



# Board of Commissioners

## Agenda and Materials

June 14, 2024

STATE BAR OF MICHIGAN  
BOARD OF COMMISSIONERS  
Friday, June 14, 2024  
9:00 A.M.  
GRAND HOTEL – GRAND PAVILION  
AGENDA

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State Bar of Michigan Statement of Purpose

“...The State Bar of Michigan shall aid in promoting improvements in the administration of justice and advancements in jurisprudence, in improving relations between the legal profession and the public, and in promoting the interests of the legal profession in this state.”

Rule 1 of the Supreme Court Rules Concerning the State Bar of Michigan

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1. Call to Order.....Daniel D. Quick, President

**CONSENT AGENDA**

2. **Minutes**
  - A. April 19, 2024 Board of Commissioners meeting\*
  - B. April 4, 2024 Executive Committee meeting\*
3. **President’s Activities**.....Daniel D. Quick, President
  - A. Recent Activities\*
4. **Executive Director’s Activities**.....Peter Cunningham, Executive Director
  - A. Recent Activities\*
5. **Finance**..... Thomas H. Howlett, Chairperson
  - A. FY 2024 Financial Reports through April 2024\*
  - B. 2023 Report of the State Bar of Michigan Retirement Plan\*\*
  - C. 2023 Report of the State Bar of Michigan Retiree Healthcare Trust\*\*
6. **Communications and Member Services** ..... Lisa J. Hamameh, Chairperson
  - A. Liberty Bell Award\*

**LEADERSHIP REPORTS**

7. **President’s and Executive Director’s Report** .....Daniel D. Quick, President  
Peter Cunningham, Executive Director
  - A. Introduction of Guests
  - B. Michigan Supreme Court Commissions Update
  - C. Artificial Intelligence Work Group Update
  - D. 2024 SBM Officer Election Update
  - E. 2024 SBM Election Update

8. **Open Discussion: Challenges & Opportunities for the Profession and Justice System**  
A. Comprehensive Communications Plan ..... Marjory Raymer, Director of Communications
9. **Strategic Planning Committee Report**.....Thomas P. Clement, Chairperson  
A. 2024–2025 Committee Resolution\*
10. **Representative Assembly Report** ..... Yolanda M. Bennett, Chairperson
11. **Young Lawyers Section Report**..... Tanya N. Cripps-Serra, Chairperson

### **COMMISSIONER COMMITTEES**

12. **Public Policy**..... Joseph P. McGill, Chairperson  
A. Court Rules\*\*  
B. Legislation\*\*
13. **Audit** ..... Thomas H. Howlett, Chairperson
14. **Finance**..... Thomas H. Howlett, Chairperson  
A. Financial Report  
B. FY 2025 Preliminary Budget Summary\*
15. **Professional Standards** ..... Erika L. Bryant, Chairperson
16. **Communications and Member Services** ..... Lisa J. Hamameh, Chairperson

### **FOR THE GOOD OF THE PUBLIC AND THE PROFESSION**

17. **Comments or questions from Commissioners**
18. **Comments or questions from the public**
19. **Adjournment**

\*Materials included with agenda.

\*Materials delivered or to be delivered under separate cover or handed out.

**STATE BAR OF MICHIGAN  
BOARD OF COMMISSIONERS MEETING MINUTES**

President Quick called the meeting to order at 9:31 a.m. on Friday, April 19, 2024, in the Boardroom at the Michael Franck building in Lansing, Michigan.

Commissioners present:

David C. Anderson  
Erika L. Bryant, Secretary  
Aaron V. Burrell  
Hon. B. Chris Christenson  
Ponce D. Clay  
Tanya N. Cripps-Serra  
Sherrie L. Detzler  
Robert A. Easterly  
Nicole A. Evans  
Hon. Kameshia D. Gant  
Lisa. J. Hamameh, Vice President  
Thomas H. Howlett, Treasurer  
Suzanne C. Larsen  
Joshua Lerner  
James W. Low  
Silvia A. Mansoor

Gerard V. Mantese  
Gerrow D. “Gerry” Mason  
Joseph P. McGill, President-Elect  
Thomas P. Murray Jr.  
Valerie Newman  
Takura N. Nyamfukudza  
Nicholas M. Ohanesian  
Hon. David A. Perkins  
Colemon Potts  
Daniel D. Quick, President  
John W. Reiser III  
Hon. Kristen D. Simmons  
Delphia T. Simpson  
Matthew B. VanDyk  
Danielle Walton

Commissioners absent:

Yolanda M. Bennett

Hon. Erane C. Washington

Guests

Jennifer S. Bentley, Michigan Bar Foundation  
Laura C. Musachio, Michigan Bar Foundation

David Watson, ICLE

State Bar staff present:

Peter Cunningham, Executive Director  
Drew Baker, General Counsel  
Margaret Bossenbery, Executive Coordinator  
Sarah Brown, Brand Designer  
Alecia Chandler, Professional Responsibility Programs Director  
Gregory Conyers, Program Director, Diversity Development Program  
Darin Day, Program Director, Outreach  
Katherine Gardner, Assistant Executive Director  
Tatiana Goodkin, Chief Financial Officer Development Manager  
Ashley Hotwagner, Legal Assistant  
Diane Luft, License Fees Coordinator

Robert Mathis, Pro Bono Services & Justice Initiatives Counsel  
Kim Panter, IT Project Coordinator  
Molly Ranns, Director, Lawyers & Judges Assistance Program  
Kristin Sewell, Program Director, Research & Development  
Janna Sheppard, Administrative Assistant  
Jeanette Socia, Director of Human Resources  
Linda Rawls, Unauthorized Practice of Law Counsel  
Marjory Raymer, Director of Communications  
Kari Thrush, Program Director, Lawyer Services  
Nathan Triplett, Director, Governmental Relations

### Consent Agenda

The Board received the minutes from the January 19, 2024, Board meeting.  
The Board received the minutes from the January 4, 2024, Executive Committee meeting.  
The Board received the minutes from the February 22, 2024, Executive Committee meeting.  
The Board received the recent activities of the president.  
The Board received the recent activities of the executive director.  
The Board received the FY 2024 draft financial reports through February 2024.  
The Board received Client Protection Fund Claims.  
The Board received Unauthorized Practice of Law Claims.  
The Board received Model Criminal Jury Instructions.

Mr. Quick asked if any items needed to be removed from the consent agenda. There were none. A motion was offered to approve the consent agenda. The motion was seconded and approved.

### Staff Updates

Ms. Gardner introduced Linda Rawls. Ms. Rawls was hired as the new Unauthorized Practice of Law Counsel. She started working at the Bar in January. She has been in practice for over 15 years. Ms. Rawls also has a master's degree in education. She has been a member of the Ethics Committee and Character & Fitness Committee.

Ms. Goodkin introduced Diane Luft, who is the new License Fees Coordinator. Ms. Luft began working at the Bar in February. Ms. Luft has over 10 years' experience in quality systems and project management.

Ms. Chandler introduced Ashley Hotwagner. Ms. Hotwagner will be working as a legal assistant with the Client Protection Fund and the Unauthorized Practice of Law departments. She began working at the Bar earlier this month. Ms. Hotwagner came to SBM from the mortgage industry.

Mr. Cunningham stated that there will be more hires in the next several months. The State Bar of Michigan currently has 75 full-time employees. Of the current SBM staff, 42 have been employed in their current role for more than four years, 9 have been in their current role between three and four years, and 23 have been in their current role for less than two years. Over the past two years, there have been seven retirements, with at least an additional two expected to occur this year.

**President and Executive Director's Report:** Dan Quick, President and Peter Cunningham, Executive Director.

### President's Report

Mr. Quick informed the group that he has attended numerous events hosted by bar associations around the state. He encouraged others to attend events in their area in support of SBM.

In March, Mr. Quick co-hosted an event with Dennis Archer, which was held at Wayne State University Law School. The event was part of the ABA Task Force for American Democracy and was part of a cross-country tour focused on addressing key issues facing our democracy, such as ensuring election integrity and improving civic dialog. The event included speakers from around the country.

Mr. Quick and Mr. Triplett were joined by Justice Zahra and Jennifer Bentley from the Michigan State Bar Foundation to lobby Michigan's Congressional delegation for continued funding for the Legal Services Corporation as a part of ABA Day in Washington, D.C. Mr. Quick reported that this important work has resulted in bipartisan support for funding for civil legal aid among Michigan's delegation.

#### Licensing Fee Status

Mr. Cunningham reported that as of February 29, 2024, the number of active, inactive, and emeritus members and who are in good standing is 46,606 members, which is a decrease of 218 attorneys since the beginning of the year; and the number of paying attorneys has decreased by 854. A total of 493 new attorneys have joined SBM since the beginning of the year.

#### Interim Administrator Program Update

Mr. Cunningham shared that 17,004 attorneys have designated interim administrators; 3,409 attorneys have enrolled in the SBM interim administrator program and have paid the \$60 fee; and there are 2,032 names on the list of attorneys willing to serve as an interim administrator.

As of March 15, 2024, there were 277 private practice attorneys who had not yet identified an interim administrator or had not yet completed the process and were automatically enrolled in the SBM program. A \$60 fee was added to these attorneys' accounts. Following the first notification, about 15% have paid the fee. Any attorney who had not yet completed the process and was automatically enrolled, will have this fee waived if they complete the process before the end of FY 2024. These individuals have and will continue to receive an email every two weeks from the State Bar reminding them to complete the process.

The State Bar of Michigan is aware of 18 active interim administration appointments throughout the State's circuit courts. Three are being administered by the State Bar of Michigan serving as interim administrator. In these cases, the affected attorney was enrolled in the State Bar of Michigan's Interim Administrator Program or did not name an interim administrator and the State Bar of Michigan was unable to match these members to an interim administrator. So, the State Bar becomes the default backup to serve.

In 13 cases, an affected attorney designated their own interim administrator prior to becoming unable to practice and that attorney or law firm petitioned the court for appointment as interim administrator and the appointment was granted.

The remaining two cases involve members who were enrolled in the State Bar of Michigan's Interim Administrator Program and the State Bar was able to successfully match those members to a willing interim administrator once those members became unable to practice.

#### Michigan Commission on Well-Being in the Law (WBIL)

Ms. Ranns reported that the executive team has had several meetings since the beginning of the year. The initial meeting of the entire Commission was held on March 11, 2024, at the Hall of Justice. Their next meeting will be on Monday, May 13, 2024.

There will be a Virtual Wellness Event on Friday, April 26, 2024, at 10:00 a.m., which will feature keynote speaker, Jordana Confino.

#### MSC Diversity Equity and Inclusion Commission

Mr. Cunningham reported that the Michigan Supreme Court's Diversity, Equity, and Inclusion Commission has had one meeting, where they adopted the strategic plan. The Commission has formed four work groups to begin the initial work of implementing the strategic plan. Those work groups are: 1) Convening Court DEI Leaders and Curate Talent Resources; 2) Gather and Analyze Workforce Data in the Court System; 3) Strengthen Career Pathways and Partnerships Pipeline Work; and 4) Expand Judicial Career Resources and Improve Judicial Qualifications Review Process. He reported that all workgroups have held their initial meetings and are in the process of identifying their initial goals.

#### MSC Justice for All Commission

Mr. Cunningham shared that the Justice for All Commission met in March. Mr. Cunningham is on this Commission and serves on the executive committee. Mr. Quick is on the Commission as an appointee of the State Bar. The Commission is in the process of revising forms and making them more accessible to the public. There are pilot programs focusing on placing navigators at courthouses to help answer questions at the self-help centers.

#### Artificial Intelligence Work Group Update

Mr. McGill reported that the AI workgroup has been very busy. Mr. McGill shared that he has been asked to serve on the ABA workgroup, which is working towards a presentation at the annual meeting in Chicago in August. Mr. McGill is also serving on the Michigan Judicial Council AI workgroup, which is working towards making recommendations to the Michigan Supreme Court and are due in October.

The SBM workgroup has met several times. The focus thus far has been on how SBM can support members of the Bar with useful resources and tools. Mr. Mason has brought in consultants that he has worked with to help explain the science behind AI and consider issues for further investigation.

Initially the group had discussed hosting a summit on AI, however, that idea quickly evolved into creating a series of webinars which would be available to members of the State Bar. Topics of these webinars would focus on the ethics of using AI, how to use AI, etc.

#### 2024 SBM Officer Election Materials

Ms. Bossenbery shared that letters and materials for potential candidates must be submitted by June 11, 2024, to Peter Cunningham and Dan Quick. The submission deadline for petitions for open Board of Commissioner and Representative Assembly seats is Tuesday, April 30, 2024. Election materials will be circulated to commissioners on July 19, 2024. Elections will take place during the July 26, 2024, Board meeting.

Mr. Howlett identified a concern that has been raised regarding the order of elections of SBM officers. Due to the result of the current order of elections, the concern is that an officer can be treasurer of a multi-million-dollar budget without having any experience on the Finance committee or any budget experience. Upon conducting research, Mr. Howlett learned that this is the way it's been done for decades. Mr. Howlett proposed that going forward, newly elected officers to the

Board of Commissioners should begin as secretary with a requirement that they serve on the Finance Committee during their first year. From this position, the officer would then move on to serving as the Treasurer during their second year as an officer. The Board voted unanimously to support this proposal.

#### eJournal Redesign

Ms. Raymer acknowledged the many banners and materials in the Atrium in the Bar building. These items have been created to help bring more attention to the work of the Bar. They will be used at various SBM events around the state.

Ms. Raymer shared many details about the current eJournal, which has over 15,000 subscribers. The eJournal is sent out five days a week, has a net promoter score of 64, and has over 700,000 annual page views. In the 25 years the eJournal has been in production, very little has been done to improve or promote this service to the SBM membership. As a result of the work of last year's Strategic Planning committee, the SBM communications department has developed a rebranding plan which, once implemented, will help increase visibility and subscriptions, and possibly create more revenue.

#### **Open Discussion: Challenges & Opportunities for the Profession and Justice System**

##### Access to Justice Campaign Updated and Increasing Attorney Engagement

Ms. Bentley shared the 2022 annual report of the ATJ Campaign. ATJ staff are currently gathering information from legal aid entities across the state to produce the 2023 report.

Currently, there are 1.7 million Michigan residents who are eligible for legal aid. Approximately 55,000 cases per year are handled by legal aid programs across the state. There are 14 regional and statewide legal aid programs.

The ATJ Campaign was launched in 1997 and was centralized in 2018. There is a fundraising committee which works with attorneys across the state to raise funds. Since 2018, there has been a 31% increase in donations from the legal community. In 2023, \$1.2 million was raised by the campaign, which was an increase from \$918,000 in 2018.

Approximately, 12% of Michigan attorneys who reside in Michigan contribute to the fund. If the total amount donated by attorneys in the state was divided amongst the entire Bar membership, it would equate to just \$35 per attorney. The national average is \$75 per attorney donated to civil legal aid causes.

There are 43 leadership firms in the State of Michigan comprised of two or more attorneys who give a minimum of \$300 per attorney. Of the total \$1.3 million raised in 2023, 69% of the campaign was raised by participation of leadership firms, and 79% of the campaign came from major donors who donate \$1,000 or more.

The Board can help the ATJ Campaign reach its short-term goal of \$3.1 million by participating in the campaign, encouraging colleagues to participate, and spreading awareness.

#### **Strategic Planning Committee Report**

Mr. Howlett gave the report in Mr. Clement's absence. The focus of the committee for FY 2024 will include a program review of the Ethics department, including four areas of concentration: ethics



helpline, ethics opinions, ethics rules and guidance, and ethics seminars. The committee will also be looking to implement the net promoter score across the Bar, as well as other metrics that can be used to measure the effectiveness and delivery of programs.

Mr. Cunningham reviewed the Strategic Planning Activities Report (SPAR). This report is intended to summarize all the programs and work that the Bar did in support of the strategic plan during the previous fiscal year. The report continues to evolve, and the newest addition to the report for FY 2023 includes investment levels, which is an estimate of the amount of resources the Bar has invested into each program.

Moving forward, the committee is hopeful that the SPAR will continue to be an impactful tool with its continuation and refinement of investment level information, inclusion of more key performance indicators, and overall facilitation of strategic planning.

