

2022 Budget Disclosure



State Bar of
New Mexico

Est. 1886

October 21, 2021

Dear Members:

The Board of Bar Commissioners (“BBC”) has approved the budget for the 2022 calendar year. The budget is available in its entirety on the State Bar website at www.sbnm.org. Members wishing to receive a printed copy may do so by calling (505) 797-6000 or 800-87NMBAR (800-876-6227). The first page of the budget provides the total proposed expenditures by categories, while the remaining pages provide explanations and further breakouts of the expenditures within each category. The total expenditures for the State Bar in 2022 are budgeted to be \$3,373,000. Of this amount, \$698,000 will be funded by non-licensing revenue, \$2,445,000 will be funded by licensing fees, and \$230,000 will be funded by prior year net assets (*see* Chart at page 1).

Restrictions on travel and in-person events during the 2020 COVID-19 pandemic resulted in a positive change in net assets from operations in 2020. In addition, the State Bar became eligible for and received a Paycheck Protection Program loan of approximately \$300,000 from the Small Business Administration in 2021. The loan proceeds were utilized 100% to cover payroll expenses, and are expected to be fully forgiven in late 2021 or early 2022. This will result in an additional increase in net assets for the organization. The 2022 budget utilizes these prior year increases in net assets to fund one-time, non-recurring activities such as improvements to the member database and website, investment in furniture and equipment, repairs to the State Bar Center building, and professional development for the staff and BBC officers.

The BBC has determined that all proposed expenditures for 2022 are necessarily or reasonably incurred for the purpose of regulating the legal profession or improving the quality of legal services in New Mexico and that no expenditures relate to political or ideological activities. Therefore, all expenditures may be charged to member licensing fees.

The State Bar receives revenue from both member licensing fees and from other sources. The first page of the disclosure and the detail in the Description of Categories shows the revenue from each source and the general breakout of revenue use by category. This breakout is for information purposes only and is not related to whether an item is appropriately chargeable to licensing fees.

One material, non-budgeted expenditure for free CLE provided to members was identified in 2020 and is disclosed in Part IV of this document. Instructions for challenging expenditures believed to be non-germane are set forth below.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ben Sherman'.

Ben Sherman
Secretary-Treasurer
State Bar of New Mexico

DEADLINE TO CHALLENGE EXPENDITURES

Using the form provided on the last page of the budget document, submit written challenges on or before 5:00 pm MST, Nov. 30, 2021 to:

Richard Spinello, Executive Director
State Bar of New Mexico
PO Box 92860
Albuquerque, NM 87199

Challenges may also be delivered in person to the State Bar or emailed to Richard Spinello at rspinello@sbnm.org.

State Bar of New Mexico Budget Disclosure: Year Ending December 31, 2022

Projected Licensing Revenue: \$ 2,445,000

Projected Non-Licensing Revenue: \$ 698,000

Projected Total Revenue: \$ 3,143,000

Projected Expenses:

	Total Expenses (Chargeable)	Chargeable Expenses Funded By Licensing Fees	Chargeable Expenses Funded By Non-Licensing Revenue	Chargeable Expenses Funded By Prior Year Net Assets	% of Total Budget
I. State Bar Governance					
Board of Bar Commissioners	\$ 123,100	\$ 52,600	\$ 34,000	\$ 36,500	3.65%
II. State Bar Organization					
Administration and Accounting <i>Human Resources</i>	\$ 556,555	\$ 513,855	\$ 37,500	\$ 5,200	16.50%
Operations and Information Technology <i>IT Infrastructure Member Database State Bar Center Website</i>	\$ 929,905	\$ 356,780	\$439,450	\$ 133,675	27.57%
Regulatory Programs and Office of the General Counsel <i>Attorney Helpline Client Protection Fund IOLTA Program Administration Licensing Mentorship Min. Continuing Legal Education Pro Hac Vice</i>	\$ 549,840	\$ 508,715	\$ 1,000	\$ 40,125	16.30%
Member Services <i>Committees and Divisions Ethics/Risk Management Fee Arbitration Program Judges & Lawyers Assistance Online Legal Research Professional Practice Program Sections</i>	\$ 583,690	\$ 514,190	\$ 64,500	\$ 5,000	17.30%
Member Communications <i>Bar Bulletin Bench and Bar Directory Digital Print Center Marketing & Development New Mexico Lawyer</i>	\$ 629,910	\$ 498,860	\$ 121,550	\$ 9,500	18.68%
III. Legislative Activity	\$ 0	\$ 0	\$ 0	\$ 0	0%
TOTAL	\$ 3,373,000	\$ 2,445,000	\$ 698,000	\$ 230,000	100.00%

Detailed revenues and expenses by department are included in the Description of Categories section of this document.

