

1-13

OFFICE OF
LAWYERS PROFESSIONAL RESPONSIBILITY

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January 10, 1992

Office of Appellate Courts
25 Constitution Avenue
Room 245
St. Paul, MN 55155

Re: In Re Petition of the Lawyers Professional
Responsibility Board for Amendment of Rules
Relating to Registration of Attorneys

Dear Clerk:

Enclosed for filing are original and eight copies of the above
petition with the related statement in support of the petition.

Very truly yours,



William J. Wernz
Director

tt

Enclosures

cc: Honorable John E. Simonett
Charles R. Kennedy
Gregory M. Bistram
Judith L. Rehak

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COPY

January 10, 1992

The Honorable John E. Simonett
Associate Justice
Attn: Aimée Bissonette
Assistant Commissioner
Supreme Court of Minnesota
25 Constitution Avenue, Suite 430
St. Paul, MN 55155

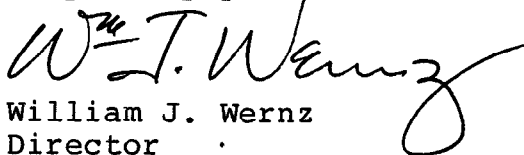
Re: In Re Petition of the Lawyers Professional
Responsibility Board for Amendment of Rules
Relating to Registration of Attorneys

Dear Justice Simonett:

Enclosed are copies of the above petition and related statement in support of it, together with my filing letter. I understand that the Minnesota State Bar Association Executive Committee has recommended to the Board of Governors that the petition be supported. The Board of Governors and House of Delegates will be considering the matter next week.

As I have mentioned before, in order for the increased fee to be effective July 1, the attorney registration office apparently needs two to three months lead time. The Board will be appreciative if the Court is able to expedite the matter.

Very truly yours,


William J. Wernz
Director

tt

Enclosures

cc: Clerk of Appellate Courts ✓
Charles R. Kennedy
Gregory M. Bistram
Judith L. Rehak

FILE NO. C9-81-1206

STATE OF MINNESOTA

IN SUPREME COURT

OFFICE OF
APPELLATE COURTS

JAN 13 1992

FILED

In Re Petition of the Lawyers
Professional Responsibility
Board for Amendment of Rules
Relating to Registration of
Attorneys.

PETITION

TO: THE SUPREME COURT OF THE STATE OF MINNESOTA:

The Lawyers Professional Responsibility Board hereby petitions the Court to adopt, effective with payments due on and after July 1, 1992, the following amendments to Rule 2, Rules for Registration of Attorneys:

RULE 2. REGISTRATION FEE

In order to defray the expenses of examinations and investigations for admission to the bar and disciplinary proceedings, over and above the amount paid by applicants for such admission, with exception hereinafter enumerated, each attorney admitted to practice law in this state and those members of the judiciary who are required to be admitted to practice as a prerequisite to holding office shall hereafter annually pay to the clerk of the appellate courts a registration fee in the sum of ~~One-Hundred-Twenty-two Dollars-(\$122.00)~~ One Hundred Forty-two Dollars (\$142.00) or in such lesser sum as the court may annually hereafter determine.

Such fee, or portion thereof, shall be paid on or before the first day of January, April, July, or

October of each year as requested by the clerk of the appellate courts.

All sums so received shall be allocated as follows:

\$15.00 to the State Board of Law Examiners

\$7.00 to the State Board of Continuing Legal Education

~~\$80.00~~ \$100.00 to the Lawyers Professional Responsibility Board

\$20.00 to the Minnesota Client Security Fund.

The following attorneys and judges shall pay an annual registration fee of ~~Thirty-nine-Dollars~~ ~~(\$39.00)~~ Forty-two Dollars (\$42.00):

(a) Any attorney or judge whose permanent residence is outside the State of Minnesota and who does not practice law within the state;

(b) Any attorney who has not been admitted to practice for more than three years;

(c) Any attorney while on duty in the armed forces of the United States.

The ~~Thirty-nine-Dollars~~ ~~(\$39.00)~~ Forty-two Dollars (\$42.00) so received shall be allocated as follows:

\$15.00 to the State Board of Law Examiners

\$7.00 to the State Board of Continuing Legal Education

~~(\$17.00)~~ \$20.00 to the Lawyers Professional Responsibility Board.

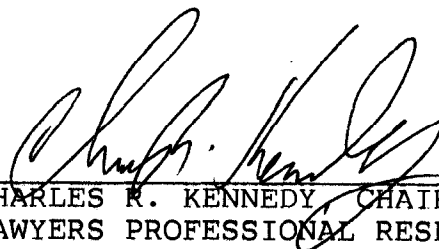
Any attorney admitted to practice law on or after July 1, 1988, shall pay to the Minnesota Client Security Fund \$50 in the fiscal year of admission and an additional \$50 in the fiscal year the attorney becomes subject to the first paragraph of this rule. This second \$50 shall be instead of any annual assessment in favor of the Client Security Fund in that year.

Any attorney who is retired from any gainful employment or permanently disabled, or who files annually with the clerk of the appellate courts an affidavit that he or she is so retired or disabled and not engaged in the practice of law, shall be placed in a fee-exempt category and shall remain in good standing. An attorney claiming retired or permanently disabled status who subsequently resumes active practice of law shall promptly file notice of such change of status with the clerk of the appellate courts and pay the annual registration fee.