**Representative Assembly (RA) Report:** Yolanda M. Bennett, Chairperson

Mr. Reiser gave the report in Ms. Bennett's absence. He shared that there are approximately 40 members expected to be in-person and 70 members virtually for tomorrow's RA meeting. There are currently 29 vacancies.

There are three proposals on tomorrow's agenda. One is a proposal to amend Judicial Code of Conduct, Canon Four, regarding judicial officers' participation in extracurricular activities; a proposal to amend Court Rule Regarding Prevailing Party Attorney Fees; and a proposal to amend the Michigan Court Rules to make recordings of public court proceedings available for public access.

There is one award nomination that will be voted upon, which is to award Elizabeth Hohausser with the Unsung Hero Award. Ms. Hohausser is the director of legal services and policy for the new foster care facility in Oakland county.

**Young Lawyers Section (YLS) Report:** Tanya N. Cripps-Serra, Chairperson

Ms. Cripps-Serra reported that YLS has three new council members, for a total of 26 members on the council.

At the ABA Conference in Louisville, in partnership with the People of Color Project, Darnell Barton spoke at the event titled Passing the Torch: Living Diversity while addressing diversity in the next generation.

Members of YLS were present in February at the Bar exam, where they provided water, pencils, tissues, earplugs, and a variety of other items to test takers. The section does this every February and July during the Bar exam.

There was a lunch and learn with the topic of student loan management held virtually on March 30, 2024, which was well attended. There was also a healthcare law and YLS section event held at Dickinson Wright downtown on April 4, 2024.

The YLS and BOC challenge was held on April 13, 2024, at Top Golf in Auburn Hills. The Commissioners won. YLS members will be contributing personally to ATJ on behalf of the event.

YLS intends to propose a bylaw amendment in June. The anticipated amendment would modify the rules to state that a young lawyer is defined as someone under the age of 36 years and who has been in practice for less than ten years, whichever is greater. The current rule defines a young lawyer as one who is under 36 years and has been in practice less than five years. This amendment would benefit attorneys who followed a non-traditional path to the legal profession. Additionally, they want to clarify whether 'licensed' means five years in practice only in Michigan or elsewhere. Ms. Cripps-Serra will work with SBM staff to determine the appropriate language for the proposal and will bring it to the Board at the June meeting.

Next week, YLS is hosting an event called the Art of Persuasion at Varnum Law with Grand Rapids Bar Association. The event will focus on equipping new lawyers with effective communication skills for use in the court room and in everyday interaction.

The section is also hosting a Mother's Day event on May 11 at the Church of Messiah in Detroit. They will help mothers with legal issues, including mental health issues. They are looking for volunteers to assist. Deputy Mayor Todd Bettison will join as the keynote speaker.

The ABA Young Lawyers Division Spring Conference is being held in Omaha, NE from May 15-18, 2024.

Ms. Cripps-Serra thanked Ms. Silvia Mansoor for working to revamp the newsletter.

## COMMISSIONER COMMITTEES

**Public Policy:** Joseph P. McGill, Chairperson

Mr. McGill provided the report for the Public Policy committee.

### Court Rules

#### **1. ADM File No. 2023-34: Proposed Amendment of MCR 3.967**

The proposed amendment of MCR 3.967 would align the rule with MCL 712B.15, as amended in 2016, to clarify the applicability of qualified expert witness testimony in a removal hearing involving an Indian child.

A motion was offered and seconded to support ADM File No. 2023-34 as drafted. The motion was approved.

#### **2. ADM File No. 2023-36: Proposed Amendments of MCR 3.937, 3.950, 3.955, 3.993, and 6.931**

The proposed amendments of MCR 3.937, 3.950, 3.955, 3.993, and 6.931 would implement 2023 PA 299 and incorporate additional changes from the SADO/MAACS Youth Defense Project regarding requests for and appointment of appellate counsel in cases involving juveniles.

A motion was offered and seconded to support ADM File No. 2023-36 as drafted. The motion was approved.

**3. ADM File No. 2023-36: Proposed Amendments of MCR 3.901, 3.915, 3.916, 3.922, 3.932, 3.933, 3.935, 3.943, 3.944, 3.950, 3.952, 3.955, 3.977, and 6.931 and Proposed Addition of MCR 3.907**

The proposed amendments would implement the Justice for Kids and Communities legislation and align with recommendations of the Michigan Task Force on Juvenile Justice Reform.

A motion was offered and seconded to support ADM File No. 2023-36 as drafted. The motion was approved.

Legislation

**1. HB 5393** (Hope) Juveniles: other; default maximum time for a juvenile to complete the terms of a consent calendar case plan; increase to 6 months. Amends sec. 2f, ch. XIA of 1939 PA 288 (MCL 712A.2f).

A motion was offered that this legislation is *Keller* permissible. The motion to support was seconded and approved.

A motion was offered and supported to support HB 5393 with the proposed amendments. The motion passed.

**2. HB 5429** (Morse) Children: services; court-appointed special advocate program; create. Creates new act.

A motion was offered that this legislation is *Keller* permissible. The motion to support was seconded and approved.

A motion was offered and supported to support HB 5429 with the proposed amendments. The motion passed.

**3. HB 5431** (Andrews) Civil procedure: remedies; wrongful imprisonment compensation act; modify evidence requirements. Amends secs. 2, 4, 5 & 7 of 2016 PA 343 (MCL 691.1752 et seq.).

A motion was offered that this legislation is *Keller* permissible. The motion to support was seconded and approved.

A motion was offered and supported to support HB 5431 with the proposed amendments. The motion passed.

The motion passed via roll-call vote.

Commissioners voting in support: Anderson, Bryant, Burrell, Christenson, Clay, Cripps-Serra, Detzler, Easterly, Evans, Gant, Hamameh, Howlett, Larsen, Lerner, Low, Mansoor, Mantese, Mason, McGill, Newman, Nyamfukudza, Ohanesian, Perkins, Potts, Quick, Reiser, Simmons, Simpson, VanDyk.

Commissioners voting in opposition of the position: Walton.

Commissioners abstaining: Murray.

**4. HJR O** (Green) Elections; judicial; incumbency designation for judges; eliminate. Amends sec. 24, art. VI of the state constitution.

**HB 5565** (Green) Elections; judicial; incumbency designation for judges; eliminate. Amends secs. 409b, 409l, 424, 424a, 433, 444, 467b, 467c, 467m, 561 & 696 of 1954 PA 116 (MCL 168.409b et seq.) & repeals sec. 435a of 1954 PA 116 (MCL 168.435a).

A motion was offered that this legislation is *Keller* permissible. The motion to support was seconded and approved.

A motion was offered and supported to take no position on HJR O and HB 5565. The motion passed via roll-call vote.

Commissioners voting in support: Anderson, Bryant, Burrell, Clay, Cripps-Serra, Detzler, Easterly, Evans, Hamameh, Howlett, Larsen, Lerner, Low, Mansoor, Mantese, Mason, McGill, Murray, Newman, Nyamfukudza, Ohanesian, Potts, Quick, Reiser, Simpson, VanDyk, Walton.

Commissioners voting in opposition of the position: None.

Commissioners abstaining: Christenson, Gant, Perkins, Simmons.

**5. SB 665** (Hoitenga) Courts: district court; magistrate qualifications; modify. Amends secs. 8501 & 8507 of 1961 PA 236 (MCL 600.8501 & 600.8507).

A motion was offered that this legislation is *Keller* permissible. The motion to support was seconded and approved.

A motion was offered and supported to SB 665 with the proposed amendments. The motion passed.

**6. SB 688** (Chang) Juveniles: juvenile justice services; certain information sharing for research purposes in juvenile justice cases; allow. Amends sec. 9 of 1988 PA 13 (MCL 722.829).

A motion was offered that this legislation is *Keller* permissible. The motion to support was seconded and approved.

A motion was offered and supported to support SB 688 with the following proposed amendments:

- Specific requirements for data-sharing agreements (specifically limitations on time and use of such records, and security and record destruction requirements);
- An additional provision requiring courts to maintain comprehensive records identifying all entities that have made requests to see records and what records are released; and

- A sanction provision (or extension of the sanction provision at MCL 722.829(4)) that would apply to researchers and their universities, agencies, or organizations who violate the data-sharing agreement required in subsection (2).
- A definition of the term “researcher.”

The motion passed.

**Audit:** Thomas H. Howlett, Chairperson  
Audit Committee

Mr. Howlett reported that there was just one item brought forth with the audit, which is to conduct a cyber-security audit, which will occur within the next fiscal year.

**Finance:** Thomas H. Howlett, Chairperson  
Financial Report

Mr. Howlett provided a report on the committee’s review of the 2024 financial reports. The Board members received copies of the documents discussed.

The finance department software has been completely changed, which has been a great deal of work. One of the most significant reasons we are favorable to budget is due to higher revenues in IAP which has helped to offset the revenue lost due to the lower rates of membership.

Two-thirds of the annual budget is for staff salaries. We are always looking at ways to improve costs.

There has been an increase in cyber-insurance, looking at building insurance costs, and SBM staff is looking at whether we need to carry professional liability insurance with the addition of IAP.

**Professional Standards:** Erika L. Bryant, Chairperson  
ABA House of Delegates Appointments

Ms. Bryant provided a brief report following their meeting this past Tuesday. The Committee reviewed the UPL and CPF claims that were included in the Board book.

The Committee also reviewed the materials of three applicants for ABA House of Delegates appointments. Two of the delegates submitted letters of interest to be reappointed to the House of Delegates, and a third candidate applied for the first time.

The committee voted unanimously to recommend the reappointment of Carlos Escurel and Sheldon Larkey for a two-year term expiring at the end of the ABA meeting in 2026. The Committee also unanimously recommended the appointment of Mark Armitage for a two-year term expiring at the end of the ABA meeting in 2026.

The motion was approved.

**Communications and Member Services (CAMS):** Lisa J. Hamameh, Chairperson  
Ms. Hamameh provided the report from the CAMS Committee.

State Bar of Michigan Awards

Ms. Hamameh said that the SBM Awards Committee met and recommends the following nominees to the Board to receive 2024 State Bar of Michigan Awards.

The Committee recommends Maura D. Corrigan to receive the Roberts P. Hudson Award; Edward Plawecki, Jr., and William Wolfson to receive the Frank J. Kelley Distinguished Public Service Award; Marilena David, Andrew Densemo, Bonsitu Kitaba-Gaviglio, and Erika Riggs to receive the Champion of Justice Award; Professor Gary Maveal from University of Detroit Mercy to receive the John W. Reed Michigan Lawyer Legacy Award. There were no nominations for the Kimberly Cahill Bar Leadership Award.

A motion was offered and supported to accept the recommendations of the Awards Committee. The motion was approved.

Justice Initiatives Chair, Ashley Lowe, and Robert Mathis recommended Wendolyn Richards for the 2024 John W. Cumiskey Pro Bono Award.

A motion was offered and supported to accept the recommendations of the Awards Committee. The motion was approved.

There are currently 161 attendees registered for the GLCC, and 247 registrants, 113 of whom are honorees for the 50 Year Celebration in May.

**FOR THE GOOD OF THE PUBLIC AND THE PROFESSION**

**Comments or questions from Commissioners**

Mr. Mason shared that Judge Melissa Pope has invited the Commissioners to attend a session of the Tribal Court tentatively scheduled for June 21, 2024, and a pow wow, tentatively scheduled for June 22, 2024. Judge Pope and the Tribal Court would like to give a presentation to the Board on the important work they do. If interested, Mr. Mason will work with Ms. Bossenbery and Judge Pope to arrange a meeting date.

Mr. Ohanesian shared that he, Judge Gant, and Mr. Day recently judged high school mock trials. They encouraged Commissioners to volunteer at regional events around the state. This is an SBM funded event. Judge Gant added that she is on the board for this program.

Mr. Mantese reminded the Board of the proposal being made regarding videotaping in courtrooms that is being presented to the Representative Assembly tomorrow morning.

**Comments or questions from the public**

None.

**Adjournment**

The meeting was adjourned at 12:51 p.m.

**State Bar of Michigan**  
**Executive Committee Virtual Meeting**  
**Thursday, April 4, 2024**  
**4:00 p.m.**

President Quick called the meeting to order at 4:01 p.m.

**Members Present:** President Daniel D. Quick, President Elect Joseph P. McGill, Vice President Lisa Hamameh, Secretary Erika L. Bryant, Treasurer Thomas H. Howlett, Representative Assembly Chair Yolanda Bennett, Representative Assembly Vice Chair John Reiser III, and Commissioners David Anderson, Aaron V. Burrell, and Robert Easterly

**State Bar Staff Present:** Peter Cunningham, Executive Director; Drew Baker, General Counsel; Margaret Bossenbery, Executive Coordinator; Assistant Executive Directors, Kathryn Gardner, and Kari Thrush, Nathan Triplett, Public Policy Director

**Minutes:**

A motion was offered to approve the February 22, 2024 meeting minutes. The motion was seconded and approved.

**President and Executive Director's Report**

**Membership Update**

Mr. Cunningham stated that 623 members were suspended on February 13 for nonpayment of dues. This number is comparable to previous years.

Mr. Cunningham informed the committee that the Supreme Court may issue an Administrative Order that would, among other changes, alter the language about the SBM appointment to the JFA Commission. The current Administrative Order refers to the SBM President serving on the Commission but does not explicitly state that the SBM representative should be the President. The Court is contemplating changing the JFA Administrative Order to more closely align with the language used for the other Court-appointed Commissions (Well-Being in the Law and DEI Commissions) that drop the reference to the SBM President.

Mr. Cunningham informed the committee that the LGBTQ+ Law section has voiced concerns about the gender options on the Bar application. SBM staff are advising the section to work with the Diversity and Inclusion Advisory Committee to make a recommended change.

Mr. Cunningham provided an update on the Interim Administrator Program, stating that 270 members did not complete their interim appointment designation by March 15 and were automatically enrolled in the State Bar's IAP program and charged the \$60 fee for enrollment. The fee will be waived for any members who complete the designation process before the end of the current bar year.

Mr. Quick stated that he participated in the State Bar's trip to Washington DC for ABA Days and in the Young Lawyers Networking event at Top Golf.

Mr. Quick asked about the status of scheduling a meeting with the Legal Deserts Workgroup meeting. Ms. Bossenbery stated that she is working on setting the date.

Representative Assembly (RA) Report

Ms. Bennett stated that the RA meeting begins at 9:30 a.m. on Saturday, April 20 at the Crown Plaza Hotel in Lansing. She said that the meeting is in hybrid format, and everyone is invited to attend.

April 19, 2024 Board of Commissioners meeting Agenda

A motion was made to approve the April 19, 2024 BOC agenda. The motion was seconded and approved.