Summary of Significant Assumptions and Accounting Policies

Year Ending December 31, 2022

Nature of Business

The State Bar of New Mexico (State Bar) was originally organized in 1886 and established by state statute dated March 17, 1925. The State Bar was incorporated under the laws of the State of New Mexico in 1978. The purposes of the State Bar are to aid the courts in the administration of justice, to preserve the rule of law and to foster a high standard of integrity and competence within the legal profession. The State Bar develops and promotes programs such as legal research, membership programs, public education and information, and law practice management and technology. The State Bar's activities include collection of licensing fees; administration of pro hac vice attorneys; collection of pro bono hours reported and associated contributions; collection of professional liability insurance pursuant to Court order; administration of the IOLTA program; administration of the Minimum Continuing Legal Education program; administration of the Legal Specialization program; assisting in the administration of the Client Protection Fund and Commission; and publication of the *Bar Bulletin*, the *New Mexico Lawyer*, and the *Bench and Bar Directory*.

Nature of Presentation

This budget presents, to the best of management's knowledge and belief, the State Bar's expected statement of chargeable expenses/expenditures by functional category. The statement identifies the major functional categories of the State Bar and includes amounts for activities that are germane to advancing the State Bar's regulatory functions and improving legal services (chargeable), as well as that portion of the expenses considered not to be reasonably related to regulating the profession or improving the quality of legal services (non-chargeable). Accordingly, the budget presents management's judgement of the expected conditions and expected course of action as of the date of Board of Bar Commissioners' approval of the 2022 budget on October 7, 2021. Management does not intend to update this budget. The assumptions disclosed herein are those that management believes are significant to the budget and may not be all inclusive. There will usually be differences between budgeted and actual results because events and circumstances frequently do not occur as expected. Those differences may or may not be material.

The budget document has been designed to provide to all members of the State Bar the anticipated costs, by functional category, of the 2022 activities which will be funded by both mandatory licensing fees and non-licensing revenues. Accordingly, this document may not be useful for other purposes.

Deferred Revenues

Licensing fees, subscriptions, and advertising are recognized as revenue in the period to which they relate. Amounts collected in advance are recorded as liabilities until earned.

State Bar and Bar Foundation Relationship

In 1991, the State Bar formed a 501(c)(3) corporation, the State Bar of New Mexico Special Projects, Inc. (Special Projects) for the purpose of receiving grant awards from other 501(c)(3) entities for programs approved by the Board of Bar Commissioners and for accepting contributions to construct a general office building (State Bar Center). In 2003 Special Projects was renamed the New Mexico State Bar Foundation (Bar Foundation). At the end of 2020 the interlocking boards of the State Bar and Bar Foundation voted on bylaw amendments for the Bar Foundation which changed the structure of the Bar Foundation Board to include a majority of Board of Bar Commissioner (BBC) members, a minority of non-BBC members, and a public member. The new Bar Foundation Board began service January 2021.

Property and Equipment

Property and equipment are recorded at cost for purchased items and fair market value at the date of contribution for donated items.

Depreciation/Amortization

This statement has been prepared without regard to depreciation or amortization since the issues of chargeable and non-chargeable are considered in the year of purchase or, in the event of debt-financed acquisitions, the period in which the commitment to make principal payments has been made.

Basis of Presentation

To ensure observance of limitations and restrictions placed on the use of resources available to the State Bar, accounts are maintained in accordance with the principles of the Accounting Standards Codification Section, "Financial Statements for Non-Profit Organizations." Under these standards, the State Bar is required to report information regarding its financial position and accounting activities under two classes of net assets, net assets with donor restrictions and net assets without donor restrictions. This budget covers both classes of assets. In addition, the State Bar's accounts are maintained on a functional basis, which retains activity detail on a program-by-program basis.