Any judge who is retired from any gainful employment or permanently disabled, who no longer serves on the bench or practices law, and who files annually with the clerk of the appellate courts that he or she is so retired or disabled and not engaged in the practice of law, shall be placed in a fee-exempt category and shall remain in good standing. A judge claiming retired or permanently disabled status who subsequently resumes service on the bench or the active practice of law shall promptly file notice of such

change of status with the clerk of the appellate courts
and pay the annual registration fee.

Dated: January 10, 1992.



CHARLES R. KENNEDY, CHAIR
LAWYERS PROFESSIONAL RESPONSIBILITY
BOARD

Attorney No. 55074
520 Lafayette Road, Suite 100
St. Paul, MN 55155-4196
(612) 296-3952

FILE NO. C9-81-1206

STATE OF MINNESOTA

IN SUPREME COURT

JAN 13 1992

FILED

In Re Petition of the Lawyers
Professional Responsibility
Board for Amendment of Rules
Relating to Registration of
Attorneys.

STATEMENT IN SUPPORT
OF PETITION OF LAWYERS
PROFESSIONAL RESPONSIBILITY
BOARD

I. INTRODUCTION

The Lawyers Professional Responsibility Board has filed a petition requesting the Minnesota Supreme Court to increase the portion of the annual registration fee payable to the Lawyers Professional Responsibility Board from \$80.00 to \$100.00 for most attorneys, and to increase the sum for other attorneys from \$17.00 to \$20.00. Since 1985, the fee payable for Lawyers Board services has been increased only once, by \$10.00 in 1988. It is expected that no further fee increases would be necessary for at least four or five years. The need for the fee increase is explained as follows.

The normal annual budgeting process is being accelerated this year, because of the clear need to increase the amount of the annual attorney registration fee for Lawyers Board uses by July 1, 1992. A time line is attached at A. 1.

The normal process of budgeting for a two year period is also being extended this year, to include additional budget projections for two more years. Fee increases should normally be in an amount sufficient so that no additional fee increase will be needed for approximately four years.

The requested fee increase does not include any additional attorneys for the Director's Office. It is occasioned by inflation, increased complaints, expenditures for equipment and expenditures related to an expected move to the Judicial Center, as well as some additional needs for clerical services. The Director's Office has also been providing additional services in recent years, such as the trust account overdraft notice program and services to the Client Security Board. Last year alone there were 55 Supreme Court disciplinary matters (a new record), as well as continuing increases in such services as telephone advisory opinions to practicing lawyers, disciplinary probations, trusteeships for abandoned law practices, etc.

Attached are annual budgets and projections for FY'91 through FY'96 (A. 2-8). Supreme Court administration recommends a fiscal year balance carry forward of at least 20 percent of annual budget. The carry forward on June 30, 1992, will be only 15 percent of budget. With the \$20 annual increase, effective 7/1/92, the balance carry forward on 6/30/96 would be projected to be \$335,347, an amount equal to 20 percent of budget. Because FY'96 projections show expenditures exceeding income, the carry forward would be expected to decline in and after FY'96.

The 1988 annual report of the Board and Director reported on the \$10 increase effective 7/1/88, and projected that "another three to four year interval can transpire without an additional increase." Attached is a chart on Attorney Registration Fee History and Projections (A. 9).

Attached at A. 10-13 is a recent survey, done by the New Jersey Office of Attorney Ethics on attorney license fees in the various states and District of Columbia. It appears that the

discipline fees range widely, from \$395 in California to \$50 or less in Arkansas. A. 13 lists the states, like Minnesota, which have voluntary bar organizations. It appears that the current Minnesota discipline fee of \$80 is about average. New Jersey is presently seeking a \$20 increase.

The main variables, assumptions, methods and conclusions of the budgeting and projecting process are highlighted below. Aside from the intrinsic difficulty of projecting budget several years in advance, the main unknowns are: payroll expense, in light of the current fiscal crisis; timing and expense of moving to the Judicial Center, with related rental, furniture and equipment expenses; and expenses for computerization. Another important item that has turned out to be more variable than expected is the incremental additional number of attorneys paying the full registration fee. This number has grown quite a bit more slowly than previously projected, and a substantially increased fee might greatly affect the number and thereby the main source of income.

II. INCOME

1. Number of Attorneys.

The Lawyers Board and Client Security Board more than the other Supreme Court Boards, depend upon the Supreme Court attorney registration fees. In the past, we have taken an average of several years as a basis for projecting future increases in the number of attorneys. The old historical averages now seem to have been projected higher than our experience in the last couple of years. We have taken reductions in FY'91 and '92 to take account of this. Based on more recent data we are further reducing both the number of attorneys

expected to be paying the fee in FY'92, and the additional number of attorneys expected for FY'93. Of course, these adjustments reduce income.

A cumulative shortfall in number of paying attorneys in FY'90 resulted in registration income falling \$50,154 short of projections. This is reflected both in the balance forward and in the number of attorneys expected to have paid during FY'91. For FY'91, income projections were revised to reflect 200 fewer attorneys paying the \$80 fee and 100 fewer paying the \$17 fee--reducing FY'91 anticipated income by \$17,700. For FY'92 and following, we have reduced from 700 to 500 the net additional number of attorneys for each year.

2. Late Fees.

On July 1, 1990, the late fee for attorney registration dues was increased from \$5 to \$50. In FY'91 this generated income of \$73,130, a portion of which benefits our budget. Our budget was credited with \$41,072 as our share of the additional late fees.

