



The State Bar of California

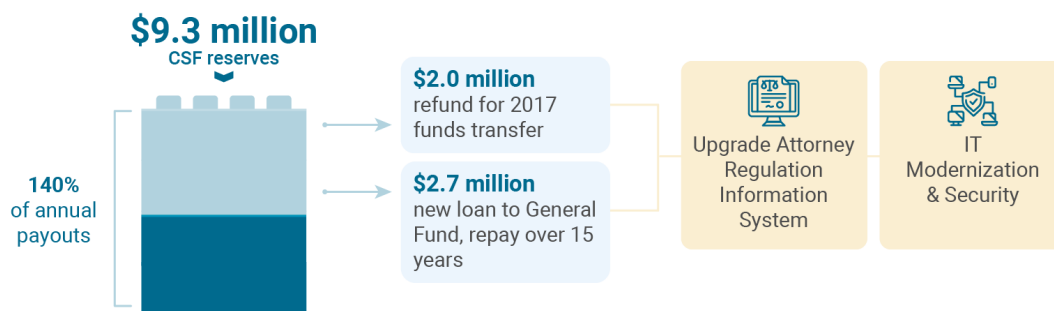
OBJECTIVE:

Embracing Self-Sustainability and Adapting to Leaner Staffing for a Resilient Future

The State Bar is committed to seeking sustainable ways to meet our mission with fewer staff in the future. We are developing creative proposals for solutions that won't demand further increases in licensing fees. A critical one-time investment in Information Technology (IT)—funded from reserves—is one such proposal.

SOLUTION: Legislative authorization for the State Bar to access \$4.7 million of excess reserves in the Client Security Fund (CSF). This would refund \$2 million that other State Bar funds provided to the Client Security Fund in 2017. The remaining \$2.7 million would be a loan to the General Fund with a 15-year repayment time horizon. Current CSF reserves are sufficient to cover nearly 18 months of future payouts with no additional revenue.

STATE BAR FUNDING SOLUTION FOR CRITICAL IT INVESTMENTS: Client Security Fund Reserves



DETAILS: The planned IT investments include:¹

Attorney Regulation Information System (ARIS) Upgrade: \$4 million

The problem: The current ARIS platform is over 30 years old and held together with proverbial chewing gum and baling wire. Modifications—if they can be done at all—are cumbersome and inefficient and can only be made within the existing framework instead of taking advantage of more advanced technologies, approaches, and user interfaces. Annual attorney reporting and payment processes are unwieldy and work unreliably. Security vulnerabilities are difficult or impossible to address. Necessary integrations with the discipline case management system are difficult to implement and maintain, resulting in errors and manual work-arounds.

The solution: An ARIS upgrade will enhance the efficiency, effectiveness, and security of attorney regulation processes. Attorneys will be able to easily change from active to inactive

¹ Another critical IT investment planned with CSF reserves, for which legislative authorization is not required, is an upgrade to the current CSF system, projected to cost \$400,000. CSF files are currently housed in a patchwork of decades-old systems. Maintaining files requires significant manual work and the skills of a shrinking pool of employees. CSF applicants are unable to get even basic status updates electronically, resulting in phone calls and emails to staff for information that should be readily available online. A CSF case management system will improve both customer service and case processing speed which will in turn reduce staff workload.

status, submit payments, and make changes that currently require paper processing and sometimes days to take effect. Additional functionality will enable staff to better support attorneys performing more complex transactions and will support the transition to the smaller workforce planned for 2027 and beyond.

IT Modernization and Security: \$710,000

The problem: According to a series of IT consultants, including the California Department of Technology, the State Bar's IT organization is outdated and under-skilled. In recent years, IT has transitioned many platforms to the cloud, allowing for enhanced data security and greater flexibility in managing these resources; upgraded equipment and taken other measures to improve disaster recovery capabilities; and implemented several major new solutions:

- Oracle for human resources and financial management
- Odyssey for discipline case management, and
- Salesforce for admissions information management.

However, the State Bar's ability to perform and to do so securely has been jeopardized by significant shortcomings in key IT skill domains and a web of overlapping applications that are now nearly impossible to maintain safely and reliably. The State Bar has faced several security incidents in recent years, including when judyrecords.com was able to scrape confidential data from the State Bar's discipline case records portal, when a back door in the online complaint portal made it possible for complainants to access complaints filed by others, when bar exam takers were able to learn whether they passed the exam before the official release of results, and when bar applicants were able to make certain unauthorized status changes on the mobile application.

The solution: Modernizing the State Bar's IT organization through upskilling and improved planning and architecture is essential to ensure data security, streamline operations, and improve self-service. The requested funding will be used to:

- Develop and implement an enterprise architecture practice, a comprehensive portfolio management program, a data governance framework, and comprehensive protocols for application testing, quality assurance, and documentation;
- Enhance help desk functionality;
- Expand IT staff training; and
- Complete cloud migration.

WHY IS THIS THE RIGHT FUNDING SOLUTION? The State Bar understands the Legislature's concern about further increasing attorney licensing fees and is committed to finding responsible solutions outside of the fee increase that will ensure we can continue to meet our public protection mission while reducing headcount. The Client Security Fund is projected to have a balance of \$9.3 million as of December 31, 2024, exceeding by roughly \$2 million the average annual amount collected and paid out by the fund. The CSF reserve is an appropriate funding source for these key IT investments, as CSF operations will benefit from the enhancements described above. For example, ARIS will support full automation of CSF eligibility notifications, relieving staff from time-consuming manual searches. Similarly, IT modernization will support end-to-end automation of the interface between CSF applicants, respondent attorneys, and staff.