Income Taxes

The State Bar is exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code. However, the State Bar is subject to income tax on activities that are unrelated to its exempt purpose as a 501(c)(6) membership association.

Building Occupancy Costs

In August 1996, the State Bar moved into the newly constructed State Bar Center. As joint owner with the Bar Foundation, the State Bar is responsible for its portion of the expenses incurred in operating and maintaining the building.

Description of Categories

I. State Bar Governance

Board of Bar Commissioners

The Board of Bar Commissioners (Board) is established by Supreme Court Rule 24-101(C) as the governing board of the State Bar. The Board is responsible for overseeing the executive director, and making decisions to fulfill the mission of the State Bar. The Board will meet five times in 2022. While Board members receive no compensation, they do receive mileage and per diem allowances for travel in accordance with the Supreme Court rule and the State of New Mexico travel policies.

The expenses for Board meetings are based on the assumptions that during 2022, two Board meetings will be held at the State Bar Center in Albuquerque, one will be held in conjunction with the Annual Meeting at the Hyatt Regency Tamaya, one will be held in conjunction with the Board Meeting/Strategic Planning session in Las Cruces, and one will be held in Santa Fe. Board committees may also conduct business virtually or in person throughout the year.

Travel and conference expenses include travel for officers to attend various State Bar-related activities, conferences and training programs. The 2022 travel for the officers is based on the assumption that they may attend national conferences. The president may attend the annual meetings of the state bars of Texas, Oklahoma, Utah and Arizona.

Board expenses also include funding for an event during the Annual Meeting; a full Board retreat to develop a strategic plan for the next three years; member outreach events in the judicial districts outside of Albuquerque; and donation requests for law-related programs or activities received by the Board.

Expenses	Chargeable Expenses Funded By Licensing Fees	Chargeable Expenses Funded By Non-Licensing Revenue	Chargeable Expenses Funded By Prior Year Net Assets	Total
Annual Meeting BBC Event		10,000		\$ 10,000
Board Meeting/Strategic Planning			23,500	23,500
Commissioner District Events	9,600			9,600
Meetings & Governance	38,000			38,000
Outreach Donations		5,000		5,000
Special Committees	5,000			5,000
Travel & Conferences		19,000	13,000	32,000
Total Expenses	52,600	34,000	36,500	\$ 123,100

II. State Bar Organization

A. Administration and Accounting

Administration and Accounting expenses include: capital lease cost of three office copiers; in-kind support of the Bar Foundation related to professional service fees; credit card merchant service fees and other bank fees; State Bar outreach to the Supreme Court of NM, Civil Legal Service Providers, and Board members; administrative postage and delivery costs; professional service fees for the annual financial audit, preparation of annual tax returns, and legal fees to facilitate the annual evaluation of the Executive Director; and federal and state taxes resulting from unrelated business activities.

1. Administration

General administration includes the Executive Office and the front desk and lobby area. The Executive Office has the administrative responsibilities related to the management, policies, and mission of the State Bar and the Bar Foundation, including the Board of Bar Commissioners. The State Bar is reimbursed by the Bar Foundation for any labor expenses and collects administrative fees from local and voluntary bars choosing to collect their dues through the licensing process.

2. Accounting

The accounting department keeps the State Bar compliant with policies, procedures, practices, and the law with regard to finances and generally accepted accounting principles (GAAP). Accounting functions are performed for the State Bar as well as associated law-related entities such as the Access to Justice Fund, Bar Foundation, and Client Protection Fund. Separate accounting and reporting functions are also performed for internal departments, including sections; committees; divisions; and the Judges and Lawyers Assistance Program.

3. Human Resources

Human Resources handles personnel issues such as: hiring; orientation; conducting staff trainings; monitoring employee benefits; performing exit interviews; and terminations.