Adjournment

**The meeting was adjourned at 4:40 p.m.**



**President Daniel D. Quick**  
**President's Activities**  
**April 22 through June 14, 2024**

Date	Event	Location
May 9	2024 Equal Justice Conference Host Reception	Detroit
May 9	Oakland County Bar Foundation 2024 Signature Event	West Bloomfield
May 10	2024 Equal Justice Conference	Detroit
May 14	Berrien County Bar Association Annual Meeting	Stevensville
May 15	Grand Traverse, Leelanau, and Antrim Counties Bar Association meeting	Traverse City
May 16	ICLE Probate and Estate meeting	Traverse City
May 22	Executive Committee meeting	Virtual
May 22	U.S. Courts Committee Bench Bar Dinner	Lansing
May 23	50-Year Golden Celebration	Plymouth
May 23	Genesee County Bar Association and Inns of Court Awards Dinner	Flint
June 5	Oakland County Bar Association Annual Meeting & Awards Ceremony	Birmingham
June 6	Women Lawyers of Michigan Bench Bar Culinary Challenge	Pleasant Ridge
June 13 - 15	Great Lakes Legal Conference	Mackinac Island
June 14	Board of Commissioners meeting	Mackinac Island

**Executive Director Peter Cunningham**  
**Executive Director Activities**  
**April 21 through June 15, 2024**

<b>Date</b>	<b>Event</b>
April 24	ATJ Campaign Steering Committee meeting
April 25	State Planning Body (SPB) meeting
April 26	Diversity, Equity, and Inclusion (DEI) Commission meeting
April 30	Commission on the Well-Being in the Law (CWBIL) Executive Committee meeting
April 30	All Staff meeting
May 2	Justice for All (JFA) Executive Team meeting
May 6	DEI Commission Workgroup meeting
May 7	CWBIL <b>Planning</b> meeting
May 9	2024 Equal Justice Conference Host Reception
May 9	Michigan Supreme Court Historical Society Advocates Guild Symposium
May 13	CWBIL Commission meeting
May 14 -15	FY2025 Budget meetings with Strategic Management Team
May 16	Meeting with Chief Justice Clement
May 16 – 17	ICLE Probate and Estate Planning Institute
May 16	JFA Executive Team meeting
May 17	Judge Melissa Pope and Tribal Court Engagement Committee meeting
May 17	<b>Diversity, Equity, and Inclusion (DEI) Executive Team meeting</b>
May 20	DEI Commission Workgroup meeting
May 22	AI Workgroup meeting
May 22	Executive Committee meeting
May 23	50-Year Golden Celebration
May 24	Legal Deserts Workgroup meeting
May 29	CWBIL Executive Committee meeting
May 30	JFA Executive Team meeting
June 3	DEI Commission Workgroup meeting
June 4	Emergency Response Committee meeting

Date	Event
June 4	Finance Committee meeting
June 6	ICLE Executive Committee meeting
June 6	Ann Routt, Executive Director, Michigan Advocacy Program
June 10	JFA Commission meeting
June 12	Public Policy Committee meeting
June 13	JFA Executive Committee meeting
June 13 – 15	Great Lakes Legal Conference
June 14	Board of Commissioners meeting

# State Bar of Michigan Financial Results Summary

For the Seven Months Ended April 30, 2024  
Fiscal Year 2024

## Administrative Fund - Summary of Results as of April 30, 2024

Operating Revenue	\$7,736,181
Operating Expense	<u>(6,615,058)</u>
Operating Income (Loss)	1,121,123
Non-Operating Income (Loss)	<u>840,324</u>
Change in Net Position	1,961,447
Net Position, October 1, 2023	<u>\$12,751,125</u>
Net Position, April 30, 2024	<u>\$14,715,572</u>

As of April 30, 2024, Net Position *excluding* net assets restricted for retiree healthcare was \$11,329,139, an increase of \$1,668,602 since the beginning of the year and favorable to budget by \$780,921.

### **YTD Operating Revenue variance – \$87,040, favorable to budget (1.1%):**

License fee and related revenue was lower than budget by \$81,795 (1.3%); other operating revenue was higher than budget by \$168,835 (13.3%) primarily due to higher C&F and IAP revenue.

### **YTD Operating Expense variance - \$533,418, favorable to budget (7.5%):**

Salaries and Employee Benefits/ Payroll Taxes – \$76,176, favorable (1.6%)

- Under budget due to lower benefits and PR taxes (\$30,164) and lower salary expenses (\$46,012).

Non-Labor Operating Expenses - \$457,242, favorable (19.4%)

- Legal - \$34,264, favorable (27%) – Under budget with the largest variance in C&F, IAP, and HR.
- Public and Bar Services - \$168,343, favorable (27.5%) – Under budget with the largest variances in IT, Diversity, and Outreach, some due to timing.

- Operations and Policy - \$254,634, favorable (15.7%) – Under budget with the largest variances in Facilities, Bar Journal, Administration, Executive Office and BOC, and depreciation, some due to timing.

**YTD Non-Operating Revenue Budget Variance - \$538,157 favorable to budget 178.1%:**

- Interest income is favorable to budget by \$176,869 (58.5%).
- Retiree Health Care Trust net investment gain of \$377,694 (this amount is *not* budgeted).
- Loss on disposal \$16,406.

**Cash and Investment Balance**

As of April 30, 2024, the cash and investment balance in the State Bar Admin Fund net of *due to Sections, ADS, Client Protection Fund, and Retiree Health Care Trust* was \$13,144,998, an increase of \$3,692,616 from the beginning of the year primarily due to collection of license fees.

**SBM Entities Retiree Health Care Trust**

As of April 30, 2024, the SBM retiree health care trust investments were \$4,405,970, an increase of \$292,845 since the beginning of the year. The change is due to investment gains of \$385,386, net of advisor and record keeping fees of \$7,692, and trust distributions for retiree healthcare premiums of \$84,849.

**Capital Budget**

Year-to-date capital expenditures totaled \$167,317, or 64% of the FY 2024 capital expenditures budget of \$259,680.

**Client Protection Fund**

The Net Position of the Client Protection Fund as of April 30, 2024, totaled \$2,937,078, an increase of \$415,084 from the beginning of the year. Claims expenses totaled \$85,734, including \$25,269 of authorized but not paid claims awaiting signed subrogation agreements.

**SBM Membership**

As of April 30, 2024, the active, inactive, and emeritus membership in good standing totaled 46,731 attorneys, a decrease of 93 attorneys since the beginning of the year; and the number of paying attorneys decreased by 718. A total of 538 new attorneys have joined SBM since the beginning of the year.

**STATE BAR OF MICHIGAN  
ADMINISTRATIVE FUND**

**Unaudited and For Internal Use Only**

**FINANCIAL REPORTS  
April 30, 2024**

**FY 2024**

Note: License fee revenue is recognized and budgeted as earned each month throughout the year.

State Bar of Michigan  
Parent Company : State Bar of Michigan  
SBM Statement of Net Position  
April 30, 2024

Financial Row	Current Period (As of Apr 2024)	Prior Month (As of Mar 2024)	Variance	Variance %	Beginning of FY (As of Sep 2023)
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>					
<b>Assets</b>					
Cash	\$ 1,468,539	\$ 666,928	\$ 801,611	120.2%	\$ 775,835
Investments	15,189,533	16,795,413	(1,605,880)	(9.6%)	11,776,776
Due from (to) CPF	13,872	(1,026)	14,898	(1,452.4%)	13,206
Due from (to) Sections	(3,576,752)	(3,627,523)	50,771	(1.4%)	(3,113,434)
Due from (to) ADS	49,807	18,051	31,755	175.9%	-
<b>Net Administrative Fund Cash and Investment Balance</b>	<b>13,144,998</b>	<b>13,851,843</b>	<b>(706,845)</b>	<b>(5.1%)</b>	<b>9,452,382</b>
Accounts Receivable	79,241	65,544	13,697	20.9%	48,378
Prepaid Expenses	318,806	348,132	(29,326)	(8.4%)	490,364
Capital Assets, Net	3,260,494	3,290,418	(29,924)	(0.9%)	3,228,115
SBM Retiree Health Care Trust	4,405,970	4,513,605	(107,635)	(2.4%)	4,113,125
<b>Total Assets</b>	<b>21,209,510</b>	<b>22,069,543</b>	<b>(860,033)</b>	<b>(3.9%)</b>	<b>17,332,364</b>
<b>Deferred Outflows of Resources</b>					
Deferred Outflows of Resources Related to Pensions	24,225	24,225	-	0.0%	24,225
Deferred Outflows of Resources Related to OPEB	1,081,363	1,081,363	-	0.0%	1,081,363
<b>Total Deferred Outflows of Resources</b>	<b>1,105,588</b>	<b>1,105,588</b>	<b>-</b>	<b>0.0%</b>	<b>1,105,588</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>22,315,098</b>	<b>23,175,131</b>	<b>(860,033)</b>	<b>(3.7%)</b>	<b>18,437,953</b>
<b>LIABILITIES, DERERRED INFLOWS OF RESOURCES AND NET POSITION</b>					
<b>Liabilities</b>					
Accounts Payable	4,521	4,577	(56)	(1.2%)	463,715
Accrued Expenses	728,907	725,228	3,678	0.5%	697,379
Deferred Revenue	4,303,222	5,152,762	(849,540)	(16.5%)	2,052,690
GASB 96 Subscription Liability	92,834	92,834	-	0.0%	-
Net Pension Liability	365,770	365,770	-	0.0%	365,770
Net OPEB Liability	1,157,170	1,157,170	-	0.0%	1,157,170
<b>Total Liabilities</b>	<b>6,652,423</b>	<b>7,498,341</b>	<b>(845,918)</b>	<b>(11.3%)</b>	<b>4,736,725</b>
<b>Deferred Inflows of Resources</b>					
Deferred Inflows of Resources Related to Pensions	3,373	3,373	-	0.0%	3,373
Deferred Inflows of Resources Related to OPEB	946,730	946,730	-	0.0%	946,730
<b>Total Deferred Inflows of Resources</b>	<b>950,103</b>	<b>950,103</b>	<b>-</b>	<b>0.0%</b>	<b>950,103</b>
<b>Total Liabilities and Deferred Inflows</b>	<b>7,602,526</b>	<b>8,448,444</b>	<b>(845,918)</b>	<b>(10.0%)</b>	<b>5,686,828</b>
<b>Net Assets</b>					
Invested in Capital Assets, Net of Related Debt	3,260,494	3,290,418	(29,924)	(0.9%)	3,228,115
Restricted for Retiree Health Care Trust	3,383,433	3,491,068	(107,635)	(3.1%)	3,090,588
Unrestricted	8,068,645	7,945,201	123,444	1.6%	6,432,422
<b>Total Net Position</b>	<b>14,712,572</b>	<b>14,726,687</b>	<b>(14,115)</b>	<b>(0.1%)</b>	<b>12,751,125</b>
<b>TOTAL LIABILITIES, DERERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>22,315,098</b>	<b>23,175,131</b>	<b>(860,033)</b>	<b>(3.7%)</b>	<b>\$18,437,953</b>
Net Position Excluding Impacts of Retiree Health Care Trust	11,329,139	11,235,619	93,520	0.8%	\$9,660,537

State Bar of Michigan  
Parent Company : State Bar of Michigan  
Summary Statement of Revenue, Expense and Net Assets  
April 30, 2024

Financial Row	Actual YTD (Oct 2023 - Apr 2024)	Budget YTD (Oct 2023 - Apr 2024)	Variance	Percentage	Prior YTD Actual (Oct 2022 - Apr 2023)	Actual Variance YTD	Actual Variance YTD %
<b>Operating Revenue</b>							
License Fees, Dues and Related	\$ 6,295,880	\$ 6,377,675	\$ (81,795)	(1.3%)	\$ 6,436,734	\$ (140,854)	(2.2%)
All other Op Revenue	1,440,301	1,271,466	168,835	13.3%	1,220,252	220,049	18.0%
<b>Total Operating Revenue</b>	<b>7,736,181</b>	<b>7,649,141</b>	<b>87,040</b>	<b>1.1%</b>	<b>7,656,986</b>	<b>79,195</b>	<b>1.0%</b>
<b>Total Operating Expenses</b>							
<b>Labor Operating Expenses</b>							
Salaries	3,458,468	3,504,480	(46,012)	(1.3%)	3,294,469	163,999	5.0%
Benefits and Payroll Taxes	1,251,516	1,281,680	(30,164)	(2.4%)	1,154,121	97,395	8.4%
<b>Total Labor Operating Expenses</b>	<b>4,709,984</b>	<b>4,786,160</b>	<b>(76,176)</b>	<b>(1.6%)</b>	<b>4,448,590</b>	<b>261,394</b>	<b>5.9%</b>
<b>Non Labor Operating Expenses</b>							
Legal	92,730	126,995	(34,264)	(27.0%)	69,456	23,275	33.5%
Operations and Policy	1,367,930	1,622,564	(254,634)	(15.7%)	1,370,670	(2,740)	(0.2%)
Public and Bar Services	444,414	612,757	(168,343)	(27.5%)	406,918	37,495	9.2%
<b>Total Non Labor Operating Expenses</b>	<b>1,905,074</b>	<b>2,362,316</b>	<b>(457,242)</b>	<b>(19.4%)</b>	<b>1,847,044</b>	<b>58,030</b>	<b>3.1%</b>
<b>Total Operating Expenses</b>	<b>6,615,058</b>	<b>7,148,476</b>	<b>(533,418)</b>	<b>(7.5%)</b>	<b>6,295,634</b>	<b>319,424</b>	<b>5.1%</b>
<b>Operating Income (Loss)</b>	<b>1,121,123</b>	<b>500,665</b>	<b>620,458</b>	<b>123.9%</b>	<b>1,361,352</b>	<b>(240,229)</b>	<b>(17.6%)</b>
<b>Non Operating Revenue (Expenses)</b>							
Investment Income	479,036	302,167	176,869	58.5%	324,288	154,748	47.7%
Investment Income - Ret HC Trust	377,694	-	377,694	0.0%	468,193	(90,499)	(19.3%)
Loss on Disposal	(16,406)	-	(16,406)	0.0%	-	(16,406)	0.0%
<b>Net Non Operating Revenue (Expenses)</b>	<b>840,324</b>	<b>302,167</b>	<b>538,157</b>	<b>178.1%</b>	<b>792,481</b>	<b>47,842</b>	<b>6.0%</b>
<b>Increase (Decrease) in Net Position</b>	<b>1,961,447</b>	<b>802,832</b>	<b>1,158,615</b>	<b>144.3%</b>	<b>2,153,833</b>	<b>(192,386)</b>	<b>(8.9%)</b>
<b>Net Position Beginning of Year</b>	<b>12,751,125</b>	<b>8,648,879</b>	<b>4,102,246</b>	<b>47.4%</b>	<b>9,813,122</b>	<b>2,938,003</b>	<b>29.9%</b>
<b>Net Position End of Period</b>	<b>14,712,572</b>	<b>9,451,711</b>	<b>5,260,861</b>	<b>55.7%</b>	<b>11,966,955</b>	<b>2,745,617</b>	<b>22.9%</b>
Change in Net Position Excluding Ret HC Trust Investment Income (Loss)	1,583,753	802,832	780,921	97.3%	1,685,641	(101,887)	(6.0%)



**State Bar of Michigan**  
**Parent Company : State Bar of Michigan**  
**SBM Statement of Revenues, Expenses and Net Assets**  
**April 30, 2024**