Projecting late fees for FY'92 and '93 is difficult with the small historical base for the \$50 amount. We have projected 66 percent of FY'91 late fees and fines--believing that attorneys will learn from expensive experience to pay on time more often.

III. EXPENDITURES

Payroll accounts for nearly 80 percent of expenditures. Payroll increases for FY'92 are limited to a 2.25 percent COLA plus merit increases of up to 3 percent. However, many employees have reached their salary range maximums and receive no merit increase. Most of these employees receive a "stability payment," equal to about \$500 - \$750.

As the footnotes indicate, FY'95 and FY'96 are projected simply by assuming an overall increase of 8 percent, with an adjustment made for moving expenses. This increase would probably accommodate an additional position at a level of law clerk or clerical person, but would not anticipate an additional legal assistant or lawyer.

Rent is projected at an approximate rate for the Judicial Center, furnished by Supreme Court administration.

IV. ALTERNATE PROJECTION ASSUMING A \$15 ANNUAL FEE INCREASE

Attached at A. 14-16 are projections showing the estimated incomes and balances forward for FY'93-FY'96, assuming a \$15 fee increase. That amount would be insufficient.

V. CONCLUSION

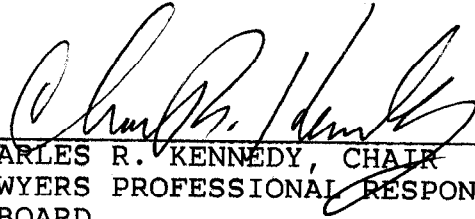
An increase of \$20 in the annual registration fee is necessary for the period beginning July 1, 1992. Since there has been only a single, \$10 increase, since October 1984, the amount of the increase by itself should not be unduly burdensome.

The amount of the fee increase appears to be necessary to ensure that further increases are not needed in the short term. A troublesome variable in recent budgeting has been that the number of fee-paying attorneys apparently has not increased as much as had been expected.

For the above reasons, the Lawyers Professional Responsibility Board respectfully requests the Minnesota Supreme

Court to grant its petition for amendment of rules relating to registration of attorneys.

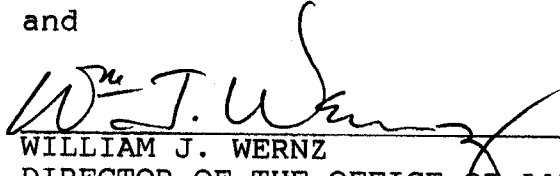
Dated: January 10, 1992.



CHARLES R. KENNEDY, CHAIR
LAWYERS PROFESSIONAL RESPONSIBILITY
BOARD

Attorney No. 55074
520 Lafayette Road, Suite 100
St. Paul, MN 55155-4196
(612) 296-3952

and



WILLIAM J. WERNZ
DIRECTOR OF THE OFFICE OF LAWYERS
PROFESSIONAL RESPONSIBILITY
Attorney No. 11599X

TIME LINE

November 1991 Lawyers Professional Responsibility Board Executive Committee approves budget and fee increase.

December 1991 Minnesota State Bar Association (MSBA) Executive Committee approves budget and fee increase.

January 3, 1992 Paperwork due to MSBA for mid-year meeting.

January 10, 1992 Lawyers Professional Responsibility Board Meeting.

January 13, 1992 File petition for fee increase with Supreme Court.

January 18, 1992 MSBA Mid-year meeting. Board of Governors and House of Delegates consider Lawyers Board fee petition.

Mid March to
early April, 1992 Fee increase information needed by Attorney Registration to allow for programming of fee statements for increase on 7/1.

May 23, 1992 Attorney registration mails fee statements due 7/1.

July 1, 1992 Fee increase would take effect.

FY'91 thru FY'96
Income Summaries

		FY'91	
Balance Forward In 7/1/90			\$264,664
 <u>Actual Income</u>			
Atty Reg Fees:	12,131 @ \$80 =	\$970,480	
	4,258 @ \$17 =	\$72,386	
	851 New Admittees @ \$13 =	\$11,063	
	Late fees and fines	<u>\$49,140</u>	
	Total Atty Reg. Receipts		\$1,103,069
Other Income:	Client Security Fund	\$21,522	
	Judgments	\$35,221	
	Professional Corporations	\$23,425	
Other	Other	<u>\$2,629</u>	
	Total Other		<u>\$82,797</u>
Total Income			<u>\$1,185,866</u>
 TOTAL AVAILABLE FUNDS			 \$1,450,530
FY'91 ACTUAL EXPENDITURES			<u>\$1,175,809</u>
 ACTUAL BALANCE FORWARD 6/30/91			 <u>\$274,721</u>

		FY'92	
Balance Forward In 7/1/91			\$274,721
 <u>Income</u>			
Atty Reg Fees:	12,631 @ \$80 =	\$1,010,480	
	4,258 @ \$17 =	\$72,386	
	800 New Admittees @ \$13 =	\$10,400	
	Late fees and fines	<u>\$32,432</u>	
	Total Atty Reg. Receipts		\$1,125,698
Other Income:	Client Security Fund	\$15,000	
	Judgments	\$16,000	
	Professional Corporations	<u>\$22,300</u>	
	Total Other		<u>\$53,300</u>
Total Income			<u>\$1,178,998</u>
 TOTAL AVAILABLE FUNDS			 \$1,453,719
FY'92 ESTIMATED EXPENDITURES			<u>\$1,258,048</u>
 ESTIMATED BALANCE 6/30/92			 <u>\$195,671</u>