Revenue	
Administrative Fees	\$ 23,000
Interest Earned	4,500
Total Revenue	\$ 27,500

Expenses	Chargeable Expenses Funded By Licensing Fees	Chargeable Expenses Funded By Non-Licensing Revenue	Chargeable Expenses Funded By Prior Year Net Assets	Total
Capital Lease Interest	760			\$ 760
Capital Lease Principal	4,570			4,570
Dues & Subscriptions	3,900			3,900
Furniture & Equipment			1,500	1,500
In-Kind Support of Foundation	7,500			7,500
Merchant Service/Bank Fees	9,500			9,500
Mileage	500			500
Office Supplies	2,000			2,000
Outreach – Administrative		3,000		3,000
Payroll	428,925			428,925
Postage & Delivery	14,000			14,000
Professional Services	29,100			29,100
Staff Education/Morale/Travel	13,100		3,700	16,800
Taxes & Fees		34,500		34,500
Total Expenses	513,855	37,500	5,200	\$ 556,555

B. Operations and Information Technology

Operations and Information Technology (IT) expenses include: capital lease costs for two Sharp Aquos smart boards; capital outlay projects such as improvements to the member database, website, and State Bar Center building; supplies for the professional development center to support rental of the facility; in-kind support of the Bar Foundation related to shared IT infrastructure and overhead/occupancy costs; IT costs such as server hosting, backups, disaster recovery, security applications, member database and content management system (website), and other operational software subscriptions; building maintenance costs such as janitorial, landscaping, and repairs; building service contracts such as pest control, elevator maintenance, and alarm service; property taxes; and utilities.

1. State Bar Center

The State Bar Center is used primarily to support the members of the State Bar and offers a variety of meeting spaces, including an auditorium, three classrooms, eight small/medium size conference rooms, and a boardroom. All of the meeting space is available for members to rent at a reduced rate for mediations, depositions, arbitrations, settlement facilitations, and law-related and non-profit organization meetings and events. No fees are charged for client meetings, court-ordered arbitrations, court meetings, and State Bar section, committee, and division meetings. Meeting space is also rented to various outside entities. The facilities department is also responsible for building maintenance and security.

2. Information Technology (IT)

The IT department assures the State Bar database, technology needs and website operate smoothly. The State Bar’s website, www.sbnm.org, provides a host of information for members and the public regarding State Bar activities. The State Bar also hosts website pages for sections for a nominal fee.

3. Member Database

The State Bar’s database, Euclid’s ClearVantage Association Management Software, is used to maintain current membership information and collect Supreme Court required information, such as professional liability insurance and pro bono service. The State Bar offers membership data lists and email services to the public subject to conditions of the Membership Data Agreement and the Email Services Agreement.

Revenue	
State Bar Center Rentals	\$ 128,500
Total Revenue	\$ 128,500

Expenses	Chargeable Expenses Funded By Licensing Fees	Chargeable Expenses Funded By Non-Licensing Revenue	Chargeable Expenses Funded By Prior Year Net Assets	Total
Capital Leases Interest		220		\$ 220
Capital Leases Principal		6,570		6,570
Capital Outlay			47,250	47,250
Direct Supplies – PDC		5,000		5,000
Dues & Subscriptions	1,100			1,100
Furniture & Equipment			20,275	20,275
In-Kind Support of Foundation	142,800			142,800
Information Technology	117,300		12,750	130,050
Janitorial & Supplies		25,500		25,500
Landscape Maintenance		6,600		6,600
Mileage	1,000			1,000
Mortgage Interest		46,960		46,960
Mortgage Principal		63,860		63,860
Office Supplies	1,000			1,000
Payroll	93,580	188,940		282,520
Repairs & Maintenance		15,800		15,800
Reserve – Building & Equipment			50,000	50,000
Service Contracts		10,900		10,900
Staff Education/Morale/Travel			3,400	3,400
Taxes & Fees		15,800		15,800
Utilities		53,300		53,300
Total Expenses	356,780	439,450	133,675	\$ 929,905

C. Regulatory Programs and Office of the General Counsel

Regulatory programs and Office of the General Counsel expenses include: insurance policies for fire, crime, cyber attacks, directors & officers, errors & omissions, workers compensation, and professional liability; costs to develop the new legal specialization program; CLE fees for the Bridge the Gap Mentorship program; and the risk management hotline.

1. Office of the General Counsel

The Office of the General Counsel is a professional office that assists the State Bar and the Bar Foundation with policy and regulatory functions of an integrated bar. Specifically, its functions are to protect the legal and policy interests of the State Bar; governance of certain regulatory programs; provide a professional legal resource for leadership, volunteers and staff; assist with outreach to the judiciary; and advise in the areas of legislative, executive and judicial processes.