Financial Row	Actual (Oct 2023 - Apr 2024)	Budget YTD (Oct 2023 - Apr 2024)	Budget Variance	Budget Variance %	Last YTD Actuals (Oct 2022 - Apr 2023)	Actuals Variance	Actuals Variance %
<b>Revenues</b>							
License Fees and Related	\$ 6,295,880	\$ 6,377,675	\$ (81,795)	(1.3%)	\$ 6,436,734	\$ (140,854)	(2.2%)
<b>Other Operating Revenues</b>							
<b>Operations and Policy</b>							
Administration	442,530	406,050	36,480	9.0%	393,182	49,348	12.6%
Bar Journal	135,811	125,433	10,378	8.3%	136,719	(908)	(0.7%)
Digital	28,271	23,338	4,933	21.1%	30,141	(1,870)	(6.2%)
E Journal	26,732	24,081	2,651	11.0%	24,569	2,163	8.8%
Print and Design	21,086	23,044	(1,958)	(8.5%)	26,860	(5,774)	(21.5%)
<b>Total - Operations and Policy</b>	<b>654,430</b>	<b>601,946</b>	<b>52,484</b>	<b>8.7%</b>	<b>611,472</b>	<b>42,958</b>	<b>7.0%</b>
<b>Public and Bar Services</b>							
50 Year Event	5,850	5,600	250	4.5%	4,880	970	19.9%
Diversity	960	-	960	0.0%	-	960	0.0%
Great Lakes Legal Conference	29,875	35,000	(5,125)	(14.6%)	24,080	5,795	24.1%
Lawyer Referral Services	72,527	93,331	(20,804)	(22.3%)	122,404	(49,877)	(40.7%)
Lawyer Services	142,326	139,975	2,351	1.7%	125,759	16,567	13.2%
Lawyers & Judges Assistance Program	33,826	35,000	(1,174)	(3.4%)	31,992	1,834	5.7%
Practice Management Resource Center	1,102	1,750	(648)	(37.1%)	2,505	(1,403)	(56.0%)
<b>Total - Public and Bar Services</b>	<b>286,466</b>	<b>310,656</b>	<b>(24,190)</b>	<b>(7.8%)</b>	<b>311,620</b>	<b>(25,154)</b>	<b>(8.1%)</b>
<b>Legal</b>							
Character & Fitness	305,710	267,408	38,302	14.3%	295,360	10,350	3.5%
Ethics	3,135	1,456	1,679	115.3%	1,800	1,335	74.2%
IAP	190,560	90,000	100,560	111.7%	-	190,560	0.0%
<b>Total - Legal</b>	<b>499,405</b>	<b>358,864</b>	<b>140,541</b>	<b>39.2%</b>	<b>297,160</b>	<b>202,245</b>	<b>68.1%</b>
<b>Total - Other Operating Revenues</b>	<b>1,440,301</b>	<b>1,271,466</b>	<b>168,835</b>	<b>13.3%</b>	<b>1,220,252</b>	<b>220,049</b>	<b>18.0%</b>
<b>Non Operating Revenue</b>							
Investment Income	479,036	302,167	176,869	58.5%	324,288	154,748	47.7%
Gain/Loss on Fixed Assets	(16,406)	-	(16,406)	0.0%	-	(16,406)	0.0%
Investment Income - Retiree HC Trust	377,694	-	377,694	0.0%	468,193	(90,499)	(19.3%)
<b>Total Non Operating Revenue</b>	<b>840,324</b>	<b>302,167</b>	<b>538,157</b>	<b>178.1%</b>	<b>792,481</b>	<b>47,842</b>	<b>6.0%</b>
<b>Total Revenues</b>	<b>8,576,505</b>	<b>7,951,308</b>	<b>625,197</b>	<b>7.9%</b>	<b>8,449,467</b>	<b>127,038</b>	<b>1.5%</b>
<b>Expenses</b>							
<b>Legal</b>							
Character & Fitness	14,525	33,917	(19,392)	(57.2%)	19,905	(5,381)	(27.0%)
Client Protection Fund	14,841	7,091	7,751	109.3%	6,877	7,965	115.8%
Ethics	2,189	4,035	(1,846)	(45.7%)	2,154	35	1.6%
General Counsel	21,451	23,338	(1,887)	(8.1%)	5,049	16,402	324.9%
IAP	5,771	12,654	(6,883)	(54.4%)	260	5,511	2120.7%
UPL	1,795	4,958	(3,163)	(63.8%)	3,561	(1,767)	(49.6%)
<b>Human Resources</b>							
Payroll Taxes	254,374	270,300	(15,926)	(5.9%)	245,332	9,042	3.7%
Benefits	997,141	1,011,380	(14,239)	(1.4%)	908,789	88,352	9.7%
Human Resources - Other	32,159	41,003	(8,844)	(21.6%)	31,649	509	1.6%
<b>Total Legal</b>	<b>1,344,246</b>	<b>1,408,675</b>	<b>(64,429)</b>	<b>(4.6%)</b>	<b>1,223,577</b>	<b>120,670</b>	<b>9.9%</b>

State Bar of Michigan  
Parent Company : State Bar of Michigan  
SBM Statement of Revenues, Expenses and Net Assets  
April 30, 2024

Financial Row	Actual (Oct 2023 - Apr 2024)	Budget YTD (Oct 2023 - Apr 2024)	Budget Variance	Budget Variance %	Last YTD Actuals (Oct 2022 - Apr 2023)	Actuals Variance	Actuals Variance %
<b>Public and Bar Services</b>							
50 Year Event	4,400	2,100	2,300	109.5%	6,065	(1,665)	(27.5%)
Diversity	8,992	21,231	(12,239)	(57.6%)	10,323	(1,331)	(12.9%)
Great Lakes Legal Conference	(3,973)	-	(3,973)	0.0%	13	(3,986)	(30684.1%)
IT	342,590	457,836	(115,246)	(25.2%)	292,628	49,962	17.1%
Inaugural and Awards Lunch	9,450	9,450	-	0.0%	9,977	(527)	(5.3%)
Lawyer Referral Services	5,447	4,700	747	15.9%	3,954	1,494	37.8%
Lawyer Services	10,982	16,704	(5,722)	(34.3%)	19,499	(8,517)	(43.7%)
Lawyers & Judges Assistance Program	15,247	16,931	(1,684)	(9.9%)	6,416	8,831	137.6%
Outreach	48,333	78,012	(29,679)	(38.0%)	53,419	(5,086)	(9.5%)
Practice Management Resource Center	2,946	5,794	(2,848)	(49.2%)	4,626	(1,680)	(36.3%)
<b>Total Public and Bar Services</b>	<b>444,414</b>	<b>612,757</b>	<b>(168,343)</b>	<b>(27.5%)</b>	<b>406,918</b>	<b>37,495</b>	<b>9.2%</b>
<b>Operations and Policy</b>							
Administration	77,471	88,773	(11,302)	(12.7%)	82,521	(5,050)	(6.1%)
Bar Journal	193,628	250,740	(57,112)	(22.8%)	203,034	(9,406)	(4.6%)
Board of Commissioners	23,812	44,425	(20,613)	(46.4%)	31,413	(7,601)	(24.2%)
Digital	62,862	72,623	(9,761)	(13.4%)	76,514	(13,653)	(17.8%)
E Journal	9,591	9,995	(404)	(4.0%)	8,465	1,126	13.3%
Executive Office	17,206	33,485	(16,280)	(48.6%)	10,130	7,076	69.9%
Facilities	222,782	282,511	(59,729)	(21.1%)	232,807	(10,025)	(4.3%)
General Communications	7,534	12,084	(4,550)	(37.7%)	2,753	4,781	173.7%
Governmental Relations	37,543	40,534	(2,991)	(7.4%)	39,729	(2,186)	(5.5%)
Justice Initiatives	127,036	128,322	(1,287)	(1.0%)	77,744	49,292	63.4%
Print and Design	24,812	32,787	(7,975)	(24.3%)	25,793	(980)	(3.8%)
Representative Assembly	8,783	12,600	(3,817)	(30.3%)	3,437	5,346	155.6%
Research	1,849	8,356	(6,507)	(77.9%)	6,532	(4,683)	(71.7%)
Depreciation	244,319	274,162	(29,843)	(10.9%)	248,949	(4,629)	(1.9%)
Finance	308,704	331,168	(22,464)	(6.8%)	320,852	(12,148)	(3.8%)
<b>Total Operations and Policy</b>	<b>1,367,930</b>	<b>1,622,564</b>	<b>(254,634)</b>	<b>(15.7%)</b>	<b>1,370,670</b>	<b>(2,740)</b>	<b>(0.2%)</b>
<b>Salaries</b>							
Legal	864,449	807,218	57,231	7.1%	778,500	85,949	11.0%
Operations and Policy	1,313,960	1,443,150	(129,190)	(9.0%)	1,309,874	4,086	0.3%
Public and Bar Services	1,280,060	1,254,112	25,948	2.1%	1,206,095	73,965	6.1%
<b>Total - Salaries</b>	<b>3,458,468</b>	<b>3,504,480</b>	<b>(46,012)</b>	<b>(1.3%)</b>	<b>3,294,469</b>	<b>163,999</b>	<b>5.0%</b>
<b>Total Expenses</b>	<b>6,615,058</b>	<b>7,148,476</b>	<b>(533,418)</b>	<b>(7.5%)</b>	<b>6,295,634</b>	<b>319,424</b>	<b>5.1%</b>
<b>Increase (Decrease) in Net Assets</b>	<b>1,961,447</b>	<b>802,832</b>	<b>1,158,615</b>	<b>144.3%</b>	<b>2,153,833</b>	<b>(192,386)</b>	<b>(8.9%)</b>

State Bar of Michigan  
Administrative Fund  
FY 2024 Capital Expenditures vs Budget  
For the Seven Months Ending April 30, 2024

	YTD Actual	YTD Budget	YTD Variance	Notes and Variance Explanations	FY 2024 Forecast	FY 2024 Budget	Forecasted Variance
<b>FACILITIES, FURNITURE &amp; OFFICE EQUIPMENT</b>							
Boardroom upgrade to three Apple-compatible presentation points	12,554	12,554	-		\$ 30,000	\$ 30,000	\$ -
Ethernet Switches (expense delayed from FY 2023)	11,296	-	11,296	Carryover from FY 2023 (\$27,753 remaining as of 09/30/23)	11,296	-	11,296
Additional Cameras for 1st Floor (expense delayed from FY 2023)	9,487	-	9,487	Carryover from FY 2023 (\$10,000 remaining as of 09/30/23)	9,487	-	9,487
<b>TOTAL FACILITIES, FURNITURE &amp; OFFICE EQUIPMENT</b>	<b>\$ 33,337</b>	<b>\$ 12,554</b>	<b>\$ 20,783</b>		<b>\$ 50,783</b>	<b>\$ 30,000</b>	<b>\$ 20,783</b>
<b>INFORMATION TECHNOLOGY</b>							
<b>Application Software Development:</b>							
Receivership /Interim Administrator Program data portal	\$ 19,140	\$ 19,140	\$ -		\$ 31,600	\$ 31,600	\$ -
E-commerce Store	15,950	10,000	5,950		16,000	10,000	6,000
E-commerce Events	47,850	32,460	15,390		50,000	32,460	17,540
E-commerce License Fee Updates	12,760	12,760	-		40,600	40,600	-
e-Services Application to Court e-Filing (mi-File)	-	-	-		-	20,000	(20,000)
Firm Administration and Billing	12,760	11,000	1,760		15,000	11,000	4,000
Website Functionality Enhancements	15,950	12,680	3,270		20,000	12,680	7,320
Character & Fitness Module	3,190	3,190	-		19,940	34,800	(14,860)
Volunteer Application Updates	3,190	3,190	-		19,140	19,140	-
Consumer Portal (LRS)	3,190	3,190	-		17,400	17,400	-
<b>TOTAL INFORMATION TECHNOLOGY</b>	<b>\$ 133,980</b>	<b>\$ 107,610</b>	<b>\$ 26,370</b>		<b>\$ 229,680</b>	<b>\$ 229,680</b>	<b>\$ -</b>
<b>TOTAL CAPITAL EXPENDITURES BUDGET</b>	<b>\$ 167,317</b>	<b>\$ 120,164</b>	<b>\$ 47,153</b>		<b>\$ 280,463</b>	<b>\$ 259,680</b>	<b>\$ 20,783</b>

**STATE BAR OF MICHIGAN  
CLIENT PROTECTION FUND**

**Unaudited and For Internal Use Only**

**FINANCIAL REPORTS  
April 30, 2024**

**FY 2024**

Note: License fee revenue is recognized and budgeted as earned each month throughout the year.

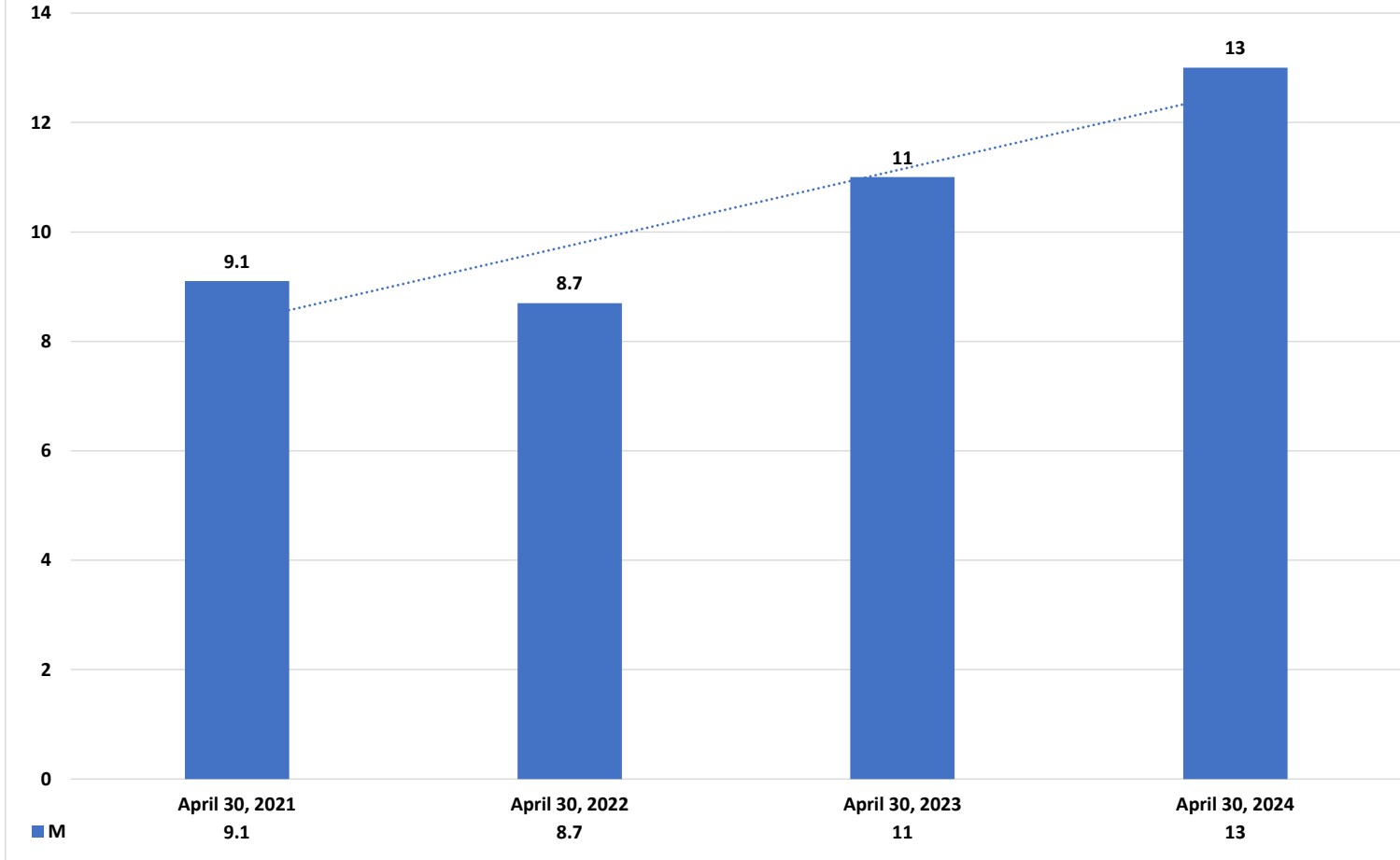
**State Bar of Michigan**  
**Parent Company : State Bar of Michigan : Client Protection Fund**  
**CPF Comparative Statement of Net Assets**  
**April 30, 2024**

<b>Financial Row</b>	<b>As of Apr 2024</b>	<b>As of Mar 2024</b>	<b>Variance</b>	<b>Variance %</b>	<b>As of Sep 2023</b>
<b>Assets</b>					
Cash-Checking	\$ 14,445	\$ 354,280	\$ (339,836)	(95.9%)	\$ 75,040
Savings	266,466	175,880	90,585	51.5%	72,303
Investments	3,298,562	2,945,481	353,080	12.0%	2,546,363
Due From SBM	(13,872)	1,026	(14,898)	(1,452.4%)	(13,206)
<b>Total Assets</b>	<b>3,565,600</b>	<b>3,476,667</b>	<b>88,933</b>	<b>2.6%</b>	<b>2,680,499</b>
<b>Liabilities and Fund Balance</b>					
<b>Liabilities</b>					
Interpleader Funds	342,742	341,354	1,388	0.4%	-
Claims Payable	25,269	12,484	12,785	102.4%	43,268
Deferred Revenue	260,512	312,374	(51,862)	(16.6%)	115,238
<b>Total Liabilities</b>	<b>628,523</b>	<b>666,211</b>	<b>(37,688)</b>	<b>(5.7%)</b>	<b>158,505</b>
Fund Balance Beginning of Year	2,521,994	2,521,994	-	0.0%	2,121,791
Net Income (Expense) Year to Date	415,084	288,463	126,621	43.9%	400,202
<b>Total Fund Balance</b>	<b>2,937,078</b>	<b>2,810,456</b>	<b>126,621</b>	<b>4.5%</b>	<b>2,521,994</b>
<b>Total Liabilities and Fund Balance</b>	<b>3,565,600</b>	<b>3,476,667</b>	<b>88,933</b>	<b>2.6%</b>	<b>2,680,499</b>

