



# NEW JERSEY STATE BAR ASSOCIATION

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## VIA E-MAIL AND REGULAR MAIL

Mark Neary, Esq.  
Clerk of the Supreme Court  
Hughes Justice Complex  
P.O. Box 970  
Trenton, NJ 08625

Re: Comments on 2016 Proposed Disciplinary Budget

Dear Mr. Neary:

The New Jersey State Bar Association hereby submits its comments on the 2016 budget for the attorney disciplinary system proposed by the Disciplinary Oversight Committee.

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

The DOC has proposed a 2016 budget of just over \$12.9 million, representing a .4% increase from the 2015 budget. As a result, the DOC recommends no increase in the annual assessment paid by attorneys. The NJSBA wholeheartedly agrees with the recommendation of no increase, but renews its suggestion that an examination be made as to whether the annual assessment can actually be reduced.

The NJSBA has repeatedly questioned the amount of the DOC's reserve. Since 2009, DOC policy has called for a reserve no greater than 10% of the operating budget. The Court has indicated an even smaller reserve of 5% of the operating budget is appropriate. Yet, since 2009, the reserve has consistently remained above 20%. This year will be no different, with a projected reserve of 23.3% at the end of 2015. Likewise, the proposed 2016 budget calls for a 20.2% reserve at year's end. While the DOC projects that the 10% goal will be met by December 31, 2018, the DOC provides little information about how it calculates that projection. Furthermore, the NJSBA respectfully submits that the DOC's projections have not been very accurate in the past. In 2014, it projected a \$900k plus deficit, which turned out to be just over \$300k. Last year, it projected a \$500k deficit, but again, the actual number will be closer to \$300K. Thus, instead

of the reserves being at the projected level of 16.8% of the budget by the end of 2015, they will remain at more than 20% of the budget.

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. However, given the budgetary history of the system, the NJSBA urges the Court to take a closer look at the DOC's projected deficits and consider reducing the annual fee on attorneys appropriately to bring the reserves within the recommended range of 5-10% of the DOC budget.

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

Very truly yours,

A handwritten signature in black ink, appearing to read "Miles S. Winder, III", followed by a horizontal line and three short parallel strokes below it.

Miles S. Winder, III  
President

/sab

Cc: Hon. Glenn A. Grant, J.A.D.,  
Acting Administrative Director of the  
Administrative Office of the Courts (AOC)  
Thomas H. Prol, Esq., NJSBA President-Elect  
Angela C. Scheck, NJSBA Executive Director