

2025 Budget Disclosure



October 29, 2024

Dear New Mexico Licensed Attorneys:

The Board of Bar Commissioners (“BBC”) has approved the budget for the 2025 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 disclosure 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 2025 are budgeted to be \$3,839,100. Of this amount, \$991,500 will be funded by non-licensing revenue, and \$2,847,600 will be funded by licensing fees (see chart, page 1).

Based on an analysis of active licensed attorneys in New Mexico including demographics and historical trends, we are projecting an increase in active attorneys, and active licensing fees, of approximately 1.7% over 2024. We are also budgeting for a decrease in expenses for outsourced print production and postage costs related to the *Bar Bulletin* by converting the 12 issues still printed in 2024 to a paperless, digital format in 2025. A portion of these increased revenues and cost savings will be utilized to enhance the outdated security system at the State Bar Center, including additional interior and exterior cameras, interior security doors, and new security card readers at certain building access points.

The BBC has determined that all proposed expenditures for 2025 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.

Two material, non-budgeted expenditures for free CLE provided to members and a loss related to the 2023 Annual Meeting were identified in 2023 and are disclosed in Part IV of this document. Instructions for challenging expenditures believed to be non-germane are set forth below.

Sincerely,

Allison Block-Chavez
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 12:00 pm MST, Dec. 2, 2024 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 at 5121 Masthead NE, Albuquerque, NM or emailed to info@sbnm.org.

State Bar of New Mexico Budget Disclosure: Year Ending December 31, 2025

Projected Licensing Revenue: \$ 2,847,600

Projected Non-Licensing Revenue: \$ 991,500

Projected Total Revenue: \$ 3,839,100

Projected Expenses:

	Total Expenses (Chargeable)	Chargeable Expenses Funded By Licensing Revenue	Chargeable Expenses Funded By Non-Licensing Revenue	% of Total Budget
I. State Bar Governance				
Board of Bar Commissioners	\$ 143,000	\$ 60,195	\$ 82,805	3.72%
II. State Bar Organization				
Regulatory Programs and Office of the General Counsel <i>Client Protection Fund</i> <i>IOLTA Program Administration</i> <i>Licensing & MCLE</i> <i>Mentorship</i> <i>Pro Hac Vice</i>	\$ 597,150	\$ 593,150	\$ 4,000	15.55%
Operations <i>Attorney Support</i> <i>Committees & Divisions</i> <i>Digital Print Center</i> <i>Ethics/Risk Management</i> <i>Fee Arbitration</i> <i>Front Desk</i> <i>Online Legal Research</i> <i>Sections</i> <i>State Bar Center</i>	\$ 1,190,355	\$ 476,290	\$ 714,065	31.01%
Professional Programs Group <i>Attorney Helpline</i> <i>Judicial Wellness Program</i> <i>Lawyer Assistance Program</i> <i>Professional Development Program</i>	\$ 188,355	\$ 184,355	\$ 4,000	4.91%
Communications <i>Bar Bulletin</i> <i>Resource Deskbook</i> <i>Marketing & Development</i>	\$ 323,665	\$ 263,035	\$ 60,630	8.43%
Administration <i>Accounting</i> <i>Equity in Justice Program</i> <i>Facilities</i> <i>Human Resources</i> <i>Information Technology</i>	\$ 1,396,575	\$ 1,270,575	\$ 126,000	36.38%
III. Legislative Activity	\$ 0	\$ 0	\$ 0	0%
TOTAL	\$ 3,839,100	\$ 2,847,600	\$ 991,500	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, 2025

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. Currently, the State Bar is established by New Mexico Supreme Court Rule 24-101(a) NMRA. The State Bar was incorporated under the laws of the State of New Mexico in 1978. In accordance with NMSA 1978, Section 36-2-9.1 (1979), the State Bar is not a state agency. 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, attorney 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 Rule 16-104(C)(7) NMRA; administration of the IOLTA program; administration of the Minimum Continuing Legal Education program; administration of the Client Protection Fund and Commission; and publication of the *Bar Bulletin*, the *New Mexico Lawyer*, and the *Digital Resource Deskbook*.

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 2025 budget on October 24, 2024. 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 2025 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 2025. 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 2025, two Board meetings will be held at the State Bar Center in Albuquerque, one will be held in conjunction with the Annual Meeting in Albuquerque, one will be held in conjunction with the Board Strategic Planning Retreat 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 2025 travel for the officers assumes 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 leadership retreat in Las Cruces to develop the next three-year strategic plan for 2025-2027; member outreach events in the judicial districts outside of Albuquerque; and donation requests for law-related programs or activities received by the Board.