2. Attorney Helpline (Member and Non-Admitted)

Provides members of the State Bar and non-admitted attorneys with information and referrals in areas of attorney regulation, registrations, rules and practice.

3. Client Protection Fund

Assists the Disciplinary Board with administration of the Client Protection Fund Commission which investigates claims against lawyers on issues regarding reimbursable losses caused by a lawyer's misappropriation of client funds or other dishonest conduct.

4. Interest on Lawyer Trust Accounts (IOLTA)

Effective January 1, 2015, the New Mexico Supreme Court named the State Bar the IOLTA program administrator for New Mexico. An IOLTA account is a pooled, interest-bearing demand deposit account used by lawyers to hold client funds. The current rules require that all New Mexico attorneys who hold eligible funds to participate in IOLTA and that the funds be held at eligible financial institutions. The interest generated by the client funds held in a pooled, interest-bearing trust accounts are remitted to the State Bar, which holds the funds and distributes them at the direction of the State Bar's Access to Justice Fund Grant Commission. The funds are used to provide civil legal assistance to the poor, legal education, and improvements to the administration of justice in New Mexico.

5. Legal Specialization

The State Bar was authorized by the New Mexico Supreme Court to implement and administer a Legal Specialization program, and the Board of Bar Commissioners voted to establish the program at its regular meeting in May 2019. The purpose of the program is to assist in the delivery of legal services to the public by: providing greater access to the public to appropriate legal services; identifying and improving the quality and competence of legal services; and providing appropriate legal services at a reasonable cost.

6. License Renewal and Minimum Continuing Legal Education

Collects annual member licensing fees, tracks attorney compliance with annual MCLE requirements as defined by Court rule, and collects other compliance data in both electronic and paper formats. The licensing department also processes membership status changes, and addresses membership questions. The MCLE department also certifies CLE courses on relevant legal topics and emerging areas of law practice management for credit in New Mexico, and evaluates CLE course providers for accreditation.

7. Bridge the Gap Mentorship Program

The Supreme Court requires all members who have not been licensed elsewhere for at least two years to participate in a one-year mentorship program implemented by the State Bar. New lawyers pay tuition of \$300 for the program and obtain CLE for their first year of practice.

8. Pro Hac Vice

Manages registrations for non-admitted lawyers wishing to perform legal services in New Mexico. The Office of the General Counsel receives and tracks all registration certificates and provides information to applicants upon request. Pursuant to Rule 24-106(E), a disciplinary fee assessment, client protection assessment, and administrative fee are collected from the first annual Pro Hac Vice filing fee, and the balance is utilized to support the delivery of civil legal services to the poor in New Mexico.

Revenue	
Licensing Revenue	\$ 2,445,000
Regulatory Programs	130,000
Total Revenue	\$ 2,575,000

Expenses	Chargeable Expenses Funded By Licensing Fees	Chargeable Expenses Funded By Non-Licensing Revenue	Chargeable Expenses Funded By Prior Year Net Assets	Total
Advertising/Job Postings		1,000		\$ 1,000
Dues & Subscriptions	3,750			3,750
Furniture & Equipment			3,225	3,225
Insurance	45,540			45,540
Legal Specialization			30,000	30,000
Mentorship CLE Fees	30,000			30,000
Office Supplies	1,000			1,000
Payroll	408,025			408,025
Risk Management	15,000			15,000
Staff Education/Morale/Travel	5,400		6,900	12,300
Total Expenses	508,715	1,000	40,125	\$ 549,840

D. Member Services

Services provided by Member Services include assistance to sections, committees and divisions, law student members, and voluntary bar associations; support of the Judges and Lawyers Assistance Program; administration of association agreements for discounts on products and services provided by third-party vendors; and creation of a law practice management program for future member support.

Member services expenses include: publications and marketing of new professional practice program initiatives; annual awards to recognize those who have made exemplary contributions to the legal profession; travel cost for member services staff to attend Bar Commissioner district events throughout the state; Judicial pipeline projects such as the Judicial Clerkship Program; member outreach such as professional practice program initiatives, member appreciation day including free CLE, and funding for the member services and statewide/rural outreach committees; and a survey reserve to fund the decennial membership diversity survey.