INCLUDES \$20/\$3 FEE INCREASE AS OF 7/1/92

FY'93

Summary

Estimated Balance Forward In 7/1/92		\$195,671
Income		
Atty Reg Fees:	13,131 @ \$100 =	\$1,313,100
	4,258 @ \$20 =	\$85,160
	800 New Admittees @ \$15 =	\$12,000
	Late fees and fines	<u>\$30,000</u>
	Total Atty Reg. Receipts	\$1,440,260
Other Income:	Client Security Fund	\$15,000
	Judgments	\$15,000
	Professional Corporations	<u>\$22,300</u>
	Total Other	<u>\$52,300</u>
Total Income		<u>\$1,492,560</u>
TOTAL AVAILABLE FUNDS		\$1,688,231
FY'93 ESTIMATED EXPENDITURES		<u>\$1,387,887</u>
ESTIMATED BALANCE 6/30/93		<u>\$300,344</u>

FY'94

Summary

Estimated Balance Forward In 7/1/93		\$300,344
Income		
Atty Reg Fees:	13,631 @ \$100 =	\$1,363,100
	4,258 @ \$20 =	\$85,160
	800 New Admittees @ \$15 =	\$12,000
	Late fees and fines	<u>\$30,000</u>
	Total Atty Reg. Receipts	\$1,490,260
Other Income:	Client Security Fund	\$15,000
	Judgments	\$15,000
	Professional Corporations	<u>\$22,300</u>
	Total Other	<u>\$52,300</u>
Total Income		<u>\$1,542,560</u>
TOTAL AVAILABLE FUNDS		\$1,842,904
FY'94 ESTIMATED EXPENDITURES		<u>\$1,430,100</u>
ESTIMATED BALANCE 6/30/94		<u>\$412,804</u>

FY'95
Summary

Estimated Balance Forward In 7/1/94 **\$412,804**

Income

Atty Reg Fees:	14,131 @ \$100 =	\$1,413,100	
	4,258 @ \$20 =	\$85,160	
	800 New Admittees @ \$15 =	\$12,000	
	Late fees and fines	<u>\$30,000</u>	
	Total Atty Reg. Receipts		\$1,540,260
Other Income:	Client Security Fund	\$15,000	
	Judgments	\$15,000	
	Professional Corporations	<u>\$22,300</u>	
	Total Other		<u>\$52,300</u>
Total Income			<u>\$1,592,560</u>

TOTAL AVAILABLE FUNDS **\$2,005,364**

FY'95 ESTIMATED EXPENDITURES **\$1,644,508**

ESTIMATED BALANCE 6/30/95 **\$360,856**

FY'96
Summary

Estimated Balance Forward In 7/1/95 **\$360,856**

Income

Atty Reg Fees:	14,631 @ \$100 =	\$1,463,100	
	4,258 @ \$20 =	\$85,160	
	800 New Admittees @ \$15 =	\$12,000	
	Late fees and fines	<u>\$30,000</u>	
	Total Atty Reg. Receipts		\$1,590,260
Other Income:	Client Security Fund	\$15,000	
	Judgments	\$15,000	
	Professional Corporations	<u>\$22,300</u>	
	Total Other		<u>\$52,300</u>
Total Income			<u>\$1,642,560</u>

TOTAL AVAILABLE FUNDS **\$2,003,416**

FY'96 ESTIMATED EXPENDITURES **\$1,668,069**

ESTIMATED BALANCE 6/30/96 **\$335,347**

10/22/91

 FY'87, FY'88, FY'89, FY'90 and FY'91
 Actual Expenditures

 FY'92, FY'93, FY'94
 Anticipated Expenditures

	FY'87 Budget	FY'88 Budget	FY'89 Budget	FY'90 Budget	FY'91 Budget	FY'92 Antic. Budget	FY'93 Antic. Budget	FY'94 Antic. Budget
Payroll & Benefits	\$689,007	\$751,611	\$790,184	\$882,794	\$949,331	\$1,024,227	\$1,075,438	\$1,150,719
Rents and Leases	\$52,408	\$67,286	\$70,075	\$74,498	\$87,433	\$88,221	\$92,565	\$97,107
Advertising	\$871	\$362	\$696	\$1,511	\$1,633	\$1,433	\$1,602	\$1,730
Repair Services	\$9,459	\$9,951	\$8,368	\$10,763	\$10,000	\$12,000	\$12,013	\$12,974
Bonds and Insurance	\$0	\$3,445	\$3,587	\$2,980	\$2,908	\$3,348	\$3,233	\$3,491
Printing & Binding	\$3,052	\$3,354	\$10,467	\$8,092	\$8,235	\$9,421	\$9,441	\$10,196
Professional & Tech. Services	\$24,337	\$23,867	\$22,561	\$40,605	\$23,220	\$33,659	\$35,744	\$38,604
Data Processing	\$8,006	\$11,902	\$3,412	\$8,019	\$4,122	\$5,000	\$55,000	\$20,000
Purchased Services	\$7,404	\$6,119	\$5,024	\$9,400	\$11,770	\$11,000	\$11,260	\$12,160
Communications	\$15,180	\$15,022	\$17,464	\$20,796	\$22,581	\$20,905	\$23,570	\$25,456
Travel In State	\$9,009	\$7,967	\$9,744	\$10,240	\$3,133	\$5,000	\$6,431	\$6,945
Travel Out-of-State	\$2,958	\$5,189	\$3,757	\$8,401	\$5,886	\$8,100	\$7,835	\$8,462
Fees & Fixed Charges	\$2,968	\$3,777	\$4,150	\$5,095	\$3,073	\$4,134	\$4,306	\$4,650
Supplies & Materials	\$19,875	\$23,502	\$22,948	\$23,533	\$30,183	\$26,600	\$29,449	\$31,805
Equipment	\$42,802	\$36,273	\$4,211	\$2,002	\$12,301	\$5,000	\$20,000	\$5,800
TOTAL	\$887,336	\$969,627	\$976,648	\$1,108,729	\$1,175,809	\$1,258,048	\$1,387,887	\$1,430,100

