

PRESIDENT'S PAGE

David D. Amsbary

President
The West Virginia State Bar



MINDING THE STORE — TENDING TO OUR FIDUCIARY DUTY

One of the primary responsibilities of the Board of Governors is to oversee the business of the State Bar, ensuring that quality services are provided within the framework of our mandate from the West Virginia Supreme Court of Appeals in a financially responsible manner. As I stated in my last article, our job is to mind the store while we are in charge. Immediate Past President Shannon Smith instituted a practice of publishing a summary of the Bar's fiscal year budget in *The West Virginia Lawyer*, with a link to the full budget on our website. This decision was born out of the Board of Governors' strategic plan to meet our fiduciary duty to the State Bar membership, enhance transparency and promote engagement. This is a sound practice that will continue.

From State Bar budgets over the past several years, we see that a pattern has developed in which

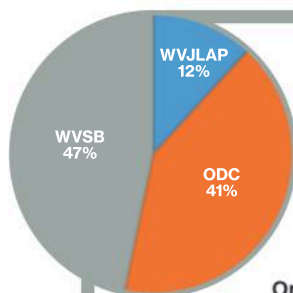
expenses have trended upward while revenue has simultaneously dropped. The FY 2025-2026 Budget Overview is provided herein for your review. For comparison, the Budget Overview for FY 2024-2025 is also provided. Note that while last year's budget was balanced, the Bar's anticipated net ordinary income, or total income less total expense, was negative (-)\$296,630. The budget was balanced only after adding in anticipated interest income of \$120,000 and transferring \$176,638 from surplus funds that the State Bar has built up in reserves over the past years.

This year's Budget Overview shows a continuing pattern in anticipated net ordinary income. Based upon conservative projections, we have budgeted for a net ordinary income of (-)\$509,221. The balancing of this budget requires a reasonable projection of anticipated

interest income in the amount of \$125,000 with another transfer of reserve funds, this time in the amount of \$384,221. This is the third year that such an infusion of reserve funds has been required to balance the budget.

Revenue

The State Bar is a self-funded agency of the West Virginia Supreme Court of Appeals. We are funded solely by attorney membership fees, pro hac vice fees, CLE fees, administrative penalties and other limited forms of revenue. Pro hac vice fees, once a steady source of revenue, have steadily declined over the last few years. In FY 2022, pro hac vice fees exceeded \$1,000,000. In 2025, they were \$492,806. Revenue from membership fees has also declined over the years. In 2025, there are on average 4,350 active attorneys residing in West Virginia. This



The West Virginia State Bar Profit & Loss Budget Overview July 2024-June 2025

Jul '24 - Jun 25

Ordinary Income/Expense	
Income	
400 · Active Fees	1,714,000
401 · Inactive Fees	129,000
407 · Sale of Certificates/Labels	20,000
408 · Royalty Programs	2,500
410 · IOLTA Management Fees	30,000
420 · Education	153,000
427 · Limited Liability Certification	25,000
429 · Women in the Profession	5,000
430 · Pro Hac Vice	704,100
440 · Meetings	115,000
450 · Miscellaneous Income	10,000
460 · Penalties	135,000
467 · WVJLAP Revenue	15,000
470 · Hearing Panel Reimbursements	15,000
471 · Miscellaneous Revenue - ODC	100
Total Income	3,072,700
Gross Profit	3,072,700
Expense	
50x · WWSB Salaries & Benefits	672,547
510 · State Bar Operating Expenses	311,419
601 · Member Services	259,800
620 · Public Services	207,400
630 · Young Lawyers Section	48,800
650 · Other General & Administrative	74,000
699 · Office of Disciplinary Counsel	1,396,306
800 · WVJLAP	399,066
Total Expense	3,369,338
Net Ordinary Income	(296,638)
Other Income/Expense	
Other Income	
402 · Interest Income	120,000
499 · Transfer from Surplus Fund	176,638
Total Other Income	296,638
Net Other Income	296,638
Net Income	0

The West Virginia State Bar Profit & Loss Budget Overview July 2025-June 2026

Jul '25 - Jun 26

Ordinary Income/Expense	
Income	
400 · Active Fees	1,687,650
401 · Inactive Fees	139,400
407 · Sale of Certificates/Labels	20,000
408 · Royalty Programs	5,000
410 · IOLTA Management Fees	30,000
420 · Education	174,000
427 · Limited Liability Certification	25,000
429 · Women in the Profession	5,000
430 · Pro Hac Vice	600,000
440 · Meetings	105,000
450 · Miscellaneous Income	10,000
460 · Penalties	110,000
467 · WVJLAP Revenue	20,000
470 · Hearing Panel Reimbursements	15,000
471 · Miscellaneous Revenue - ODC	100
Total Income	2,946,150
Gross Profit	2,946,150
Expense	
50x · WVSB Salaries & Benefits	705,414
510 · State Bar Operating Expenses	356,284
601 · Member Services	229,515
620 · Public Services	172,800
630 · Young Lawyers Section	38,800
650 · Other General & Administrative	67,000
699 · Office of Disciplinary Counsel	1,448,004
800 · WVJLAP	437,554
Total Expense	3,455,371
Net Ordinary Income	(509,221)
Other Income/Expense	
Other Income	
402 · Interest Income	125,000
499 · Transfer from Surplus Fund	384,221
Total Other Income	509,221
Net Other Income	509,221
Net Income	0