**State Bar of Michigan**  
**Parent Company : State Bar of Michigan : Client Protection Fund**  
**CPF Income Statement**  
**April 30, 2024**

Financial Row	CY (Oct 2023 - Apr 2024)	PY (Oct 2022 - Apr 2023)	Variance
<b>Income</b>			
42965 - Claims Recovery	\$ 64,603	\$ 16,614	\$ 47,989
42970 - Contributions Received	90,301	19,895	70,407
40050 - License Fee	369,278	377,125	(7,847)
40055 - Pro Hac Vice Fees	9,285	6,960	2,325
<b>Total Income</b>	<b>533,467</b>	<b>420,593</b>	<b>112,873</b>
<b>Expenses</b>			
65285 - Bank Service Fees	260	245	15
71005 - Claims Payments	85,734	209,751	(124,017)
69060 - SBM Administrative/Service Fees	117,250	105,000	12,250
<b>Total Expenses</b>	<b>203,244</b>	<b>314,996</b>	<b>(111,752)</b>
<b>Investment Income</b>			
49015 - Gain or Loss on Investment JPM Brokerage	80,377	51,412	28,965
49010 - Interest & Dividends	4,484	3,062	1,422
<b>Total Investment Income</b>	<b>84,861</b>	<b>54,473</b>	<b>30,388</b>
<b>Increase or Decrease in Net Position</b>	<b>415,084</b>	<b>160,070</b>	<b>255,013</b>
<b>Net Position, Beginning of Year</b>	<b>2,521,994</b>	<b>2,121,791</b>	<b>400,202</b>
<b>Net Position, End of Period</b>	<b>2,937,078</b>	<b>2,281,862</b>	<b>655,216</b>

**State Bar of Michigan Cash & Investments**  
**Excluding Sections, ADS, Client Protection Fund and Retiree Health Care Trust**  
**For the Seven Months Ending April 30, 2024**  
**\$13M**



Note: The State Bar of Michigan has no bank debt outstanding

Summary of Cash and Investment Balances by Financial Institution

4/30/2024

Assets	Bank Rating	Financial Institution Summary	Interest Rates	Fund Summary	
		SBM Chase Checking	\$840,551.55	Client Protection Fund	\$ 3,579,472
		SBM Chase Credit Card	\$14,109.04		
		SBM Chase E Checking	\$4,194.37	State Bar Admin Fund (including Sections)	\$ 16,658,071
		SBM Chase Payroll	(\$0.00)		
		SBM Chase Savings	\$ 500.19	Attorney Discipline System	\$ 6,130,921
		ADS Chase Checking	\$15,597.30		
		ADS Chase Petty Cash	\$ 3,691.72		
		CPF Chase Checking	\$14,444.78		
		CPF Chase Savings	\$ 461.52	SBM Retiree Health Care Trust	\$ 4,405,970
\$3.4 Trillion	5 stars	<b>** Chase Total</b>	<b>\$ 893,550.47</b>	ADB Retiree Health Care Trust	\$ 1,463,986
		SBM Horizon Bank Money Market	\$ 9.06	AGC Retiree Health Care Trust	\$ 4,464,025
\$7.9 Billion	4 stars	<b>Horizon Bank Total w/CD</b>	<b>\$ 2,007,228.72</b>	<b>Total</b>	<b>\$ 36,702,446</b>
		SBM Fifth Third Commercial Now	\$ 13,365.47		
\$214 Billion	5 stars	<b>Fifth Third Total</b>	<b>\$ 13,365.47</b>		
		Grand River Bank Total w/CD	\$ -	<b>State Bar Admin Fund Summary</b>	
\$549 Million	4 stars			Cash and Investments	\$ 16,658,071
		MSUCU Savings	\$ 56.09	Less:	
		MSUCU Checking	\$ 13,025.72	Due (to)/from Sections	\$ (3,576,752)
\$7.7 Billion	5 stars	<b>MSU Credit Union Total</b>	<b>\$ 13,081.81</b>	Due (to)/from ADS	\$ 49,807
		<b>MSU Credit Union Total w/CD</b>	<b>\$ 1,602,730.34</b>	Due (to)/from CPF	\$ 13,872
		LAFUCU Savings	\$ -	Due to Sections and CPF	\$ (3,513,073)
\$1 Billion	5 stars	<b>LAFUCU Total w/CD</b>	<b>\$ -</b>	Net Administrative Fund	\$ 13,144,998
		CASE Cr Un	\$ 6.38	<b>SBM Average Weighted Yield:</b>	<b>4.67%</b>
\$394 Million	5 stars	<b>CASE Cr Un Total w/CD</b>	<b>\$ 6.38</b>	<b>ADS Average Weighted Yield:</b>	<b>4.95%</b>
		SBM Flagstar ICS Checking	\$ 344,312.73	<b>CPF Average Weighted Yield:</b>	<b>4.90%</b>
		ADS Flagstar ICS Checking Account	\$ 164,091.07		
		CPF Flagstar ICS Checking	\$ 266,004.00		
\$1.7 Trillion	3.5 stars	<b>Flagstar Bank FDIC Insured</b>	<b>\$ 774,407.80</b>		

Notes:

- All amounts are based on reconciled book balance and interest rates as of 4/30/24.
- CDARS when used are invested in multiple banks up to the FDIC limit for each bank.
- Funds held in bank accounts are FDIC insured up to \$250,000 per bank.
- Actual unreconciled Chase balance per statements was \$950,762.65(\*\*).
- Bank Star rating from Bauer Financial.
- Lockbox fees are offset by 0.30% p.a. on average monthly balance (\*)
- Average weighted yields exclude retiree health care trusts.
- Funds held in SBM Entities Trust with Schwab are invested in Tbills and government money market funds (30.2%), bond mutual funds (20.4%), and equity mutual funds (49.4%).

Assets	Bank Rating	Financial Institution Summary	Interest Rates	Maturity	
N/A	N/A	SBM US Treasuries			
		FH5	\$ 1,047,691.02	5.21%	05/16/24
		HR1	\$ 249,193.33	5.25%	05/23/24
		HS9	\$ 547,662.88	5.21%	05/30/24
		HT7	\$ 944,981.63	5.20%	06/06/24
		ZW2	\$ 1,389,743.05	5.13%	06/20/24
		Y52	\$ 693,345.63	5.08%	07/05/24
		JT5	\$ 478,990.88	5.03%	07/25/24
		JU2	\$ 1,282,533.42	4.99%	08/01/24
		GL5	\$ 392,641.06	4.77%	09/05/24
		HE0	\$ 905,606.10	4.66%	10/31/24
		HP5	\$ 1,454,950.01	4.77%	11/29/24
		JR9	\$ 1,011,066.39	4.68%	01/23/25
		US Gov MM Fund-SXX	\$ 494,258.99	5.05%	-
		<b>SBM US Treasuries Total</b>	<b>\$ 10,892,664.39</b>		
		CPF US Treasuries			
		HT7	\$ 328,256.78	5.19%	06/06/24
		ZW2	\$ 595,604.17	5.13%	06/20/24
		Y52	\$ 990,493.75	5.08%	07/05/24
		JU2	\$ 345,297.46	4.99%	08/01/24
		HP5	\$ 581,980.00	4.77%	11/29/24
		US Gov MM Fund - GXX	\$ 456,929.51	4.88%	-
		<b>CPF US Treasuries Total</b>	<b>\$ 3,298,561.67</b>		
		ADS US Treasuries			
		HS9	\$ 940,984.40	5.21%	05/30/24
		HT7	\$ 198,943.50	5.19%	06/06/24



Assets	Bank Rating	Financial Institution Summary	Interest Rates	Maturity	
		FS1 \$	248,427.91	5.11%	06/13/24
		ZW2 \$	446,703.12	5.13%	06/20/24
		Y52 \$	346,672.81	5.08%	07/05/24
		JT5 \$	755,521.70	5.03%	07/25/24
		GK7 \$	320,321.22	5.03%	08/08/24
		GL5 \$	392,641.06	4.77%	09/05/24
		HP5 \$	727,475.00	4.75%	11/29/24
		ZV4 \$	289,968.64	4.72%	12/26/24
		JR9 \$	303,319.92	4.67%	01/23/25
		UG Gov MM Fund \$	976,561.39	5.05%	-
		ADS US Treasuries Total \$	5,947,540.67		
		<b>US Treasuries Total \$</b>	<b>20,138,766.73</b>		
		<b>SBM Flagstar Savings \$</b>	<b>238,408.19</b>	4.05%	
		\$	<b>238,408.19</b>		
		SBM Flagstar CDARS \$	700,000.00	4.60%	02/06/25
		SBM-CD MSU Credit Union \$	252,036.00	5.00%	05/29/24
		SBM-CD MSU Credit Union \$	262,537.51	5.00%	05/29/24
		SBM-CD MSU Credit Union \$	262,537.51	5.00%	05/29/24
		SBM-CD MSU Credit Union \$	262,537.51	5.00%	05/29/24
		SBM-CD MSU Credit Union \$	550,000.00	4.50%	08/02/25
\$7.7 Billion	5 stars	Horizon Bank \$	253,199.32	5.18%	06/04/24
		Horizon Bank \$	253,199.32	5.18%	06/04/24
		Horizon Bank \$	253,199.32	5.18%	06/04/24
		Horizon Bank \$	253,199.32	5.18%	06/04/24
		Horizon Bank \$	253,199.32	5.18%	06/08/24
\$7.9 Billion	4 stars	Horizon Bank \$	253,199.32	5.18%	06/08/24
		Horizon Bank \$	244,011.87	4.90%	10/28/24
		Horizon Bank \$	244,011.87	4.90%	10/28/24
		<b>Bank CD Totals \$</b>	<b>3,596,868.19</b>		
		<b>Total Cash &amp; Investments (excluding Schwab) \$</b>	<b>26,368,464.10</b>		
		SBM - Charles Schwab (Ret HC Trust) \$	4,405,970.19		Mutual Funds
		ADB - Charles Schwab (Ret HC Trust) \$	1,463,986.31		Mutual Funds
		AGC - Charles Schwab (Ret HC Trust) \$	4,464,024.96		Mutual Funds
		<b>Charles Schwab Totals \$</b>	<b>10,333,981.46</b>		
		<b>Grand Total (including Schwab) \$</b>	<b>36,702,445.56</b>		
		Total amount of cash and investments not FDIC-insured (excluding Schwab and JPM held Tbills and Gov MM) \$	3,753,509.53	60.3%	

Asset size & ratings updated 4/15/24

Monthly SBM Attorney and Affiliate Report - April 30, 2024

FY 2024

	September 30 2018	September 30 2019	September 30 2020	September 30 2021	September 30 2022	September 30 2023	April 30 2024	FY Increase (Decrease)
<b>Attorneys and Affiliates In Good Standing</b>								
Active	42,342	42,506	42,401	42,393	42,395	41,985	41,272	(713)
Less than 50 yrs serv	40,973	41,036	40,559	40,504	40,680	40,115	39,228	(887)
50 yrs or greater	1,369	1,470	1,842	1,889	1,715	1,870	2,044	174
Voluntary Inactive	1,169	1,139	1,192	1,097	1,072	1,106	1,277	171
Less than 50 yrs serv	1,142	1,105	1,149	1,055	1,030	1,059	1,228	169
50 yrs or greater	27	34	43	42	42	47	49	2
Emeritus	2,204	2,447	2,727	3,033	3,306	3,733	4,182	449
<b>Total Attorneys in Good Standing</b>	<b>45,715</b>	<b>46,092</b>	<b>46,320</b>	<b>46,523</b>	<b>46,773</b>	<b>46,824</b>	<b>46,731</b>	(93)
<b>Fees paying Attorneys (Active &amp; Inactive less than 50 yrs of Serv)</b>	<b>42,115</b>	<b>42,141</b>	<b>41,708</b>	<b>41,559</b>	<b>41,710</b>	<b>41,174</b>	<b>40,456</b>	(718)
<b>Affiliates</b>								
Legal Administrators	10	10	8	5	2	2	4	2
Legal Assistants	401	393	317	219	214	194	177	(17)
<b>Total Affiliates in Good Standing</b>	<b>411</b>	<b>403</b>	<b>325</b>	<b>224</b>	<b>216</b>	<b>196</b>	<b>181</b>	(15)
<b>Total Attorneys and Former Attorneys in the Database</b>								
	September 30 2018	September 30 2019	September 30 2020	September 30 2021	September 30 2022	September 30 2023	April 30 2024	FY Increase (Decrease)
<b>State Bar of Michigan Attorney and Affiliate Type</b>								
<b>Attorneys in Good Standing:</b>								
ATA (Active)	42,342	42,506	42,401	42,393	42,395	41,985	41,272	(713)
ATVI (Voluntary Inactive)	1,169	1,139	1,192	1,097	1,072	1,106	1,277	171
ATE (Emeritus)	2,204	2,447	2,727	3,033	3,306	3,733	4,182	449
<b>Total Attorneys in Good Standing</b>	<b>45,715</b>	<b>46,092</b>	<b>46,320</b>	<b>46,523</b>	<b>46,773</b>	<b>46,824</b>	<b>46,731</b>	(93)
<b>Attorneys Not in Good Standing:</b>								
ATN (Suspended for Non-Payment of Dues)	6,072	6,246	6,416	6,472	6,588	6,824	7,116	292
ATDS (Discipline Suspension - Active)	439	440	445	449	454	456	461	5
ATDI (Discipline Suspension - Inactive)	19	24	25	25	25	25	26	1
ATDC (Discipline Suspension - Non-Payment of Court Costs)	15	16	16	14	14	15	15	-
ATNS (Discipline Suspension - Non-Payment of Other Costs)	95	98	100	102	106	104	109	5
ATS (Attorney Suspension - Other)*	1	1	2	-	-	-	-	-
ATR (Revoked)	583	596	613	623	634	645	649	4
ATU (Status Unknown - Last known status was inactive)**	2,070	2,070	2,070	2,070	2,047	2,047	2,047	-
<b>Total Attorneys Not in Good Standing</b>	<b>9,294</b>	<b>9,491</b>	<b>9,687</b>	<b>9,755</b>	<b>9,868</b>	<b>10,116</b>	<b>10,423</b>	307
<b>Other:</b>								
ATSC (Former special certificate)	155	157	158	164	167	170	172	2
ATW (Resigned)	1,689	1,798	1,907	2,036	2,143	2,282	2,413	131
ATX (Deceased)	9,287	9,524	9,793	10,260	10,664	10,958	11,151	193
<b>Total Other</b>	<b>11,131</b>	<b>11,479</b>	<b>11,858</b>	<b>12,460</b>	<b>12,974</b>	<b>13,410</b>	<b>13,736</b>	326
<b>Total Attorneys in Database</b>	<b>66,140</b>	<b>67,062</b>	<b>67,865</b>	<b>68,738</b>	<b>69,615</b>	<b>70,350</b>	<b>70,890</b>	540

\* ATS is a new status added effective August 2012 - suspended by a court, administrative agency, or similar authority

\*\* ATU is a new status added in 2010 to account for approximately 2,600 attorneys who were found not to be accounted for in the iMIS database  
The last known status was inactive and many are likely deceased. We are researching these attorneys to determine a final disposition.

N/R - not reported

Notes: Through April 30, 2024 a total of 538 new attorneys joined SBM.

To: Board of Commissioners

From: Joseph McGill, Awards Committee Chair

Date: May 29, 2024

Re: 2024 State Bar of Michigan Liberty Bell Award Recommendation

The State Bar of Michigan Awards Committee recommends that Elaine Stocking receive the 2024 State Bar of Michigan Liberty Bell Award. Ms. Stocking received the Ingham County Bar Association's 2024 Liberty Bell Award in recognition of her tireless dedication to our justice system while serving the Court of Ingham County for half a century.