FY'93 and FY'94 Footnotes

Payroll	FY'93 is 105% of FY'92, FY'94 is 107% of FY'93
Rent	FY'93 pursuant to lease, FY'94 Rent is increased by 5%
Advertising	FY'93 is 105% of 3-year average, FY'94 is 108% of FY'93
Repairs	FY'93 is 110% of 3-year average, FY'94 is 108% of FY'93
Bonds	FY'93 is 105% of 3-year average, FY'94 is 108% of FY'93
Printing	FY'93 is 110% of 3-year average, FY'94 is 108% of FY'93
Prof. & Tech	FY'93 is 110% of 3-year average, FY'94 is 108% of FY'93
Data Processing	FY'93 includes \$55,000 for new computer system carried forward from FY'92. FY'94 includes \$20,000 for maintenance and programming of new computer system
Purchased Serv	FY'93 is 105% of 3-year average, FY'94 is 108% of FY'93
Communications	FY'93 is 110% of 3-year average, FY'94 is 108% of FY'93
Travel In State	FY'93 is 105% of 3-year average, FY'94 is 108% of FY'93
Travel Out State	FY'93 is 105% of 3-year average, FY'94 is 108% of FY'93
Fees & Fixed Charges	FY'93 is 105% of 3-year average, FY'94 is 108% of FY'93
Supplies	FY'93 is 110% of 3-year average, FY'94 is 108% of FY'93
Equipment	FY'93 includes \$20,000 for new computer hardware. FY'94 is 116% of FY'92

FY'95 and FY'96 Footnotes

FY'95 is 108% of FY'94 expenditures plus \$100,000 as broken out below
\$35,000 new word processing, \$35,000 new copier, \$30,000 replacement furniture/equipment and misc. moving expenses

FY'96 is 108% of FY'95 minus the \$100,000 equipment and moving expenses

Inc Date	Employee	6/30/91 SALARY	7/3/91 2% COLA	FY'92 Salary	FICA=7.6% MSRS=4.29%	Ins.	New FY'92 Total
7/1	Wernz-1	\$71,386	\$72,814	\$73,950	\$8,820	\$3,800	\$86,570
5/1	Vasaly -2	\$60,686	\$61,900	\$62,742	\$7,985	\$3,800	\$74,527
4/27	Hojan-3	\$52,868	\$53,925	\$49,978	\$5,942	\$3,483	\$59,404
1/6	K. Jorgensen-4	\$53,766	\$54,841	\$55,956	\$6,523	\$3,800	\$66,278
1/6	Cole-5	\$53,912	\$54,990	\$56,102	\$6,531	\$3,800	\$66,433
2/12	Shaw-6	\$53,390	\$54,458	\$50,215	\$5,971	\$3,654	\$59,839
2/15	Legge-7	\$46,729	\$47,664	\$48,463	\$5,762	\$1,800	\$56,025
5/8	Burns-8	\$45,456	\$46,365	\$46,827	\$5,568	\$3,800	\$56,195
9/12	Risku-9	\$38,300	\$39,066	\$40,216	\$4,782	\$1,800	\$46,798
9/12	Rachleff-10	\$25,996	\$26,516	\$27,300	\$3,246	\$1,800	\$32,346
8/6	P. Jorgensen-11	\$14,657	\$14,950	\$10,582	\$1,258	\$0	\$11,841
4/24	Phillips-12	\$13,582	\$13,854	\$16,174	\$1,923	\$0	\$18,097
9/27	McMahon-13	\$26,058	\$26,579	\$27,332	\$3,250	\$1,800	\$32,382
11/28	Nelson-14	\$31,800	\$32,436	\$32,670	\$3,884	\$3,800	\$40,355
2/21	Daubenspeck-15	\$37,020	\$37,760	\$38,739	\$4,606	\$3,800	\$47,145
10/19	Trejo-16	\$29,356	\$29,943	\$30,729	\$3,654	\$3,800	\$38,183
1/1	Anderson-17	\$26,769	\$27,304	\$28,003	\$3,330	\$3,800	\$35,133
7/19	Sheak-18	\$26,769	\$27,304	\$27,928	\$3,321	\$1,800	\$33,049
2/26	Capecchi-19	\$7,313	\$7,459	\$7,553	\$898	\$0	\$8,451
2/13	Peerman-20	\$25,954	\$26,473	\$27,390	\$3,257	\$3,800	\$34,446
8/16	Wendel-21	\$20,379	\$20,787	\$21,456	\$2,551	\$1,800	\$25,807
3/1	Lombard-22	\$19,565	\$19,956	\$18,210	\$2,165	\$1,731	\$22,107
8/1	Hennen-23	\$24,471	\$24,960	\$25,772	\$3,064	\$3,800	\$32,636
Supreme Court Employees							
1/1	*Wicker-24		\$2,731	\$2,799	\$333	\$380	\$3,512
11/9	*Ahlgren-25		\$2,386	\$2,445	\$291	\$180	\$2,916
4/16	*Gueblaoui-26		\$6,656	\$6,735	\$801	\$950	\$8,485
3/1	*Marchio-27		\$18,202	\$18,484	\$2,198	\$2,584	\$23,266
							<u>\$2,000</u>
*OLPR portions of S.Ct. employee salaries							\$1,024,227