Expenses - BBC	Chargeable Expenses Funded By Licensing Fees	Chargeable Expenses Funded By Non-Licensing Revenue	Total
Annual Meeting BBC Event		9,000	\$ 9,000
Board Meeting/Strategic Planning		22,000	22,000
Commissioner District Events	12,000		12,000
Meetings & Governance	30,000	21,000	51,000
Outreach Donations		5,000	5,000
Staff Conference Attendance		7,000	7,000
Travel & Conferences	18,195	18,805	37,000
Total Expenses	60,195	82,805	\$ 143,000

II. State Bar Organization

A. 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; and CLE fees for the Bridge the Gap Mentorship program.

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. Client Protection Fund

Administers the State Bar’s Client Protection Fund (CPF) Commission and, in conjunction with the Disciplinary Board, assists the Commission with its work. The CPF investigates claims against lawyers on issues regarding reimbursable losses caused by a lawyer’s misappropriation of client funds or other dishonest conduct.

3. 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 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 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 people of modest means, legal education, and improvements to the administration of justice in New Mexico.

4. License Renewal and Minimum Continuing Legal Education

Collects annual attorney 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 attorney status changes, and addresses attorney 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. The MCLE department offers attorney CLE transcripts through the State Bar’s website.

5. Bridge the Gap Mentorship Program

The Supreme Court requires all attorneys newly licensed in New Mexico, 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 attorneys pay tuition of \$300 for the program and obtain CLE for their first year of practice.

6. 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) NMRA, a disciplinary fee assessment and client protection assessment are collected from the first annual Pro Hac Vice filing fee and an administrative fee is collected from each filing. The balance of the fee is utilized to support the delivery of civil legal services to people of modest means in New Mexico.

Revenue – Reg & OGC	
Licensing Revenue	\$ 2,847,600
Regulatory Programs	237,500
Total Revenue	\$ 3,085,100

Expenses – Reg & OGC	Chargeable Expenses Funded By Licensing Fees	Chargeable Expenses Funded By Non-Licensing Revenue	Total
Dues & Subscriptions	1,550		1,550
Insurance	59,400		59,400
Mentorship CLE Fees	20,000		20,000
Office Supplies	1,000		1,000
Payroll	506,200		506,200
Staff Education & Travel	5,000	4,000	9,000
Total Expenses	593,150	4,000	\$ 597,150

B. Operations

Operations expenses include: advertising and marketing costs for the rental of the State Bar Professional Development Center; Annual Meeting expenses; capital lease costs for printing, postage, and security system equipment; supplies for the professional development center to support rental of the facility; support for the Senior Lawyers Division and Young Lawyers Division and BBC Standing Committees; travel costs for member services staff to attend Bar Commissioner district events throughout the state; building maintenance costs such as janitorial, landscaping, and repairs; building service contracts such as pest control, elevator maintenance, and alarm service; property taxes; utilities; and funding for the Board designated operating reserve account.

1. Front Desk

The front desk assists State Bar members, renters, and other members of the public who visit the State Bar Center or who call in by phone. They refer members of the public to State Bar programs or other civil legal service providers for assistance.

2. Attorney Support Services

Services provided include assistance to sections, committees and divisions, law student members, and voluntary bar associations; administration of association agreements for discounts on products and services provided by third-party vendors; administration of annual awards to recognize those who have made exemplary contributions to the legal profession; support of Judicial Pipeline projects such as the Judicial Clerkship Program; and member outreach such as execution of member appreciation day including free CLE. Other attorney services include:

i. Ethics/Risk Management Assistance

Ethics Advisory Helpline

Ethics Helpline (1-800-326-8155) assists New Mexico attorneys 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 New Mexico attorneys. Opinions are archived and searchable by date of issue or by topical index on the State Bar's website at www.sbnm.org.

ii. 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.

iii. Online Legal Research

The Board of Bar Commissioners contracts with Fastcase to provide free online legal research for New Mexico attorneys. 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.

iv. Committees and Divisions

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

v. 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.

3. State Bar Center

The State Bar Center is used primarily to support the licensees of the State Bar and offers a variety of meeting spaces, including an auditorium, three classrooms, nine small/medium size conference rooms, and a boardroom. All the meeting space is available for licensees 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.

