



Representative Assembly Votes to Shape the Future of the Bar and the Profession

At its meeting on February 22, the Representative Assembly unanimously approved the Bar's Strategic Plan, a comprehensive and evolving document that will serve as a blueprint for programs and policies. The Assembly also passed recommendations approving changes in the dues and fees paid by Michigan attorneys in order to support the plan. The recommendation, which has been forwarded to the Michigan Supreme Court for its consideration, is printed below:

RECOMMENDATION IN SUPPORT OF FUNDING FOR IMPLEMENTATION OF THE STATE BAR OF MICHIGAN STRATEGIC PLAN, WITH REVISIONS CONCERNING SENIOR LAWYERS (RESOLUTION THREE) AS RECOMMENDED BY THE SPECIAL ISSUES COMMITTEE

**Proponent:
Representative Assembly
Special Issues Committee**

**Recommendation to the
Representative Assembly**

Upon adoption by the Representative Assembly on February 22, 2003, the following resolutions shall be forwarded to the Michigan Supreme Court with the Assem-

bly's request that the Court facilitate their implementation:

Resolution One

Because the State Bar Strategic Plan generally outlines programs and implementation steps that will further the Bar's purpose to serve the public, individual attorneys, the profession, and the justice system in a more effective and fiscally responsible manner, consistent with policies adopted by the Representative Assembly, the Assembly supports implementation of the State Bar Strategic Plan as presented to the Representative Assembly on April 27, 2002.

Resolution Two

In response to increases in the costs associated with the administration of the licensing process, and to reflect the principle that costs of the administrative process should be borne by those most directly affected, the Assembly recommends the adoption of the following changes in administrative fees and inactive member dues assessment:

1. An administrative reinstatement fee of \$100 following suspension for nonpayment of dues to reflect higher administrative costs, including certified mail and records processing, incurred in handling payment delinquencies that extend to the point of suspension. (This fee would be in addition to possible costs for filing for reinstatement after a disciplinary suspension.)
2. A late payment fee of \$50 in place of the current 10 percent late fee assessment, to better reflect the costs of records maintenance, late payment processing, handling costs, and certified mail notices.
3. An inactive status dues assessment of 50 percent of active status membership dues.

Members who choose the option of inactive status for up to three years without having to become re-certified¹ currently pay no dues, although the Bar incurs administrative costs in maintaining an active/inactive licensing system. Inactive members also continue to be eligible for almost all membership services benefits during their period of inactive membership. Michigan is currently one of the few unified state bars without an inactive status charge.²

Resolution Three

In recognition of increases in life expectancy and an expected growth in the number of lawyers choosing to remain in active practice beyond age seventy, the Assembly recommends that the age at which members are exempt from dues be increased, and that members have the formal option of resignation, as follows:

Dues Exemption for Senior Lawyers

Effective October 1, 2003, the age at which active members are exempt from paying dues is increased from age 70 to age 75. This change does not apply to members born before October 1, 1933.

Resignation, no membership dues or fees.

Members who resign from membership will receive no benefits. Currently, there is no resignation option for State Bar members.

Resolution Four

Because Michigan is one of only 15 states whose attorneys do not pay a separate annual assessment for the Client Protection Fund, and because claims submitted to the client protection fund program have increased so dramatically in the last few years that if current trends continue the Fund is projected to be bankrupt in the year 2004, the Assembly

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recommends the establishment of an annual Client Protection Fund assessment of \$15 for all active and inactive status members.

Resolution Five

Recognizing that despite recent cost-cutting measures and significant program adjustments, revenues generated by the \$160 dues rate established in 1993 will not enable the State Bar to carry out its obligations under Supreme Court rule, state law, and State Bar of Michigan bylaws in the manner called for in the Strategic Plan, the Assembly rec-

ommends that annual membership dues be increased by \$40, from \$160 to \$200, effective in the 2003–04 fiscal year (October 1 through September 30).

To reduce the inefficiencies and uncertainties of the past “boom and bust” dues cycles by which members are assessed an amount initially exceeding the needs of the institution, thereby building up large reserves but eventually ending in deficit spending, beginning with the 2005 fiscal year, dues shall be automatically increased or decreased based on the Consumer Price Index for the

Midwest Class A urban wage earners and clerical workers, unless otherwise ordered by the Supreme Court.³

In my next column, I will describe the detail behind the Representative Assembly's actions, and its significance to all members. ♦

FOOTNOTES

1. Character and fitness and bar examination re-certification.
2. Currently, 26 of the 33 unified bars assess dues for inactive members. Fifteen State Bar associations assess inactive members amounts equal to or greater than one-half of active membership dues. See Attachment B for supporting details.
3. The adjustment would be calculated based upon the cumulative percentage inflationary or deflationary change from the fiscal year of the last dues increase (base year). To the extent that the change from the base year on a cumulative basis exceeds +/-2.5 percent, then the increase would be calculated by multiplying the existing dues amount by the inflationary or deflationary change percentage, rounded to the nearest \$5.00. If the change from the base year on a cumulative basis did not exceed +/-2.5 percent, dues would not be adjusted.