A.7

Footnotes - Salaries are based on 2096 hours this fiscal year unless otherwise noted. FY'92 salary includes 3% merit increase or stability pymt and .5% COLA on 1/1/92

Wernz 1-At top of salary range- 6% retirement, FICA (6.2%)to \$53,400, Medi (1.45%) to \$73,950. \$675 stability pymt, .5% COLA 1/1/92
 Vasaly 2-At top of salary range-6% retirement, FICA (6.2%) to \$53,400, Medi (1.45%) to \$62,742. \$450 stability pymt, .5% COLA 1/1/92
 Hojan 3-4.29% retirement, 7.65% social security and medicare. On leave 7/1-7/30. 3% increase 5/6/92
 Jorgensen 4-FICA (6.2%) to \$53,400, Medicare (1.45%) of entire salary. 3% increase 1/15/92
 Cole 5-FICA (6.2%) to \$53,400, Medicare (1.45%) of entire salary. 3% increase 1/15/92
 Shaw 6-Leave of absence 7/8-8/9/91. 3% increase 2/12/92
 Legge 7-3% increase 2/26/92
 Burns 8-3% increase 5/20/92
 Risku 9-3% increase 9/25/91
 Rachleff 10-3% increase 9/25/91
 P. Jorgensen 11-20 hours per week until 3/10/92. 3% increase 8/14/91. Leave of absence 3/11/92 - 6/30/92
 Phillips 12-20 hours per week until 3/10/92. 30 hours per week 3/11/92 - 6/30/92. 3% increase 5/6/92
 McMahon 13-3% increase 10/9/91
 Nelson 14-Increase to top of range 12/4/91.
 Daubenspeck 15-At top of salary range. \$750 stability payment
 Trejo 16-At top of range -\$600 stability pymt
 Anderson 17-At top of range-\$525 stability pymt
 Sheak 18-At top of range-\$450 stability pymt
 Capecchi 19-624 hrs./yr. 3% increase 2/26/92
 Peerman 20-At top of range-\$750 stability pymt
 Wendel 21-3% increase 8/28/91
 Lombard 22-Leave of absence 8/15/91 - 9/20/91. 3% increase 3/11/92
 Hennen 23-3% increase 8/14/91
 Wicker 24-LPRB pays 10% of salary - 10% of \$375 stability pymt
 Ahlgren 25-LPRB pays 10% of salary. 3% increase 11/20/91
 Gueblaoui 26-Position for trust acct. overdraft rule. LPRB pays 25% of salary. 3% increase 4/22/92
 Marchio 27-LPRB pays 68% of salary. 3% increase 3/11/92

10/31/91

Attorney Registration Fee History and Projections

<u>FISCAL YR.</u>	<u>LPRB</u>	<u>TOTAL FEE</u>
FY'85 1	\$54/\$11 2 \$70/\$15	\$66/\$23 2 \$82/\$27
FY'86	\$70/\$15	\$82/\$27
FY'87	\$70/\$15	\$82/\$27
FY'88	\$70/\$15	\$82/\$27
FY'89	\$80/\$17	\$102/\$39
FY'90	\$80/\$17	\$102/\$39
FY'91	\$80/\$17	\$102/\$39
FY'92	\$80/\$17	\$122/\$39 3
FY'93	\$100/\$20 4	5
FY'94	\$100/\$20	
FY'95	\$100/\$20	
FY'96	\$100/\$20	

1. FY'85 increase became effective 10/1/84. Other increases effective on July 1, e.g. FYE 6/30/89 increase of \$10 effective 7/1/88.
2. Non-residents, attorneys not admitted to practice for more than three years and attorneys in armed forces pay lower fee.
3. The Client Security Board assessments for new lawyers of \$100.00 and \$50.00 are not included in the above totals. The Client Security Board assessment of \$20.00 effective 7/1/91 is included in FY'92 fee.
4. Fee with increase to be proposed.
5. Total fees may increase by more than the LPRB amounts. The MSBA has filed a petition for establishment of a Lawyer Assistance Board, funded by an annual fee increment of \$20. The Report of the ABA Commission on Evaluation of Disciplinary Enforcement recommends several new programs which would require substantial funding. Other Supreme Court Boards may also seek additional funding.

