



NEW JERSEY STATE BAR ASSOCIATION

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VIA E-MAIL AND REGULAR MAIL

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

Re: Comments on 2022 Proposed Disciplinary Budget

Dear Ms. Baker:

Thank you for allowing the New Jersey State Bar Association the opportunity to review the 2022 budget for the attorney disciplinary system proposed by the Disciplinary Oversight Committee (DOC).

We thank the members of the DOC for their dedication and service to the Supreme Court and bar in monitoring the budget and operations of our disciplinary system.

We are pleased to see that the DOC decided against recommending an increase in the annual attorney assessment and instead committed to examining historical trends in preparation for next year's budget. That examination is critical to assist with more realistic budgeting going forward.

The NJSBA has consistently raised concerns about the amount of the DOC's reserve, and the projections about its depletion to appropriate levels. Since 2009, DOC policy has called for a reserve no greater than ten percent of the operating budget. The NJSBA has noted a pattern where a large deficit is predicted each year, with an indication the reserve will be reduced through deficit budgeting. Yet each year, the actual expenses are less than anticipated and the reserve remains at more than 20% of the operating budget.

This year, again, there was a projected deficit of \$1.1 million, but the latest projection based on actual expenses is nearly half that at \$650,000. That will leave the reserve at 24 percent of the budget. Although this year's budget projects a deficit of close to \$1.9 million, leaving the projected reserve at 8.9% of the operating expenses, it is difficult to rely on those numbers given the history.


In light of this, as noted above, the NJSBA is very supportive of the DOC's further study of the budgetary trends. The NJSBA offers any assistance it might be able to provide in that undertaking.

In addition, the NJSBA notes that the DOC budget continues to rely on deficit spending as a way to reduce the reserve to an acceptable amount. This is not a sustainable method of meeting operating costs. The NJSBA encourages the DOC to expand its budgetary study to explore cost-saving measures to eliminate the need for deficit spending in the future.

Again, the NJSBA wishes to commend the members of the DOC for their diligence and dedication, and their desire to ensure that our disciplinary system remains fiscally sound.

The NJSBA is grateful for the opportunity to comment on the DOC's budget proposal, and looks forward to additional opportunities to assist the Supreme Court in its oversight of the disciplinary system.

Sincerely,


Domenick Carmagnola, Esq.
President

C: Jeralyn L. Lawrence, Esq., NJSBA President-Elect
Angela C. Scheck, NJSBA Executive Director