1. Professional Development Program

In 2021 the State Bar reorganized various member service programs related to law practice management and added additional resources to complete a new member service Professional Development Program. As a part of this new program, the original Entrepreneurs in Community Lawyering (ECL) Program will be transitioned from a centrally located individual attorney program to resources that are available statewide. The State Bar will also be expanding resources for law firms and attorneys winding down their practice as part of this new program.

2. Ethics/Risk Management Assistance

Ethics Advisory Helpline

Ethics Helpline (1-800-326-8155) assists State Bar members with questions regarding legal ethics.

Ethics Advisory Committee

Assists lawyers with questions regarding the attorney's own conduct in relation to the New Mexico Rules of Professional Conduct. The committee provides written formal and informal responses to inquiries from the membership. Opinions are archived and searchable by date of issue or by topical index on the State Bar's website at www.sbnm.org.

3. Fee Arbitration Program

Provides fee arbitration to resolve fee disputes between attorneys and their clients or disputes between attorneys. This free program is designed to provide an efficient and confidential alternative to litigation.

4. Online Legal Research

The Board of Bar Commissioners contracts with Fastcase to provide free online legal research for State Bar members. Fastcase provides research for case law, statutes, court rules, regulations, and attorney general opinions, etc. Fastcase contains databases covering New Mexico, all state libraries, and all federal and bankruptcy jurisdictions.

5. Judges and Lawyers Assistance Program

Provides professional and peer assistance to State Bar members in need of assistance for substance abuse, addictions, depression, anxiety and stress, and also provides programs for health and wellness. Direct costs paid are for counseling fees through an Employee Assistance Program for the legal community.

6. Committees and Divisions

Direct expenses are charged to the Senior Lawyers Division, the Young Lawyers Division, and committees. The total budget for committees does not exceed the gross budget approved by the Board.

7. Sections

The State Bar encourages attorneys to become actively involved in programs that explore substantive issues related to specific practice areas. Members may join sections specifically devoted to these issues by paying dues. Separate ledger accounts are maintained for the operations of each section. Section revenue is derived from voluntary fees paid by members requesting to join particular sections. The direct expenses of sections have been projected to equal forecasted revenues.

Revenue	
Member Benefits Program	13,000
Section Membership Fees	60,000
Total Revenue	\$ 73,000

Expenses	Chargeable Expenses Funded By Licensing Fees	Chargeable Expenses Funded By Non-Licensing Revenues	Chargeable Expenses Funded By Prior Year Net Assets	Total
Advertising/Marketing	2,000			\$ 2,000
Awards		4,500		4,500
Commissioner District Events	2,400			2,400
Divisions	79,400			79,400
Dues & Subscriptions	900			900
JLAP Support	80,000			80,000
Judicial Pipeline Projects	35,000			35,000
Mileage	500			500
Office Supplies	1,000			1,000
Online Legal Research	28,800			28,800
Outreach - Membership	20,000			20,000
Payroll	233,940			233,940
Sections		60,000		60,000
Staff Education/Morale/Travel	4,250		5,000	9,250
Standing Committees	20,000			20,000
Board Designated Funds - Survey	6,000			6,000
Total Expenses	514,190	64,500	5,000	\$ 583,690

E. Member Communications

Services provided by Member Communications include writing, editing and designing State Bar publications; dissemination of media releases; and responding to media requests. The Department is also responsible for the State Bar’s Digital Print Center.

Member Communications expenses include: capital lease costs for printing equipment in the Digital Print Center; internal print production costs including printer click charges and materials; outsourced printing of the *Bar Bulletin* and the *Resource Deskbook*; and postage to deliver the *Bar Bulletin* to members throughout the state.

1. Bar Bulletin

The *Bar Bulletin* is a publication containing advance opinions of the New Mexico Supreme Court and the Court of Appeals as well as rules, notices, featured articles, announcements, and classified advertising.

2. Resource Deskbook and Member Listing

The *Resource Deskbook* includes important information about the State Bar of New Mexico, New Mexico Courts, and the New Mexico legal community. The *Member Listing* is a printed directory of the State Bar membership.

