177,594	1,193,880	1,246,116	1,135,075
Membership fees penalties	408,785	368,525	388,068	381,200
Sections	323,210	322,720	320,869	323,071
Board of Legal Specializations	96,800	92,250	94,600	91,400
Admission on motion	84,423	105,030	68,975	87,262
<b>Subtotal Member Fees</b>	<b>10,983,223</b>	<b>11,110,384</b>	<b>11,341,787</b>	<b>11,204,935</b>
<b><u>Program Service Revenue</u></b>				
<b><u>Regulatory</u></b>				
Judgement receipts	153,341	113,474	102,000	96,000
Professional services <sup>1</sup>	70,950	53,944	46,050	50,250
Reinstatement fees	19,213	14,050	8,500	8,500
Trust account ethics program	6,650	5,500	9,000	9,000
Miscellaneous revenue	17,649	17,553	12,275	15,002
<b>Subtotal Regulatory</b>	<b>267,803</b>	<b>204,521</b>	<b>177,825</b>	<b>178,752</b>
<b><u>Compliance</u></b>				
Board of Legal Specializations	44,225	35,925	31,900	40,300
Pro Hac Vice fees	450,726	526,218	547,284	549,060
Reinstatement fees	9,850	11,000	7,600	10,400
MCLE-late fees <sup>2</sup>	66,826	609,856	410,000	510,000
Miscellaneous revenues	150	10,483		10,500
<b>Subtotal Compliance</b>	<b>571,777</b>	<b>1,193,482</b>	<b>996,784</b>	<b>1,120,260</b>

**State Bar of Arizona  
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	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Budget</u>	<u>2023 Budget</u>
<i><u>Professional Development</u></i>				
Continuing legal education	1,833,169	2,425,148	2,300,983	2,594,691
Convention	342,613	366,098	552,639	503,799
Publications	192,183	242,399	329,924	276,594
Advertising sales	982,740	1,092,491	1,085,474	1,171,614
Arizona Attorney magazine	6,934	12,860	7,472	11,823
Sections meetings and conferences	40,448	41,445	149,852	185,952
Contributions and sponsorships	70,170	39,027	68,150	84,540
Membership benefits	102,108	102,327	109,274	100,594
Miscellaneous revenues	64,048	110,050	89,684	130,995
<i>Subtotal Professional Development</i>	<i>3,634,413</i>	<i>4,431,845</i>	<i>4,693,452</i>	<i>5,060,602</i>
<i><u>Access to Justice</u></i>				
Lawyer referral services	46,775	16,780		
<i>Subtotal Access To Justice</i>	<i>46,775</i>	<i>16,780</i>		
 <i>Subtotal Program Service Revenue</i>	 <i>4,520,768</i>	 <i>5,846,628</i>	 <i>5,868,061</i>	 <i>6,359,614</i>
<i><u>Other Revenue</u></i>				
Rental income <sup>3</sup>	500,980	571,164	497,862	595,485
Interest and dividend income	25,817	138,962	150,000	
Gain/Loss on asset disposal		(1,473)		
Other revenue	353,991	622,132	419,236	458,844
<b>TOTAL SUPPORT AND REVENUE</b>	<b>16,384,779</b>	<b>18,287,797</b>	<b>18,276,946</b>	<b>18,618,878</b>

**State Bar of Arizona  
Statement of Activities  
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	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Budget</u>	<u>2023 Budget</u>
<b>EXPENSES</b>				
Salaries and wages	7,938,614	7,858,842	8,099,211	8,423,781
Employee benefits <sup>4</sup>	1,372,317	1,354,971	1,397,843	1,444,278
Payroll taxes	576,813	589,960	636,193	661,645
Accounting fees	43,200	54,400	46,200	50,892
Advertising & promotion	6,395	10,700	55,567	60,594
Bad debt	2,120	(657)		
Bank/Credit card fees	372,101	405,098	374,290	342,367
Conferences, conventions and meetings	676,601	799,451	1,467,028	1,335,092
Contract labor <sup>5</sup>	8,001	18,229	42,800	17,800
Contributions <sup>6</sup>	118,666	142,745	142,064	138,509
Depreciation <sup>7</sup>	788,275	720,028	645,363	625,311
Information technology <sup>8</sup>	875,693	887,885	985,961	1,031,944
Insurance	108,753	132,765	145,137	152,443
Interest expense	6	2		
Legal fees	89,761	63,887	115,135	125,135
Member research tool <sup>9</sup>	80,004	80,004	80,004	80,004
Occupancy <sup>10</sup>	726,031	752,423	828,462	837,659
Office expense <sup>11</sup>	701,256	643,733	857,048	912,382
Office of Presiding Disciplinary Judge <sup>12</sup>	618,975	613,069	742,944	917,122
Professional services <sup>13</sup>	283,820	306,866	400,422	496,736
Publications <sup>14</sup>	34,584	40,610	92,820	65,798
Sponsorship expense <sup>15</sup>	2,433	4,000	31,583	33,783
Training and development <sup>16</sup>	71,191	68,167	216,758	250,207
Travel <sup>17</sup>	17,852	12,590	96,819	102,263
UBIT taxes <sup>18</sup>	174	19,471	16,000	50,000
Other expenses	113,710	136,765	222,740	241,620
<b>TOTAL EXPENSES</b>	<b>15,627,346</b>	<b>15,716,004</b>	<b>17,738,392</b>	<b>18,397,365</b>
<b>CHANGE IN NET ASSETS</b>	<b>\$757,433</b>	<b>2,571,793</b>	<b>538,554</b>	<b>221,513</b>

## FOOTNOTES TO 2023 BUDGET

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### INCOME

- 1 Professional services - fees collected for required training after discipline
- 2 MCLE - Mandatory Continuing Legal Education
- 3 Rental income - tenant income from 24th Street building, parking income Tucson location

### EXPENSES

- 4 Employee benefits - health insurance benefits, EE retirement plan, staff recognition and awards, and staff activities
  - 5 Contract labor - seasonal temporary workers
  - 6 Contributions - contributions to Arizona Foundation for Legal Services & Education
  - 7 Depreciation - allocation of costs for capital assets over useful life (technology, facilities, equipment)  
Information technology - Includes all IT-related Software-as-a-Service (SaaS), IT-related maintenance and warranty
  - 8 contracts (hardware and software) that are not classified as capital expenditures
  - 9 Member research tool - free unlimited online legal research provided to members
  - 10 Occupancy - 24th Street and Tucson building utilities, maintenance, and operational costs
  - 11 Office expense - office supplies & equipment, postage, stationery and reference materials/subscriptions
  - 12 Office-Presiding Disciplinary Judge - funding paid to the Az Supreme Court for disciplinary administrative charges
  - 13 Professional services - cost of consultants and/or other professional services
  - 14 Publications - expenses incurred to generate publication revenue
  - 15 Sponsorship expense - contributions to sister bars and other organizations for the promotion of the legal profession
  - 16 Training and development - staff education, dues, and related travel expenses
  - 17 Travel - transportation, lodging, meals and registration for board meetings, national and regional conferences
  - 18 UBIT taxes - unrelated business income tax
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