represents a 10% decrease in attorneys over the last 10 years. At the same time, the total cost to practice law in terms of licensing fees in West Virginia is \$250, an amount that has not increased since 2005.

As many of us recognize, being a lawyer in West Virginia costs less than some subscriptions to Netflix.

The American Bar Association's 2024 Benchmark Survey shows the total cost to practice law in states with mandatory state bars with fewer than 10,000 members. The mean cost among states in our category is \$415; the median cost is \$410. At \$250, West Virginia falls well below the average for a rural state.

Expenses

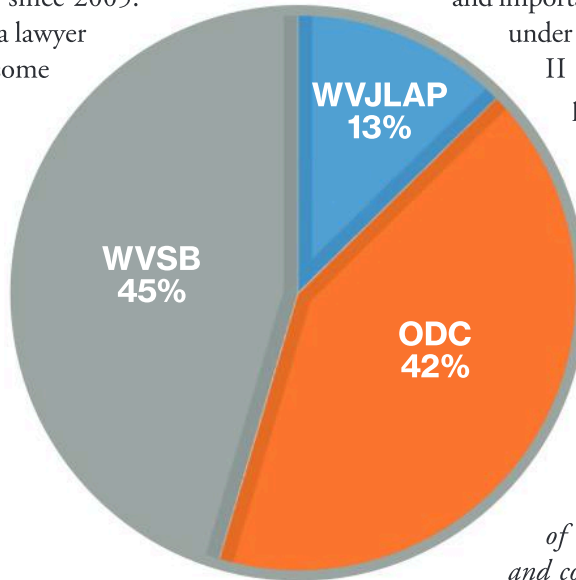
On the expense side, it is important to note that membership fees support not only the administration of the State Bar, but also the Office of Disciplinary Counsel (ODC) and the West Virginia Judicial & Lawyer Assistance Program (JLAP). The State Bar accounts for 45% of the budget, while the remaining 55% of the budget funds JLAP (13%) and ODC (42%).

All three agencies support our shared responsibility and mission as West Virginia lawyers. Please take time to visit the respective websites at wvbar.org, wvdc.org and wvjlap.org. If you have yet to examine the breadth of important services these entities provide to our membership and the public, please take the time to do so.

The State Bar's Board of Governors has evaluated all options for addressing these budget challenges. Expenses have been scrutinized and changes to programming have been implemented to reduce costs where possible. Our partners at ODC and JLAP are likewise doing the same.

It is clear that the current trend of revenue deficits relative to expenses will continue if we do not address the revenue side of the budget. Conservative estimates project that reserve funds will be depleted by end of FY

2026-2027 if responsible actions are not taken. It is also apparent that without change to our revenue stream, we will not be able to provide the regulatory functions and important services required by our charge under the State Bar Constitution. Article II of the State Bar Constitution provides:



The objects of the West Virginia State Bar shall be to protect the interests of the public; to advance the administration of justice and the science of jurisprudence; to improve the relations between the public and the bench and the bar; to uphold and elevate the standards of honor, integrity, competency and courtesy in the legal profession; and to encourage cordial relations among its members.

BUDGET BREAKDOWN	
WVJLAP	\$ 437,554
ODC	1,448,004
WWSB	<u>1,569,813</u>
Total	\$3,455,371

It is the purpose of the West Virginia State Bar to give effect to pertinent rules of the Supreme Court of Appeals of West Virginia, to perform the functions expressed in this constitution and bylaws, and to perform such other functions as directed by the Supreme Court of Appeals of West Virginia.

It is imperative that the State Bar membership recognizes and discusses what comes next from a budgeting perspective. As expenses have steadily increased and pro hac vice fees have decreased, the days of meeting our shared responsibilities without a membership fee increase (in over 20 years) have likely come to an end. The Board of Governors is committed to its fiduciary responsibility of good stewardship and will continue to review avenues for addressing the revenue shortfall.

In anticipation of what may come, we ask you to review the budget, study the critical services the West Virginia State Bar, JLAP and ODC provide and be prepared to engage as a part of the solution. **WVWL**