3. New Mexico Lawyer

The *New Mexico Lawyer* is a special quarterly insert in the *Bar Bulletin*. It is produced by groups within the State Bar and edited by the Board of Editors. The goal of each issue is to present articles and essays which explore a current topic that is of interest to a broad segment of the legal community.

4. Digital Print Center

The Digital Print Center produces booklets, letterhead, brochures, newsletters and a variety of publications for State Bar departments, the Center for Legal Education, sections, divisions, committees, and external customers. In addition, mailing services are performed for internal and external entities.

Revenue	
Advertising - Print	\$ 275,000
Advertising - Digital	14,000
Digital Print Center	40,000
Subscriptions	10,000
Total Revenue	\$ 339,000

Expenses	Chargeable Expenses Funded By Licensing Fees	Chargeable Expenses Funded By Non-Licensing Revenue	Chargeable Expenses Funded By Prior Year Net Assets	Total
Capital Lease Interest		4,310		\$ 4,310
Capital Lease Principal		17,240		17,240
Dues & Subscriptions	165			165
Furniture & Equipment			5,000	5,000
Office Supplies	1,000			1,000
Payroll	301,695	64,000		365,695
Postage & Delivery	70,000			70,000
Print Production - Internal		36,000		36,000
Print Production - Outsourced	126,000			126,000
Staff Education/Morale/Travel			4,500	4,500
Total Expenses	498,860	121,550	9,500	\$ 629,910

III. Legislative Activity

A. Lobbying Considered by the Board of Bar Commissioners

The Board has determined that it may undertake necessary lobbying activities with the State Legislature in 2022 that are necessarily or reasonably incurred for the purpose of regulating the legal profession or improving the quality of legal services in New Mexico and no expenditures relate to political or ideological activities; however no specific efforts have been identified. Any efforts will be reported to the membership if and when lobbying activities are approved by the Board, consistent with Bylaws, Article XI. No mandatory licensing fees have been allocated for lobbying activities in 2022 and no specific lobbying activities have been approved. As in the past, the Board may communicate with the congressional delegation in support of legal services funding. A copy of the bylaws regarding lobbying is available on request.

B. Section Lobbying Activities

Sections are funded by voluntary dues. Section lobbying activities are currently under review by the Board of Bar Commissioners.

IV. 2020 Non-Budgeted Expenditures

There was one material 2020 non-budgeted expenditure approved by the Board to be reported in the 2022 Budget Disclosure Document. In response to the COVID-19 pandemic, the State Bar offered our members a variety of free CLE options through the Bar Foundation, including: the entire on-demand catalog from April to August; a wellness CLE about racial trauma in the legal profession; and the 2020 virtual annual meeting event. Over 6,600 free CLE credits were utilized by the members in 2020, and the discounted value paid to the Bar Foundation for these courses was \$250,504. The cost of the free CLE was offset by other operational expenses which were significantly under budget due to restrictions resulting from the pandemic, including: travel; in person meetings; and other Board, section, committee, and division live events. The free CLE expenditure was audited as part of the 2020 annual financial statement audit. The 2020 annual audit was completed on June 11, 2021 and is available to view on the State Bar's website at www.nmbar.org/AboutUs/Financial_Information.

V. 2021 Non-Budgeted Expenditures

Any material 2021 non-budgeted expenditures determined to be germane and approved by the Board will be reported in the 2023 Budget Disclosure Document, at which time any such expenditures will have been audited as part of the 2021 annual financial statement audit.

Challenges to the State Bar of New Mexico 2022 Budget

TO: Richard Spinello, Executive Director
State Bar of New Mexico
PO Box 92860
Albuquerque, NM 87199-2860

FROM: _____

I challenge the following expenditures (use additional paper as necessary):

Upon receipt of the properly and timely submitted challenge, the Board of Bar Commissioners shall decide whether to honor the challenge by eliminating the expenditure from the budget, refunding the challenged licensing fees, or submitting the dispute to the impartial decision maker, who will be designated by the New Mexico Supreme Court to hear challenges to the 2022 proposed budget.

Signature Date

Must be received at the State Bar on or before 5:00 pm MST, November 30, 2021.
Mail to PO Box 92860, Albuquerque, NM 87199-2860; fax to (505) 797-6019;
deliver to 5121 Masthead NE, Albuquerque, NM 87109; or email to rspinello@sbnm.org