Ms. Stocking started her illustrious career working “the window” at the 54-A District Court before learning and becoming the “go to” resource in nearly every aspect of court operations over the next 50 years. She was always willing to go above and beyond and was an invaluable asset to the courts’ judges, attorneys, staff, and of course the public. She served with great care and kindness, treated everyone with dignity and respect, and was considered the “institutional knowledge” of the courts. Although she retired twice, she continued to be available to all those who needed her, no matter the task. Ms. Stocking’s commitment to the judicial system and the public made life better for all those who encountered her.

We believe Ms. Stocking embodies everything this award stands for.



**TO:** Board of Commissioners  
**FROM:** Strategic Planning Committee  
**DATE:** May 14, 2024  
**RE:** **FY 2024-2025 Committee Recommendations**

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As part of its jurisdiction, the Strategic Planning Committee is tasked with reviewing and making recommendations concerning committees. Based on recommendations of SBM staff and Strategic Planning Committee discussions, the Committee makes the following committee recommendations for FY 2024-2025 to the Board of Commissioners:

## I. Jurisdictional Updates

### Judicial Ethics Committee

#### Recommended change:

The following recommendations to the Board of Commissioners regarding the Judicial Ethics Committee are consistent with the State Bar of Michigan’s strategic plan and were approved by the Strategic Planning Committee.

#### Changes:

### Jurisdiction

The jurisdiction of the Standing Committee on Professional Ethics is derived from authority granted under the Board of Commissioners and oversight provided by the Professional Standards Committee.

The Standing Committee on Professional Ethics offers analysis and guidance concerning the Michigan Rules of Professional Conduct, and, to the extent that they relate to attorney conduct in Michigan, the ABA Model Rules of Judicial Conduct, the ABA Model Rules of Professional Conduct, the Michigan Court Rules to the extent they relate to judicial conduct, and other applicable professional conduct standards, as well as emerging issues of professional conduct affecting lawyers by:

- Rendering informal advisory opinions on professional ethics, which are published on the State Bar of Michigan website.
- Rendering proposed formal advisory opinions for consideration by the Board of Commissioners.
- Update published opinions as rules, case law, and legislation are modified.
- Recommend amendments and provide comments to proposed amendments to the Michigan Rules of Professional Conduct and other standards of professional conduct that relate to lawyer conduct, ~~to the Board of Commissioners or Representative Assembly for consideration.~~
- ~~Provide comments and R~~ recommend amendments and provide comments to proposed amendments to court rules or legislation affecting professional ethics that relate to lawyer conduct and present recommendations to the Board of Commissioners or Representative Assembly for consideration.
- Drafting resources relevant to professional ethics as it relates to lawyer conduct, which are published on the State Bar of Michigan website.
- Consult with external stakeholders on various professional ethics topics.

- Consult with the Attorney Grievance Commission and the Attorney Discipline Board to discuss trends, data, and insights as it relates to lawyer conduct and advisory guidance.
- Review and evaluate available metrics measuring the effectiveness of national and state efforts to reduce conduct subject to professional discipline and promote professionalism and civility.

Note: Pursuant to operating rules adopted by the Board of Commissioners, informal ethics opinions and other general resources of this Committee are made public on the Committee’s own initiative, without ~~approved approval~~ of the Board of Commissioners. This Committee may have more than 10 members.

### **Lawyers and Judges Assistance Committee**

#### Recommended change:

The following recommendations to the Board of Commissioners regarding the Lawyers and Judges Assistance Committee are consistent with the State Bar of Michigan’s strategic plan and were approved by the Strategic Planning Committee. The recommended changes are non-substantive and semantic intended to update industry terminology.

#### Changes:

#### **Jurisdiction**

Propose and support measures to advance the well-being of lawyers, judges, and law students by:

- Recommending, developing, and supporting programs and educational presentations that provide assistance to law students, lawyers, and judges regarding substance use issues, mental health issues, ~~anxiety~~, and general wellness concerns.
- Reviewing and making recommendations concerning proposed statutes and court rules affecting assistance to lawyers and judges faced with personal and professional problems related to substance use and mental health issues.
- Monitoring national trends and data on attorney and ~~judge judicial wellness well-being. and treatment.~~
- Determining how the committee’s work might interact with and support work of the Professional Ethics, Judicial Ethics, Character and Fitness, and Client Protection Fund committees, including by conferring and coordinating regularly with them on trends, data, insights, and metrics.
- Being aware of and discussing metrics measuring the effectiveness of national and state efforts to reduce ~~attorney drug and alcohol addiction and depression~~ substance use and mental health issues in the legal profession.
- ~~Reviewing and evaluating metrics measuring~~

Note: This committee may have more than 15 members and may include non-State Bar members.

### **Professional Ethics Committee**

#### Recommended change:

The following recommendations to the Board of Commissioners regarding the Professional Ethics Committee are consistent with the State Bar of Michigan’s strategic plan and were approved by the Strategic Planning Committee.

#### Changes:

#### **Jurisdiction**

Jurisdiction Statement (with proposed changes in red):

The jurisdiction of the Standing Committee on Professional Ethics is derived from authority granted under the Board of Commissioners and oversight provided by the Professional Standards Committee.

The Standing Committee on Professional Ethics offers analysis and guidance concerning the Michigan Rules of Professional Conduct, and, to the extent that they relate to attorney conduct in Michigan, the ABA Model Rules of Professional Conduct, [the Michigan Court Rules to the extent they relate to professional conduct](#), and other applicable professional conduct standards, as well as emerging issues of professional conduct affecting lawyers [by](#):

- Rendering informal advisory opinions on professional ethics, which are published on the State Bar of Michigan website.
- Rendering proposed formal advisory opinions for consideration by the Board of Commissioners.
- Update published opinions as rules, case law, and legislation are modified.
- Recommend amendments and provide comments to proposed amendments to the Michigan Rules of Professional Conduct and other standards of professional conduct that relate to lawyer conduct, ~~to the Board of Commissioners or Representative Assembly for consideration.~~
- ~~Provide comments and R~~ recommend amendments [and provide comments to proposed amendments](#) to court rules or legislation affecting professional ethics that relate to lawyer conduct and present recommendations to the Board of Commissioners or Representative Assembly for consideration.
- Drafting resources relevant to professional ethics as it relates to lawyer conduct, which are published on the State Bar of Michigan website.
- Consult with external stakeholders on various professional ethics topics.
- Consult with the Attorney Grievance Commission and the Attorney Discipline Board to discuss trends, data, and insights as it relates to lawyer conduct and advisory guidance.
- Review and evaluate available metrics measuring the effectiveness of national and state efforts to reduce conduct subject to professional discipline [and promote professionalism and civility.](#)

Note: Pursuant to operating rules adopted by the Board of Commissioners, informal ethics opinions and other general resources of this Committee are made public on the Committee's own initiative, without approval of the Board of Commissioners. [This Committee may have more than 15 members.](#)

## **II. Recommendation for Dissolution of the Online Legal Resource and Referral Center Committee**

The Online Legal Resource and Referral Center Committee was formed in 2018 to provide guidance and recommendations concerning the development and operation of the SBM Online Legal Resource and Referral Center, and the integration of the State Bar's lawyer referral (LRS) program, a pilot program at the time the committee was formed. Since 2018, The Online Legal Resource and Referral Center Committee has fulfilled its purpose and no longer meets. A recommendation to dissolve the Online Legal Resource and Referral Center Committee was made with the support of State Bar of Michigan staff and the Strategic Planning Committee.



# FY2024-25 COMMITTEE RESOLUTION

## Foundational Principles

### Committees Do Not Speak for the State Bar of Michigan.

Regardless of its jurisdiction, SBM committees, task forces, commissions and/or work groups do not speak for the State Bar of Michigan. To the extent that any public activity or programming can be interpreted as a decision of the State Bar of Michigan or an expression of an ideological viewpoint, the activity or programming must be authorized in advance, in accordance with the bylaws of the State Bar of Michigan. Further, standing and special committees do not have authority to bestow an award or significant honor. Any award or significant honor recommended by a standing or special committee must be approved by the Board of Commissioners or Representative Assembly, as appropriate.

### Committees Are Advisory to the Board of Commissioners.

Unless explicitly noted otherwise in their jurisdictions, committees are advisory to the Board of Commissioners.

### Committees Are Encouraged to Collaborate.

Committees with overlapping subject-matter jurisdictions are encouraged to communicate regularly about their committees' work and collaborate where appropriate.

## Definitions

<b>Commissioner Committees</b>	Work supports the deliberations of the Board of Commissioners. Membership is primarily accomplished by members of the Board of Commissioners, but committee membership may be supplemented to meet needs for particular expertise.
<b>Standing Committee</b>	Work expected to be ongoing, at least throughout the life cycle of the current Strategic Plan. In making standing committee recommendations and appointments, special attention should be paid to experience and continuity.
<b>Special Committee</b>	Work is intended to accomplish a complex but discrete mission, typically lasting at least one year but not exceeding any single Strategic Plan cycle. In making special committee recommendations and appointments, special attention should be paid to the expertise and representation of interested or affected communities. Recruitment from the leadership of sections and local and affinity bars is often essential.
<b>Workgroups</b>	Work is intended to be short-term and narrowly defined. It often reflects an unanticipated need or opportunity not evident during the annual planning of committee work. Workgroups may be formed at any time within a bar year, often on recommendation of a committee to the President, in whom the bylaws invest the authority of appointment. In making workgroup appointments, special attention should be paid to expertise and ability to commit to a fast-paced work schedule.

## Resolution

RESOLVED: That, pursuant to Article VI of the Bylaws of the State Bar of Michigan, the Board of Commissioners adopt the committees of the State Bar of Michigan for FY 2024-2025 with the following changes from the FY 2023-2024 committee roster.

- Changes to the jurisdiction statements of three committees:
  - Judicial Ethics Committee
  - Lawyers and Judges Assistance Committee
  - Professional Ethics Committee





# SBM Committee Jurisdictions

FY2024-25 with Proposed Changes

## Standing Committees

### Professional Standards

- Character & Fitness
- Client Protection Fund
- Judicial Ethics
- Judicial Qualifications
- Lawyers & Judges Assistance
- Law School Deans
- Professional Ethics
- Professionalism and Civility Committee
- Unauthorized Practice of Law

### Public Policy

- Access to Justice Policy
- American Indian Law

- Civil Procedure & Courts
- Criminal Jurisprudence & Practice
- United States Courts

### Communications & Member Services

- Awards
- Michigan Bar Journal
- Public Outreach & Education

### Implementation & Innovation

- Affordable Legal Services
- Diversity & Inclusion Advisory
- Justice Initiatives
- Past Presidents Advisory Council

## Character and Fitness Committee

Support the work of the State Bar of Michigan conducted under the direction and authority of the Board of Law Examiners and Michigan Supreme Court by:

- Investigating the character and fitness of candidates for admission to the Bar pursuant to Rule 15, Section 1, of the Supreme Court Rules Concerning the State Bar of Michigan. This work product is provided to the Board of Law Examiners for its consideration. The work product is not provided to, or subject to approval by, the Board of Commissioners or Representative Assembly.
- Making recommendations on changes to rules concerning admissions related to character and fitness, and SBM interaction with Michigan law schools concerning character and fitness
- Meeting on a biennial basis with the Board of Law Examiners
- Determining how the committee’s work might interact with and support the work of the Professional Ethics, Judicial Ethics, Lawyers and Judges Assistance, and Client Protection Fund committees, including through conferring and coordinating regularly with them on trends, data, insights, and metrics
- Suggesting metrics for measuring the effectiveness of the work carried out by the Character and Fitness committee

Note: This committee may have more than 15 members. The work of this committee is conducted pursuant to the authority, and under the oversight of, the Board of Law Examiners. The committee’s and district committees’ work product is not provided to, or subject to review by, the Board of Commissioners or any other entity of the State Bar of Michigan.

## Client Protection Fund

Advise the Board of Commissioners on the operation of the Client Protection Fund program pursuant to the [Client Protection Rules](#) adopted by the Board of Commissioners by:

- Making recommendations on the reimbursement of claims authorized by the Board of Commissioners
- Proposing or advising on revisions to rules and policies concerning the Client Protection Fund
- Recommending subrogation actions to recoup monies paid from the Client Protection Fund
- Reviewing and recommending loss prevention measures to minimize claims and public loss
- Determining how the committee's work might interact with and support the work of the Professional Ethics, Judicial Ethics, Lawyers and Judges Assistance, and Character and Fitness committees, including through conferring and coordinating regularly with them on trends, data, insights, and metrics
- Being aware of and discussing metrics measuring the effectiveness

## Judicial Ethics Committee

The jurisdiction of the Standing Committee on Judicial Ethics is derived from authority granted under the Board of Commissioners and oversight provided by the Professional Standards Committee.

The Standing Committee on Judicial Ethics offers analysis and guidance concerning the Michigan Code of Judicial Conduct, and, to the extent that they relate to judicial conduct in Michigan, on provisions of the Michigan Rules of Professional Conduct, the ABA Model Code of Judicial Conduct, the ABA Model Rules of Professional Conduct, the Michigan Court Rules to the extent they relate to judicial conduct, and other applicable standards of professional conduct, as well as emerging issues of professional conduct affecting judges and judicial candidates by:

- Rendering informal advisory opinions on judicial ethics, which are published on the State Bar of Michigan website.
- Rendering proposed formal advisory opinions for consideration by the Board of Commissioners.
- Update published opinions as rules, case law, and legislation are modified.
- Recommend amendments and provide comments to proposed amendments to the Michigan Code of Judicial Conduct and other standards of professional conduct that relate to judicial conduct
- Recommend amendments and provide comments to proposed amendments to court rules or legislation affecting professional ethics that relate to judicial conduct and report such recommendations to the Board of Commissioners or Representative Assembly for consideration.
- Drafting resources relevant to professional ethics as it relates to judicial conduct, which are published on the State Bar of Michigan website.
- Consult with external stakeholders on various professional ethics topics.
- Consult with the Judicial Tenure Commission to discuss trends, data, and insights as it relates to judicial conduct and needed advisory guidance.
- Review and evaluate available metrics measuring the effectiveness of national and state efforts to reduce conduct subject to judicial discipline and promote professionalism and civility.

**Note:** Members are nominated by and drawn from among the membership of the judicial bench, Michigan Judges Association, the Michigan Probate Judges Association, the Michigan District Judges Association, the Michigan Association of District Court Magistrates, and the Referees Association of Michigan. Pursuant to operating rules adopted by the Board of Commissioners, informal ethics opinions and other general resources of this Committee are made public on the Committee's own initiative, without approval of the Board of Commissioners. This Committee may have more than 10 members.

## **Judicial Qualifications Committee**

As requested by the Governor, evaluate candidates for possible appointment to judicial vacancies and report in confidence to the Governor.

Note: The evaluations of this committee are advisory only to the Governor and are not provided to, or subject to approval by, the Board of Commissioners or Representative Assembly. The chief staff attorney of the Attorney Grievance Commission serves as reporter for this committee. Chairs of the committee may serve more than three two-year terms. This committee may have more than 15 members.

## **Lawyers and Judges Assistance Committee**

Propose and support measures to advance the well-being of lawyers, judges, and law students by:

- Recommending, developing, and supporting programs and educational presentations that provide assistance to law students, lawyers, and judges regarding substance use issues, mental health issues, and general wellness concerns.
- Reviewing and making recommendations concerning proposed statutes and court rules affecting assistance to lawyers and judges faced with personal and professional problems related to substance use and mental health issues.
- Monitoring national trends and data on attorney and judicial well-being.
- Determining how the committee's work might interact with and support work of the Professional Ethics, Judicial Ethics, Character and Fitness, and Client Protection Fund committees, including by conferring and coordinating regularly with them on trends, data, insights, and metrics.
- Being aware of and discussing metrics measuring the effectiveness of national and state efforts to reduce substance use and mental health issues in the legal profession.

Note: This committee may have more than 15 members and may include non-State Bar members.

## **Law School Deans Committee**

Confer on issues and subjects that affect the law schools of Michigan and the State Bar, and its members, including legal preparation, law school admissions, education, standards, and testing of candidates for admission to the bar.

Note: This committee meets upon the initiative of a majority of the Michigan law school deans. Its membership includes the officers of the State Bar and the executive director of the Board of Law Examiners.