Revenue - Operations	
Annual Meeting	\$ 225,000
Section Membership Fees	70,000
State Bar Center Rentals	120,000
Total Revenue	\$ 415,000

Expenses - Operations	Chargeable Expenses Funded By Licensing Fees	Chargeable Expenses Funded By Non-Licensing Revenue	Total
Advertising & Marketing		1,000	\$ 1,000
Annual Meeting		225,000	225,000
Awards		2,000	2,000
Capital Lease Principal/Interest		30,115	30,115
Capital Outlay		31,375	31,375
Direct Supplies – PDC		7,500	7,500
Divisions	89,150		89,150
Dues & Subscriptions	1,120		1,120
Furniture & Equipment	24,225		24,225
In-Kind Support of Foundation	85,500		85,500
Janitorial & Supplies		30,900	30,900
Judicial Pipeline Projects		30,000	30,000
Landscape Maintenance		8,300	8,300
Mortgage Principal/Interest		110,805	110,805
Office Supplies	1,000		1,000
Online Legal Research	29,875		29,875
Outreach – Membership	5,000		5,000
Payroll	212,920	53,770	266,690
Repairs & Maintenance		15,800	15,800
Sections		70,000	70,000
Service Contracts		11,300	11,300
Staff Education/Morale/Travel	4,500	10,000	14,500
Special Committees	6,000		6,000
Standing Committees	17,000		17,000
Taxes & Fees		16,400	16,400
Utilities		59,800	59,800
Total Expenses	476,290	714,065	\$ 1,190,355

C. Professional Programs Group

Services provided by the Professional Programs Group (PPG) include education, assistance, and support for New Mexico attorneys in all areas and stages of the practice of law. PPG proactively educates and assists the NM legal community in creating and maintaining a professional, ethical and healthy standard of practicing law. PPG also responds to the legal community with education, resources and services when there is any type of issue or struggle by a member. PPG is made up of the Professional Development Program, Lawyer Assistance Program, and Judicial Wellness Program.

1. Judicial Wellness Program

The Judicial Wellness Program aids in focusing on the short-term and long-term needs of the N.M. Judicial Community. The New Mexico Judicial Wellness Program was created to promote health and wellness among New Mexico Judges by creating and

facilitating educational programs, events, services, and practices that encourage a supportive environment for the restoration and maintenance of overall mental, emotional, physical, and spiritual health of judges.

2. Lawyers Assistance Program

The Lawyer Assistance Program (LAP) focuses on confidential, professional and peer assistance to help individuals identify and address problems with alcohol and other drugs, depression, and other mental health/emotional disorders. NM LAP endeavors to improve the well-being of lawyers, law students, paralegals, law clerks and all other legal staff through support, education and early intervention with the goal of ensuring every legal professional is healthy and fit to practice. Direct costs paid are for counseling fees through an Employee Assistance Program free for the NM legal community.

3. Professional Development Program

The Professional Development Program offers law practice management services and resources to State Bar members. This includes continuing education courses, “how-to” manuals and workshops, confidential practice consultations, a confidential ethics advisory helpline, and information, sample forms, checklists, and assessments on best practices for lawyers.

Expenses - PPG	Chargeable Expenses Funded By Licensing Fees	Chargeable Expenses Funded By Non-Licensing Revenues	Total
Advertising & Marketing	1,000		\$ 1,000
Dues & Subscriptions	675		675
LAP/JWP Support	80,000		80,000
Office Supplies	1,000		1,000
Outreach - Administrative		1,000	1,000
Outreach - Membership	5,500		5,500
Payroll	85,680		85,680
Staff Education & Travel	4,500	3,000	7,500
Board Designated Funds - Survey	6,000		6,000
Total Expenses	184,355	4,000	\$ 188,355

D. Communications

Services provided by the Communications department include writing, editing, and designing State Bar and New Mexico State Bar Foundation publications and marketing materials, dissemination of information to New Mexico attorneys in the form of emails, e-newsletters, and social media posting, dissemination of media releases, and responding to media requests. The Communications department is also responsible for the State Bar’s website content and design.

Communications department expenses include internal print production costs including printer and paper materials, and outsourced printing of marketing and event materials.

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. Digital Resource Deskbook

The *Digital Resource Deskbook* includes important information about the State Bar of New Mexico, New Mexico State Bar Foundation, New Mexico Courts, and the New Mexico legal community.

Revenue - Comm	
Advertising - Print	\$ 270,000
Advertising - Digital	13,500
Attorney Benefits Program	25,000
Total Revenue	\$ 308,500

Expenses - Comm	Chargeable Expenses Funded By Licensing Fees	Chargeable Expenses Funded By Non-Licensing Revenue	Total
Dues & Subscriptions	135		\$ 135
Furniture & Equipment	300		300
Office Supplies	1,000		1,000
Payroll	258,900	59,630	318,530
Staff Education & Travel	2,700	1,000	3,700
Total Expenses	263,035	60,630	\$ 323,665

E. Administration

Administration expenses include: in-kind support of the Bar Foundation related to professional service fees and the shared IT infrastructure; IT costs such as server hosting, backups, disaster recovery, security applications, member database and content management system (website), and other operational software subscriptions; 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; professional service fees for the annual financial audit and preparation of annual tax returns; and federal and state taxes resulting from unrelated business activities.

