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## NEW JERSEY STATE BAR ASSOCIATION

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Heather Joy Baker, Esq. Clerk of the Supreme Court of New Jersey Comments on the Proposed Disciplinary Budget Hughes Justice Complex P.O. Box 970 Trenton, NJ 08625-0970

Dear Ms. Baker:

The New Jersey State Bar Association appreciates the opportunity to review the proposed 2026 budgets for the attorney disciplinary and regulatory system entities. We also extend our appreciation to the members of the committees that prepared and submitted these budget proposals. We recognize their dedicated service to the Supreme Court and the legal community in the work they perform in monitoring the operations of our disciplinary and regulatory systems.

The budget proposals recommend a combined increase in the attorney registration fee of \$27, raising the annual fee from \$267 to \$294. When combined with the \$27 increase in 2023 and the \$28 increase in 2024, this represents a nearly 40% increase in the assessment in only three years. The amount is significant, especially at a time when attorneys and law firms are faced with significantly increasing operational costs. With several of the entities warning of potential increases in the coming years, it is important to ensure that any increase is truly justified and necessary. After careful review of the available data, the NJSBA does not believe the proposed increases meet that criteria, and we respectfully oppose the proposal.

The Disciplinary Oversight Committee (DOC) is seeking a \$24 increase to fund staffing costs associated with the creation of the Attorney Regulatory Board (ARB) to adjudicate petitions for readmission from previously disbarred attorneys. The proposed Readmission, Motions & Monitoring Unit would require six employees and would be assigned responsibility for several longstanding functions that have been handled by existing staff, in addition to the new readmission petitions. Reports indicate, however, that out of nine attorneys who took the bar exam in anticipation of filing readmission petitions, only two passed and can proceed. Further, statistics show that 10-15 attorneys are disbarred on average each year, and not all of them will meet the criteria to be considered for readmission. Given this reality, there is no reason to anticipate that the number of potential readmission applicants is going to jump significantly in the coming year, or even in the near future. Unless and until that happens, there does not appear to be a need for additional staff. On the contrary, the NJSBA questions why the two current petitions, and potentially a handful of future petitions, cannot be handled by existing staff. Even if a new unit devoted to these tasks is created, the need for new employees to staff that unit does not appear to be justified given the current statistics.

The Board of Bar Examiners (BBE) is seeking a \$3 increase and notes rising expenses due to inflation and increased ADA/non-standard testing accommodations, as well as declining bar exam applicants and a deletion of the BBE's reserve. According to the budget document, however, the fee increase seems mostly to be driven by increased salary expenses. While the number of bar applicants has decreased by about 400 applicants since 2021, staff salaries have increased \$138,000 in the same period, with an anticipated additional \$88,000 increase this year. The NJSBA questions whether the same staffing levels are required if the number of applicants is decreasing. In addition, while some increases in the exam and service fees are proposed, the NJSBA suggests examining whether higher increases are warranted for the users of the BBE services, as opposed to increasing the registration payment burden for all practicing attorneys, the majority of whom are not accessing the BBE's services.

The NJSBA notes and appreciates the accompanying proposals from the Lawyers Fund for Client Protection, the Lawyers Assistance Program, and the Board on Continuing Legal Education. All of these groups serve important functions for the legal community, and we are grateful they are able to continue to fulfill their role without the need for additional funding.

The NJSBA commends the DOC for appropriately utilizing its reserves resulting in projections that bring the reserve much closer to the goal of 10% of the operating budget than the nearly 30% reserve of a few years ago. The NJSBA also appreciates the gains in time goal compliance for resolving grievances by the Office of Attorney Ethics, which was the stated reason for the attorney fee increase in 2023 and is a goal that the NJSBA has long supported.

In summary, for all the reasons noted above, the NJSBA recognizes the important work being performed by the disciplinary and regulatory system entities, but does not believe the proposed increases in the attorney registration fee for this year are justifiable. The narrative accompanying the attorney discipline budget indicates that, "compared to the eighteen jurisdictions without a mandatory bar association membership, New Jersey's fee ranks 10<sup>th</sup> lowest." Read differently, however, New Jersey's fee ranks the ninth highest out of eighteen jurisdictions. With the possibility of justified increases in the near future, the NJSBA suggests a more prudent course be taken now to keep the annual attorney fee steady. Instead of adding additional staff and allocating additional fees, the NJSBA suggests the Judiciary seek to reallocate existing staffing and resources to meet the needs of the disciplinary and other regulatory entities.

Again, the NJSBA is grateful for the opportunity to provide these comments and stands ready to assist the Judiciary in whatever way we can to ensure that our disciplinary and other regulatory systems remain fiscally sound without the need to increase the financial obligations of New Jersey attorneys.

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Christine A. Amalfe, Esq.

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cc: Hon. Michael J. Blee, J.A.D., Acting Administrative Director of the Courts Norberto A. Garcia, Esq., NJSBA President-Elect Angela C. Scheck, NJSBA Executive Director