OFFICE OF ATTORNEY ETHICS

OF THE



SUPREME COURT OF NEW JERSEY

RICHARD J. HUGHES JUSTICE COMPLEX

CN 963

TRENTON, NEW JERSEY 08625

609-292-8750

DAVID E. JOHNSON, JR.
Director

OFFICE OF DIRECTOR

MEMORANDUM

TO: CHIEF DISCIPLINARY COUNSEL

FROM: DAVID E. JOHNSON, JR. *D*

RE: ANNUAL ATTORNEY MANDATORY LICENSING FEES SURVEY

DATE: OCTOBER 7, 1991

I enclose an updated survey on the above which I recently compiled in an effort to support a request for an increase in our annual registration fee. I realized in compiling this data that current up-to-date information is not easy to come by and so I am passing along this compilation for your use. I would appreciate it if you would let me know if there are any errors in the amounts of the "Mandatory Fee" set forth for your jurisdiction. For convenience I used only the highest fee that a practicing attorney must pay in order to actively practice.

gt
Enc.

cc: Mary Devlin, Esq.
ABA Regulation Counsel, w/enc.

NATIONAL SURVEY OF ATTORNEY ANNUAL MANDATORY LICENSING FEE
IN ORDER OF ATTORNEY POPULATION

(Compiled 9/20/91)

By the
Office of Attorney Ethics
of the
Supreme Court of New Jersey

<u>Jurisdiction</u>	<u>Total Attorneys</u>	<u>Mandatory Fee</u>
1. California*	128,000	\$498 (\$395 discipline)
2. New York	120,000	** \$150
3. Texas*	61,191	\$235
4. D. C.*	57,010	\$ 83
5. Illinois	56,896	\$140 (\$140 discipline)
6. Florida*	44,894	\$190 (\$105 discipline)
7. New Jersey	43,775	\$115 (\$65 discipline)
8. Pennsylvania	42,387	\$145 (\$105 discipline)
9. Ohio	39,225	*** \$ 50
10. Massachusettes	35,591	\$125 (\$100 discipline)
11. Michigan*	26,870	\$200
12. Virginia*	25,129	\$170
13. Maryland	23,233	\$ 85 (\$ 65 discipline)
14. Georgia*	22,641	\$150
15. Washington*	20,728	\$195
16. Colorado	20,610	\$ 90 (\$ 80 discipline)
17. Missouri	19,020	\$135
18. Connecticut	18,167	\$450
19. Minnesota	17,467	\$122 (\$ 80 discipline)
20. Louisiana*	17,303	\$145
21. Wisconsin	16,334	\$ 91 (\$ 73 discipline)
22. Tennessee	13,585	\$ 65 (\$ 55 discipline)
23. North Carolina*	13,520	\$135
24. Oklahoma*	12,462	\$175
25. Indiana	12,100	\$ 75 (\$ 60 discipline)
26. Arizona*	11,606	\$295
27. Iowa	10,063	\$175 (\$ 75 discipline)
28. Kentucky*	10,037	\$125
29. Oregon*	10,000	\$252

*Mandatory Bar State **\$300 Paid Biennially ***\$100 Paid Biennially

<u>Jurisdiction</u>	<u>Total Attorneys</u>	<u>Mandatory Fee</u>
30. Alabama*	9,280	\$150
31. Kansas	8,508	\$ 60
32. Nebraska*	7,323	\$205
33. South Carolina*	7,127	\$140
34. Mississippi*	6,200	\$160
35. Arkansas	5,830	\$ 50
36. Utah*	5,200	\$350
37. West Virginia*	4,833	\$175
38. Hawaii*	4,690	\$480 (\$200 discipline)
39. New Mexico*	4,391	\$225
40. Maine	4,248	\$145 (\$145 discipline)
41. Rhode Island*	3,850	\$360 (\$175 discipline)
42. New Hampshire*	3,627	\$175 (\$105 discipline)
43. Nevada*	3,483	\$250
44. Idaho*	3,026	\$250
45. Alaska*	2,917	\$310
46. Montana*	2,854	\$145
47. Vermont	2,168	\$125
48. Delaware	2,000	\$260 (\$205 discipline)
49. South Dakota*	1,907	\$250
50. Wyoming*	1,690	\$225
51. North Dakota*	1,616	\$200

NATIONAL SURVEY OF ATTORNEY ANNUAL MANDATORY LICENSING FEES
BY AMOUNT OF FEE FOR VOLUNTARY BAR STATES
 (Compiled 9/20/91)

By the
 Office of Attorney Ethics
 of the
 Supreme Court of New Jersey

<u>Jurisdiction</u>	<u>Rank By Population</u>	<u>Total Attorneys</u>	<u>Mandatory Fee</u>
1. Connecticut	20	18,167	\$450
2. Delaware	49	2,000	\$260 (\$205 discipline)
3. Iowa	27	10,063	\$175 (\$ 75 discipline)
4. New York	2	120,000	\$150
5. Pennsylvania	8	42,387	\$145 (\$105 discipline)
6. Maine	40	4,248	\$145 (\$145 discipline)
7. Illinois	5	56,896	\$140 (\$140 discipline)
8. Vermont	47	2,168	\$125
9. Massachusetts	10	35,591	\$125 (\$100 discipline)
10. Minnesota	18	17,467	\$122 (\$ 80 discipline)
11. New Jersey	7	43,775	\$115 (\$ 65 discipline)
12. Wisconsin	21	16,334	\$ 91 (\$ 73 discipline)
13. Colorado	16	20,610	\$ 90 (\$ 80 discipline)
14. Maryland	13	23,233	\$ 85 (\$ 65 discipline)
15. Indiana	25	12,100	\$ 75 (\$ 60 discipline)
16. Tennessee	22	13,585	\$ 65 (\$ 55 discipline)
17. Kansas	31	8,508	\$ 60
18. Ohio	9	39,225	\$ 50
19. Arkansas	35	5,830	\$ 50