1. Administration

General administration includes the Executive Office which has 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 Lawyers Assistance and Judicial Wellness Programs.

3. Equity in Justice Program

The Equity in Justice Program was established in 2021 to address the recommendations from the 2020 reports by the Board of Bar Commissioner's Committee on Women and the Legal Profession and Committee on Diversity in the Legal Profession. The mission of this Program is to aid in developing a legal profession in New Mexico that is both representative of and reflective of the people of New Mexico. The Program does this by focusing on three areas: First, by working with the Committee on Women and the Legal Profession and the Committee on Diversity in the Legal Profession to assist with the goals of the committees. Second, by developing tools and resources around the Program's mission for the legal profession in New Mexico. And third, by working internally with SBNM staff and resources to support the Program's mission.

4. Facilities

The facilities department is responsible for maintenance and security of the State Bar Center.

5. Human Resources

Human Resources directs and implements all HR functions and operations including talent acquisition, compensation and benefits, staff learning and development, performance management, enforcement of organization's policies and practices, and terminations.

6. 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 attorneys and the public regarding State Bar activities.

7. New Mexico Attorney Database

The State Bar's database, Euclid's ClearVantage Association Management Software, is used to maintain current attorney information and collect Supreme Court required information, such as professional liability insurance and pro bono service. In 2024, the State Bar, the New Mexico Supreme Court, and the Judicial Information Division of the Administrative Office of the Courts joined together to integrate the Court's official electronic Roll of Attorneys into the State Bar's database. This integrated system provides a one-stop shop for attorneys to update their contact information along with an automated update of the Odessey and re:SearchNM database.

Revenue - Admin	
Administrative Fees	\$ 24,000
Interest Earned	6,500
Total Revenue	\$ 30,500

Expenses - Admin	Chargeable Expenses Funded By Licensing Fees	Chargeable Expenses Funded By Non-Licensing Revenue	Total
Advertising & Marketing		500	\$ 500
Dues & Subscriptions	3,835		3,835
In-Kind Support of Foundation	69,700		69,700
Information Technology	179,775		179,775
Merchant Service/Bank Fees	12,000		12,000
Office Supplies	6,000		6,000
Outreach – Administrative & Staff	3,000	6,380	9,380
Payroll	966,920	83,865	1,050,785
Postage & Delivery	4,000		4,000
Professional Services	16,500		16,500
Staff Education & Travel	8,845	5,255	14,100
Taxes & Fees		30,000	30,000
Total Expenses	1,270,575	126,000	\$ 1,396,575

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 2025 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 New Mexico Legal Community if lobbying activities are approved by the Board, consistent with Bylaws, Article XI. No mandatory licensing fees have been allocated for lobbying activities in 2025 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. At this time, Section lobbying activities have been suspended by the Board of Bar Commissioners.

IV. 2023 Non-Budgeted Expenditures

There were two material 2023 non-budgeted expenditures approved by the Board to be reported in the 2025 Budget Disclosure Document. At the request of the State Bar, the Bar Foundation offered a complimentary CLE event to New Mexico attorneys in 2023, and also prepared CLE content presented at the 2023 Annual Meeting. The State Bar paid the Bar Foundation for this CLE content. Approximately 2,500 CLE credits were filed on behalf of attorneys from these events, and the discounted value paid to the Bar Foundation for this content was \$92,045. In addition, the State Bar reimbursed the Bar Foundation for the loss incurred from the 2023 Annual Meeting in the amount of \$49,518. Both non-budgeted expenditures were approved by the Board at their regularly scheduled meeting on December 6, 2023. The free CLE expenditure was audited as part of the 2023 annual financial statement audit. The 2023 annual financial audit was completed on May 17, 2024 and is available to view in its entirety on the State Bar's website at www.nmbar.org/AboutUs/Financial_Information.

V. 2024 Non-Budgeted Expenditures

Any material 2024 non-budgeted expenditures determined to be germane and approved by the Board will be reported in the 2026 Budget Disclosure Document, at which time any such expenditures will have been audited as part of the 2024 annual financial statement audit.

Challenges to the State Bar of New Mexico 2025 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 2025 proposed budget.

 Signature Date

Must be received at the State Bar on or before 12:00 pm MST, December 2, 2024.
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 info@sbnm.org