## **Professional Ethics Committee**

The jurisdiction of the Standing Committee on Professional Ethics is derived from authority granted under the Board of Commissioners and oversight provided by the Professional Standards Committee.

The jurisdiction of the Standing Committee on Professional Ethics is derived from authority granted under the Board of Commissioners and oversight provided by the Professional Standards Committee. The Standing Committee on Professional Ethics offers analysis and guidance concerning the Michigan Rules of Professional Conduct, and, to the extent that they relate to attorney conduct in Michigan, provisions of the Michigan Code of Judicial Conduct, the ABA Model Rules of Professional Conduct, and other applicable professional conduct standards, as well as emerging issues of professional conduct affecting lawyers:

- Rendering informal advisory opinions on professional ethics, which are published on the State Bar of Michigan website.
- Rendering proposed formal advisory opinions on professional ethics for consideration by the Board of Commissioners.
- Update published opinions as rules, case law, and legislation are modified.
- Recommend amendments and provide comments to proposed amendments to the Michigan Rules of Professional Conduct and other standards of professional conduct that relate to lawyer conduct.
- Recommend amendments and provide comments to proposed amendments to court rules or legislation affecting professional ethics that relate to lawyer conduct and present recommendations to the Board of Commissioners or Representative Assembly for consideration.
- Drafting resources relevant to professional ethics as it relates to lawyer conduct, which are published on the State Bar of Michigan website.
- Consult with external stakeholders on various professional ethics topics.
- Consult with the Attorney Grievance Commission and the Attorney Discipline Board to discuss trends, data, and insights as it relates to lawyer conduct and advisory guidance.
- Review and evaluate available metrics measuring the effectiveness of national and state efforts to reduce conduct subject to professional discipline and promote professionalism and civility.

Note: Pursuant to operating rules adopted by the Board of Commissioners, informal ethics opinions and other general resources of this Committee are made public on the Committee’s own initiative, without approval of the Board of Commissioners. This Committee may have more than 15 members.

### **Professionalism and Civility Committee**

The Special Committee on Professionalism and Civility intends to be a resource to lawyers, judges, and those involved in the administration of justice to help promote the highest standards of personal conduct of lawyers and judges in the practice of law as articulated in Michigan Supreme Court Administrative Order No. 2020-23 - Professionalism Principles (“Professionalism Principles”) and any subsequent orders.

The Special Committee will maintain an educational and promotional plan to (i) help ensure that the culture of the legal profession is consistent with the Professionalism Principles and (ii) secure commitments from those who participate in the legal profession to comply with the Professionalism Principles. The Committee will develop a consistent message to be used by the Committee and will enlist others to help educate and work with all stakeholders in the administration of justice, including lawyers, judges, court staff, law firms, public and private employers of lawyers, law students, law schools, applicants to be admitted to the State Bar of Michigan, and others who participate in the legal process, including members of the public.

### **Unauthorized Practice of Law Committee**

Provide advice on and support for the State Bar of Michigan’s unauthorized practice of law responsibilities under Rule 16 of the Supreme Court Rules Concerning the State Bar of Michigan:

- Proposing and supporting measures to educate the public and the legal profession about unauthorized practice of law issues
- Providing guidance to the Board of Commissioners concerning matters involving the alleged unauthorized practice of the law (UPL), including recommendations on the filing and prosecuting of actions to enjoin the unauthorized practice of law.
- Proposing and advising on revisions to courts rules and legislation related to the unauthorized practice of law

- Determining how the committee’s work might interact with and support work of the Professional Ethics, Public Outreach and Education, and Affordable Legal Services committees, including through conferring and coordinating regularly with them on trends, data, insights, and metrics
- Reviewing and evaluating metrics for measuring the effectiveness of efforts to carry out the responsibilities of the State Bar of Michigan under Rule 16, MCL 600.916, and MCL450.681

Notes: UPL activity of the State Bar of Michigan is subject to the ongoing oversight of the Michigan Supreme Court and recommendations of the committee on specific UPL prosecution must be approved by the Board of Commissioners. This committee may have more than 15 members.

### **Access to Justice Policy Committee**

Support the State Bar of Michigan’s public policy program by:

- Reviewing and making recommendations on proposed court rules and legislation concerning access to justice, particularly access policy issues that impact underserved populations
- Making recommendations for administrative, court rule, and statutory changes concerning access to justice, particularly access policy issues that impact underserved populations
- Collaborating with other State Bar committees to provide feedback on proposed administrative, court rule, and statutory changes related to civil practice in the courts.

### **American Indian Law Committee**

Support the State Bar of Michigan’s efforts to support effective and appropriate interaction between sovereign tribal courts and state and federal courts, and on the practice of law in those courts by:

- Reviewing and making recommendations on relevant proposed court rules and legislation
- Proposing court rule, legislative, or policy changes to advance more effective and appropriate interaction between sovereign tribal courts and state and federal courts

### **Civil Procedure and Courts Committee**

Support the public policy program of the State Bar of Michigan by:

- Reviewing and making recommendations on proposed court rules and legislation related to civil practice in the courts
- Making recommendations for administrative, court rule, and statutory changes concerning improvements in the administration, organization, and operation of Michigan state courts.
- Collaborating with other State Bar committees to provide feedback on proposed administrative, court rule, and statutory changes related to civil practice in the courts.

Note: This committee may have more than 15 members.

### **Criminal Jurisprudence and Practice Committee**

Support the public policy program of the State Bar of Michigan by:

- Reviewing and making recommendations on proposed court rules and legislation related to criminal jurisprudence and practice
- Making recommendations for administrative, court rule, and statutory changes concerning improvements in criminal jurisprudence and practice

- Collaborating with other State Bar committees to provide feedback on proposed administrative, court rule, and statutory changes related to criminal jurisprudence and practice in the courts

Note: This committee may have more than 15 members.

### **United States Courts Committee**

Provide advice and recommendations concerning the State Bar of Michigan’s interaction with federal courts in Michigan and on practice of law in those courts by:

- Reviewing and making recommendations on proposed federal court rule amendments
- Proposing court rule, legislative, or policy changes to improve practice in federal courts in Michigan
- Developing and collaborating on projects and events focused on federal practice and the relationship between state and federal courts

### **Awards Committee**

Support the nomination process for and recommend recipients of awards made in the name of the State Bar of Michigan, by:

- Assisting in the management of the timetable for soliciting, reviewing, and recommending award nominations
- Providing input on effective solicitation of awards to ensure a high-quality pool of diverse nominees
- Providing recommendations on the establishment of new awards or discontinuation of existing awards
- Offering guidance on how best to honor awardees and create an inspiring and accessible online archive of award recipients

### **Bar Journal Committee**

Provide recommendations to the Board of Commissioners on any changes concerning the Michigan Bar Journal consistent with the State Bar’s strategic plan and provide regular editorial assistance to the editor of the Michigan Bar Journal by:

- Developing annual plans for the content of each Michigan Bar Journal issue
- Soliciting and reviewing submissions to the Michigan Bar Journal
- Make recommendations to the Board of Commissioners on any substantial changes to the publication of the Michigan Bar Journal, including format, number of issues, and budget
- Recommending collaborations to advance the communication and member service objectives of the Strategic Plan
- Reviewing and evaluating metrics for evaluating the effectiveness of the Michigan Bar Journal

### **Public Outreach and Education Committee**

Support the public education services of the State Bar of Michigan

- Assisting in developing educational events and programs advancing lay understanding of law and the legal profession, with particular emphasis on community programs, including Law Day and Constitution Day
- Providing review and recommendations concerning the State Bar of Michigan’s online resources available to the public
- Exploring and assessing opportunities for collaboration in public outreach consistent with SBM strategic goals with local bar associations, non-legal professional associations, and other external entities
- Conferring and coordinating regularly with the Unauthorized Practice of Law committee to discuss how each committee’s work might interact with and support the other’s work

- Recommending Michigan Legal Milestones that commemorate significant cases, events, places and people in the State’s legal history, and upon approval of the Board of Commissioners, helping implement the milestone and its celebration
- Reviewing reports on effectiveness of public outreach programming based on evaluation metrics and utilizing these reports as a basis for recommending improvements in content, or modification or discontinuation of programs.

Note: This committee may have more than 15 members.

### **Affordable Legal Services Committee**

Support the State Bar of Michigan’s access to justice and member services goals by:

- Reviewing, developing, and recommending innovative practices to provide low-cost legal services and evaluating efforts to expand access to affordable legal services for persons of modest means, including low bono services; non-profit law firms and sliding scale civil legal services; online dispute resolution and alternative dispute resolution services; lean process analysis, both at law practice and court administrative levels; alternative fee agreements; and fixed fee packages.
- Identifying the need for any workgroups to support the jurisdiction of the committee
- Conferring and coordinating regularly at least annually with the Justice Initiatives and Online Legal Resources and Referral Center committees
- Identifying possible collaborations to support the committee’s jurisdiction
- Reviewing and evaluating metrics

Note: This committee may have more than 15 members.

### **Diversity and Inclusion Advisory Committee**

Support the diversity goals of the SBM Strategic Plan by:

- Identifying strategies to promote a diverse and inclusive voice in all State Bar of Michigan work and communications
- Recommending practices, tools and strategies to advance diversity and inclusion at the SBM staff level, section and committee levels, and throughout the justice system
- Encouraging examination of the status of diversity and inclusion efforts of Michigan law firms, courts, and law schools
- Suggesting methods for celebrating successful diversity and inclusion efforts
- Identifying the need for any workgroups to support the jurisdiction of the committee
- Identifying possible collaborations to support

**Note:** This committee may develop and carry out collaborative programs consistent with this jurisdiction, and within allocated budgetary resources, with approval of the Executive Committee.

### **Justice Initiatives Committee**

Support the State Bar’s access to justice efforts by:

- Developing and recommending proposals for proactive programs to benefit underserved populations, including the poor, racial and ethnic minorities, gender identity, juveniles, domestic violence survivors
- Supporting resources for civil legal aid programs
- Providing recommendations and support for the State Bar’s pro bono legal services program
- Recommending John W. Cumiskey Award recipient

- Identifying the need for any workgroups to support the jurisdiction of the committee
- Conferring and coordinating regularly with the Access to Justice Policy, Affordable Legal Services, and Online Legal Resource and Referral committees on common strategic goals
- Identifying possible collaborations to support

Note: This committee may have more than 15 members and may include non-State Bar members.

### **Past Presidents Advisory Council**

Provide counsel and recommendations on all matters concerning the State Bar, at the request of the Board of Commissioners.

**Note:** The membership of the committee consists of all past presidents of the State Bar of Michigan.



# FY 2025 PRELIMINARY **BUDGET SUMMARY**

FINANCE COMMITTEE  
JUNE 4, 2024

**SBM**  
STATE BAR OF MICHIGAN

# FISCAL YEAR BUDGET PROCESS



# **BUDGET ASSUMPTIONS**

- The State Bar of Michigan Strategic Plan continues to guide the organization by defining our mission, goals, and priorities.
- Existing programs and services continue to operate in fulfillment of the Strategic Plan
- The State Bar of Michigan continues to operate within the financial safety margin, as adopted by the Board of Commissioners, for the life cycle of the FY 2023 fee increase.

## BUDGET TREND

# 3-YEAR OVERVIEW

	<b>2023 ACTUAL*</b>	<b>2024 BUDGET</b>	<b>2025 DRAFT BUDGET</b>
<b>REVENUES</b>	\$13,238,740	\$13,117,955	\$13,172,915
<b>EXPENSES</b>	\$10,895,331	\$12,224,735	\$13,036,297
<b>CHANGE IN NET POSITION</b>	\$2,343,409	\$893,220	\$136,618

## ALL 2025 NUMBERS ARE PRELIMINARY

\*EXCLUDES RETIREE HEALTH CARE TO BE COMPARABLE TO 2024 AND 2025



## AT A GLANCE

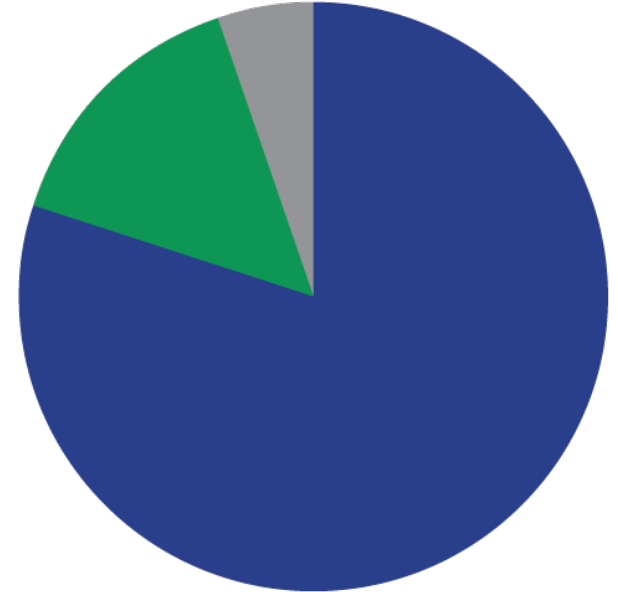
# 2025 REVENUES OVERVIEW

<b>LICENSE FEES</b>	<b>\$10,540,900</b>
<b>OTHER OPERATING</b>	<b>\$1,952,015</b>
<b>INTEREST</b>	<b>\$680,000</b>

**2025 BUDGET**

**\$13,172,915**

 **\$54,960** **0.4%** INCREASE OVER 2024 BUDGET



## LICENSE FEE REVENUES

2025 BUDGET

**\$10,540,900**

 **\$254,100** 2.4% DECREASE FROM 2024 BUDGET

### TOTAL FEE REVENUE DECREASE

- The current year's budget forecast accounts for **\$150,000** of the decline
- Continued projected decline in 2025 of **\$104,100**

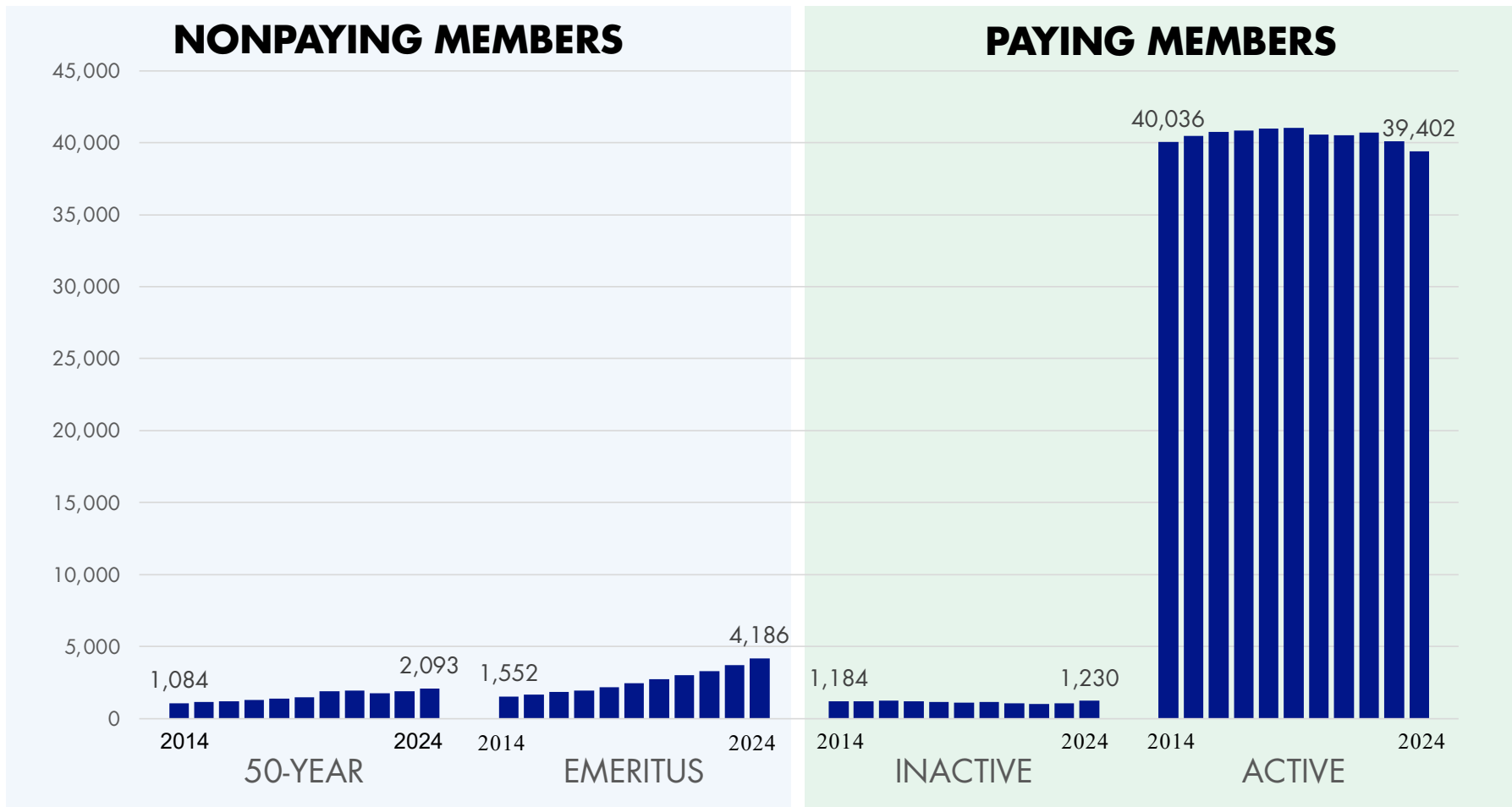
## TOTAL OPERATING REVENUES

**\$13,172,915**  
2025 DRAFT BUDGET

**\$13,177,955**  
2024 BUDGET

**\$13,833,334**  
2023 ACTUAL

# MEMBERSHIP TRENDS



## OTHER OPERATING REVENUES

2025 BUDGET

**\$1,952,015**



\$147,060 8.1% INCREASE OVER 2024 BUDGET

### LARGEST REVENUE INCREASES

- Reimbursement for Client Protection Fund administration \$61,000
- IAP enrollment came in \$100,000 more than budget in 2024. More modest revenue increase of **\$35,000** budgeted in 2025
- Partner Programs \$15,590

