

California State Bar Adopts 2024 Budget



The State Bar of California recently announced the adoption of its 2024 budget, ensuring financial stability for the year ahead. However, concerns loom over a potential deficit in 2025, prompting discussions around necessary fee increases.

Budget Adoption and Concerns

The adopted budget for 2024 maintains the State Bar's financial health, but officials cautioned about a looming deficit in the following year. To address this concern, California attorneys may face a significant licensing fee increase in 2025.

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Fee Increase Proposal

Bar staff proposed an additional \$114 annual fee for attorneys in 2025, atop the existing \$404 licensing fee. This adjustment aims to bridge an expected \$24 million deficit in the state bar's core functions. The proposed increase is crucial for various initiatives, including technological advancements, staffing enhancements for complaint investigations, and strengthening oversight of client [trust accounts](#).

Challenges and Discussions

Trustees expressed challenges in comprehending the scale of required fee increases and strategizing their presentation to [California legislators](#), who must approve any adjustments. Despite the [state bar's](#) prior request for increased revenue, lawmakers declined to advance a fee increase last year. Discussions on [fee requests](#) to the legislature will continue during the upcoming board meeting.

Operational Needs

Concerns were raised about the operational needs of the Office of Chief Trial Counsel, requiring an additional \$11.8 million and the creation of 75 to 77 new positions within three years. Additionally, nearly \$17 million is earmarked for updating the state bar's IT systems.

Financial Outlook

While the State Bar managed to remain solvent in 2024 by utilizing proceeds from the sale of its San Francisco building, its operating reserves are projected to diminish to \$14 million by year-end. Without a fee increase, the general [fund will face](#) insolvency in 2025. The shortfall is primarily attributed to increased personnel costs, filling vacant positions, and leasing office space in San Francisco following the building sale.

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Chairman Brandon Stallings emphasized the necessity of conveying the state bar's financial needs to stakeholders and legislative partners, underscoring the urgency for a financial reset. The forthcoming deliberations aim to secure the State Bar's long-term financial stability and operational effectiveness.

Don't be a silent ninja! Let us know your thoughts in the comment section below.