FY'91 thru FY'96
Income Summaries

		FY'91	
Balance Forward In 7/1/90			\$264,664
<u>Actual Income</u>			
Atty Reg Fees:	12,131 @ \$80 =	\$970,480	
	4,258 @ \$17 =	\$72,386	
	851 New Admittees @ \$13 =	\$11,063	
	Late fees and fines	<u>\$49,140</u>	
	Total Atty Reg. Receipts		\$1,103,069
Other Income:	Client Security Fund	\$21,522	
	Judgments	\$35,221	
	Professional Corporations	\$23,425	
Other	Other	<u>\$2,629</u>	
	Total Other		<u>\$82,797</u>
Total Income			<u>\$1,185,866</u>
TOTAL AVAILABLE FUNDS			\$1,450,530
FY'91 ACTUAL EXPENDITURES			<u>\$1,175,809</u>
ACTUAL BALANCE FORWARD 6/30/91			<u>\$274,721</u>

		FY'92	
Balance Forward In 7/1/91			\$274,721
<u>Income</u>			
Atty Reg Fees:	12,631 @ \$80 =	\$1,010,480	
	4,258 @ \$17 =	\$72,386	
	800 New Admittees @ \$13 =	\$10,400	
	Late fees and fines	<u>\$32,432</u>	
	Total Atty Reg. Receipts		\$1,125,698
Other Income:	Client Security Fund	\$15,000	
	Judgments	\$16,000	
	Professional Corporations	<u>\$22,300</u>	
	Total Other		<u>\$53,300</u>
Total Income			<u>\$1,178,998</u>
TOTAL AVAILABLE FUNDS			\$1,453,719
FY'92 ESTIMATED EXPENDITURES			<u>\$1,258,048</u>
ESTIMATED BALANCE 6/30/92			<u>\$195,671</u>

**INCLUDES \$15 FEE INCREASE AS OF 7/1/92
FY'93**

Summary

Balance Forward In 7/1/92		\$195,671
 <u>Income</u>		
Atty Reg Fees:	13,131 @ \$95 =	\$1,247,445
	4,258 @ \$17 =	\$72,386
	800 New Admittees @ \$13 =	\$10,400
	Late fees and fines	<u>\$30,000</u>
	Total Atty Reg. Receipts	\$1,360,231
Other Income:	Client Security Fund	\$15,000
	Judgments	\$15,000
	Professional Corporations	<u>\$22,300</u>
	Total Other	<u>\$52,300</u>
Total Income		<u>\$1,412,531</u>
TOTAL AVAILABLE FUNDS		\$1,608,202
FY'93 ESTIMATED EXPENDITURES		<u>\$1,387,887</u>
ESTIMATED BALANCE 6/30/93		<u>\$220,315</u>

FY'94

Summary

Balance Forward In 7/1/93		\$220,315
 <u>Income</u>		
Atty Reg Fees:	13,631 @ \$95 =	\$1,294,945
	4,258 @ \$17 =	\$72,386
	800 New Admittees @ \$13 =	\$10,400
	Late fees and fines	<u>\$30,000</u>
	Total Atty Reg. Receipts	\$1,407,731
Other Income:	Client Security Fund	\$15,000
	Judgments	\$15,000
	Professional Corporations	<u>\$22,300</u>
	Total Other	<u>\$52,300</u>
Total Income		<u>\$1,460,031</u>
TOTAL AVAILABLE FUNDS		\$1,680,346
FY'94 ESTIMATED EXPENDITURES		<u>\$1,430,100</u>
ESTIMATED BALANCE 6/30/94		<u>\$250,246</u>

FY'95
Summary

Balance Forward In 7/1/94 **\$250,246**

Income

Atty Reg Fees:	14,131 @ \$95 =	\$1,342,445	
	4,258 @ \$17 =	\$72,386	
	800 New Admittees @ \$13 =	\$10,400	
	Late fees and fines	<u>\$30,000</u>	
	Total Atty Reg. Receipts		\$1,455,231
Other Income:	Client Security Fund	\$15,000	
	Judgments	\$15,000	
	Professional Corporations	<u>\$22,300</u>	
	Total Other		<u>\$52,300</u>
Total Income			<u>\$1,507,531</u>

TOTAL AVAILABLE FUNDS **\$1,757,777**
FY'95 ESTIMATED EXPENDITURES **\$1,644,508**

ESTIMATED BALANCE 6/30/95 **\$113,269**

FY'96
Summary

Balance Forward In 7/1/95 **\$113,269**

Income

Atty Reg Fees:	14,631 @ \$95 =	\$1,389,945	
	4,258 @ \$17 =	\$72,386	
	800 New Admittees @ \$13 =	\$10,400	
	Late fees and fines	<u>\$30,000</u>	
	Total Atty Reg. Receipts		\$1,502,731
Other Income:	Client Security Fund	\$15,000	
	Judgments	\$15,000	
	Professional Corporations	<u>\$22,300</u>	
	Total Other		<u>\$52,300</u>
Total Income			<u>\$1,555,031</u>

TOTAL AVAILABLE FUNDS **\$1,668,300**
FY'96 ESTIMATED EXPENDITURES **\$1,668,069**

ESTIMATED BALANCE 6/30/96 **\$231**