## TOTAL OPERATING REVENUES

**\$13,172,915**

2025 DRAFT BUDGET

**\$13,177,955**

2024 BUDGET

**\$13,833,334**

2023 ACTUAL



## OTHER OPERATING REVENUES

### INCREASES

- Attorney Discipline System administrative fee **\$9,200**
- Advertising **\$5,500**
- Great Lakes Legal Conference **\$5,000**
- Inauguration & Awards **\$5,000**
- UBE transfers **\$4,340**
- LJAP monitoring fees **\$2,400**

### DECREASES

- Section printing **\$9,000**
- PMRC seminars **\$2,000**

## TOTAL OPERATING REVENUES

**\$13,172,915**

2025 DRAFT BUDGET

**\$13,177,955**

2024 BUDGET

**\$13,833,334**

2023 ACTUAL

## INTEREST REVENUES

2025 BUDGET

**\$680,000**



\$162,000 31.3% INCREASE OVER 2024 BUDGET

### TOTAL INTEREST REVENUE INCREASE

- Projecting 4% interest rate
- Because we are at the beginning of our fee cycle, we have more money earning interest

**TOTAL  
OPERATING  
REVENUES**

**\$13,172,915**

2025 DRAFT BUDGET

**\$13,177,955**

2024 BUDGET

**\$13,833,334**

2023 ACTUAL

## AT A GLANCE

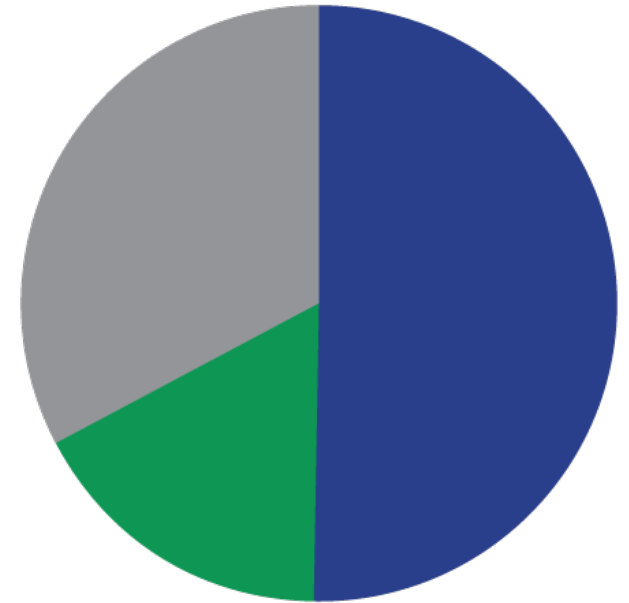
# 2025 EXPENSES OVERVIEW

<b>SALARIES</b>	<b>\$6,559,461</b>
<b>BENEFITS</b>	<b>\$2,216,880</b>
<b>NON-LABOR</b>	<b>\$4,259,956</b>

2025 TOTAL

**\$13,036,297**

**↑** \$811,562 6.6% INCREASE OVER 2024 BUDGET



## SALARIES

2025 BUDGET

**\$6,559,461**

 **\$435,027** 7.1% INCREASE OVER 2024 BUDGET

### TOTAL SALARIES COST INCREASE

- Budget includes 75.5 FTE with no vacancy float, both the same as 2024
- 5% cost-of-living adjustment **\$306,221**
- Restructuring and mid-market salary adjustments **\$118,806**
- Incentive compensation increased **\$10,000**

**TOTAL  
OPERATING  
EXPENSES**

**\$13,036,297**  
2025 DRAFT BUDGET

**\$12,224,735**  
2024 BUDGET

**\$10,895,331**  
2023 ACTUAL

## BENEFITS AND PAYROLL TAXES

2025 BUDGET

**\$2,216,880**

 **\$145,664** **7.0%** INCREASE OVER 2024 BUDGET

### LARGEST COST INCREASES

- No changes in health plans. Cost of premiums and employee enrollments (e.g., family vs individual) increasing **\$63,995**
- Defined Contribution retirement expenses **\$37,789**
- Payroll taxes **\$30,152**

**TOTAL  
OPERATING  
EXPENSES**

**\$13,036,297**  
2025 DRAFT BUDGET

**\$12,224,735**  
2024 BUDGET

**\$10,895,331**  
2023 ACTUAL

## NON-LABOR EXPENSES

2025 BUDGET

**\$4,259,956**

 **\$230,871** **5.7%** INCREASE OVER 2024 BUDGET

### LARGEST COST INCREASES

- Interim administrator operations **\$62,000**
- IT managed services and software **\$47,000**
- Website redesign preparations **\$30,000**
- Professional development **\$29,850**
- Upgrading online Connect pages **\$22,500**

**TOTAL  
OPERATING  
EXPENSES**

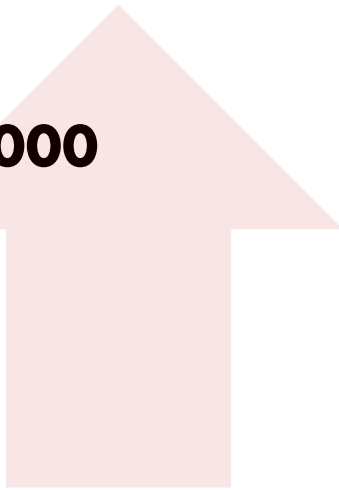
**\$13,036,297**  
2025 DRAFT BUDGET

**\$12,224,735**  
2024 BUDGET

**\$10,895,331**  
2023 ACTUAL

## NON-LABOR EXPENSES

### COST INCREASES

- Postage **\$14,720**
  - Great Lakes Legal Conference **\$14,100**
  - Temporary staffing costs **\$12,200**
  - Board management software **\$12,000**
  - Cyber insurance premiums **\$9,500**
  - Staff training **\$8,800**
  - Great Rivers Conference **\$6,000**
  - Client Protection Fund investigations **\$7,000**
  - Bar advertising/promotions **\$5,000**
- 

## TOTAL OPERATING EXPENSES

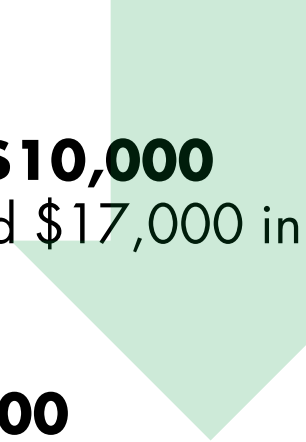
**\$13,036,297**  
2025 DRAFT BUDGET

**\$12,224,735**  
2024 BUDGET

**\$10,895,331**  
2023 ACTUAL

## NON-LABOR EXPENSES

### COST DECREASES

- Lower depreciation **\$19,000**
  - IT consulting **\$17,000**
  - Michigan Bar Journal design services **\$10,000**
  - In-house event registration system saved \$17,000 in 2024 and another **\$4,500** in 2025
  - 50-year gifts **\$4,400**
  - Character and Fitness transcripts **\$6,000**
- 

### CONTINUING 2024 CONTRIBUTIONS (TOTALS)

- Access to Justice campaign **\$75,000**
- Young Lawyers Section **\$62,100**
- Michigan Legal Help **\$50,000**
- Judicial Section **\$34,450**

## TOTAL OPERATING EXPENSES

**\$13,036,297**  
2025 DRAFT BUDGET

**\$12,224,735**  
2024 BUDGET

**\$10,895,331**  
2023 ACTUAL



## OVERVIEW

# 2025 CAPITAL EXPENDITURES

<b>IT DEVELOPMENT</b>	<b>\$229,680</b>
<b>AC UPDATE</b>	<b>\$40,000</b>
<b>FIBER-OPTIC CABLE</b>	<b>\$15,400</b>
<b>POSTAGE MACHINE</b>	<b>\$8,900</b>

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**2025 TOTAL**

**\$293,980**

 **\$43,980** **17.6%** INCREASE OVER 2024 BUDGET

## BUDGET TREND

# 3-YEAR OVERVIEW

	<b>2023 ACTUAL*</b>	<b>2024 BUDGET</b>	<b>2025 DRAFT BUDGET</b>
<b>REVENUES</b>	\$13,238,740	\$13,117,955	\$13,172,915
<b>EXPENSES</b>	\$10,895,331	\$12,224,735	\$13,036,297
<b>CHANGE IN NET POSITION</b>	\$2,343,409	\$893,220	\$136,618

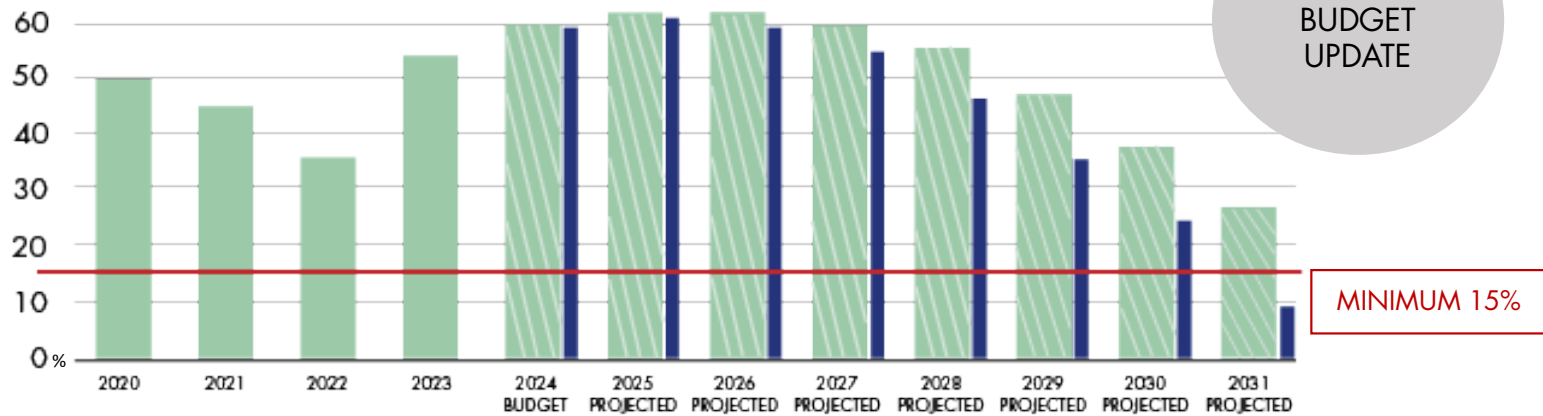
## ALL 2025 NUMBERS ARE PRELIMINARY

\*EXCLUDES RETIREE HEALTH CARE TO BE COMPARABLE TO 2024 AND 2025



# DUES CYCLE PROJECTION

## FINANCIAL SAFETY MARGIN LUNA RATIO



**Liquid Unrestricted Net Asset** ratio is calculated as the percentage of unrestricted net assets to the following year's budget.

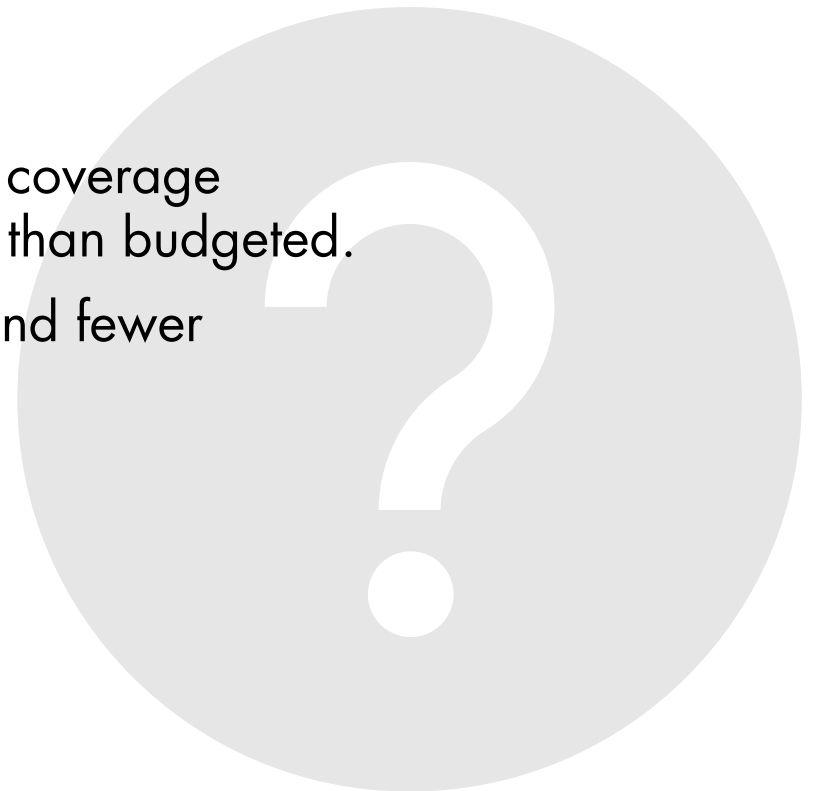
EXCLUDES RETIREE HEALTHCARE TRUST AND FIXED ASSETS.



# FINANCIAL UNCERTAINTIES

### OPPORTUNITIES

- Labor savings due to vacancy float or coverage selected by employees at lower levels than budgeted.
- Additional savings due to less travel and fewer meetings.



# FINANCIAL UNCERTAINTIES

### RISKS

- License fee revenue is a projection, and the actual revenue will be determined based on the number of paying members.
- Projected revenues such as advertising, print services, Lawyer Referral Service, Character and Fitness, and interest are not guaranteed.
- A potential website redesign could result in significant costs.
- The Interim Administrator Program remains in its infancy, so its full budgetary impact cannot yet be fully predicted.
- Inflation could result in higher-than-anticipated operating costs.
- Unexpected litigation always carries the potential to become a liability.

## FY 2024-2025 BUDGET

### NEXT STEPS

#### **JUNE 14**

- Preliminary Budget Summary Presentation to Board of Commissioners

#### **JUNE 27**

- Finance Committee Complete Budget Review

#### **JULY 26**

- Final Budget Approval by Board of Commissioners

