

SENATE THIRD READING

SB 253 (Umberg)

As Amended June 25, 2025

Majority vote

SUMMARY

Provides the statutory authorization for the State Bar of California to collect the 2026 annual licensing fee from active and inactive licensees of the State Bar.

Major Provisions

- 1) Authorizes the State Bar of California to collect an annual license fee from active licensees for 2026 in an amount not to exceed \$400.
- 2) Authorizes the State Bar of California to collect an annual license fee from inactive licensees for 2026 in an amount not to exceed \$100.
- 3) Prohibits the Committee of Bar Examiners from being considered an advisory board, advisory commission, advisory committee, advisory subcommittee, or similar multimember advisory body, as specified, for purposes of the Bagley-Keene Open Meeting Act.
- 4) Prohibits the Committee of Bar Examiners from altering the bar examination in a manner that requires the substantial modification of the training or preparation required for passage of the examination, except after giving two years' notice of that change.
- 5) Clarifies that a substantial modification for the purpose of 4) includes changing the vendor or creator of the multiple choice questions from the National Conference of Bar Examiners.
- 6) Requires the Committee of Bar Examiners to provide 120-day notice to an alteration of the bar exam that includes the following:
 - a) Changing the functionality of testing software or materials; or
 - b) Changing the medium in which testing materials are provided.
- 7) Clarifies that the July 2025 bar exam is to serve as the baseline exam for the purposes of 4) and 5).
- 8) Requires the Committee of Bar Examiners to provide public notice if artificial intelligence is used in creating questions on the bar examination or grading of the bar examination.
- 9) Requires the California Lawyers Association or an affiliated 501(c)(3) organization to submit an annual report to the Legislature by January 31 of each year detailing their use of fund revenues received from specified affinity programs as well as a statement of compliance with provisions of law mandating certain funds be transferred to the California ChangeLawyers, as specified.

COMMENTS

Attorneys who wish to practice law in California generally must be admitted and licensed in this state by the State Bar. (California Constitution, Art. VI, Sec. 9.) The State Bar of California is

the largest state bar in the country, with nearly 200,000 active attorneys practicing law in the state. This bill authorizes the State Bar of California to collect the annual licensing fee for attorneys for 2026.

This bill holds attorney licensing fees flat. Facing rising information technology costs, employee salaries and benefits, and mortgage and lease payments, the State Bar requested a \$125 fee increase for all active attorneys. After review by the Legislature, an \$88 fee increase was approved. Unlike prior increases approved by the Legislature, this fee increase was separated into several specific statutory grants of authority and then purposefully directed to a specific use, for example paying for information technology upgrades. The 2025 fee bill was designed to ensure that the State Bar could not redirect funds away from the purpose for which they were requested.

Notably, some of the fruits of this fee increase have already been seen by licensees. For example, following widespread confusion and frustration with the State Bar's rollout of the Client Trust Account Protection Program reporting requirements, some of the information technology money went toward the deployment of the new color-coded online system to help attorneys easily recognize any missed fee payments reporting requirements. Nonetheless, in February 2025, the California State Auditor noted in its biennial audit of the State Bar's finances that additional cost-savings actions by the State Bar remain necessary to ensure the long-term fiscal health of the agency. (Cal. State Auditor, *The State Bar of California- It Must Continue to Achieve Cost Savings and Reduce Its Growing Backlog of Disciplinary Cases* (Feb. 2025), at p. 11.)

Recognizing that the immediate fiscal crisis that necessitated last year's fee increase has abated, this year's fee bill reauthorizes the 2026 attorney licensing fees at the same level as those authorized for 2025. Accordingly, active licensees will pay a \$400 base fee in 2026 with other mandatory fees resulting in a total cost of licensure of \$553. For inactive licensees, the base fee will remain \$100 with other mandatory fees bringing the total cost of an inactive license to practice law to \$161.

This bill addresses some of the issues presented by the February 2025 bar exam. In August of 2024, trying to reduce costs and improve examinee experiences, the State Bar of California announced major reforms to the biannual general bar examination. The new exam would be developed by Kaplan Exam Services, administered by a testing company called Meazure Learning, and designed to permit students to take the exam remotely or at local testing centers in lieu of the mass testing facilities historically utilized to administer the California bar exam. As discussed in significantly greater detail in the analysis of SB 47 (Umberg), of the current session, the administration of the new exam was a monumental failure. (Jennie Jarvie, *'Utterly Botched': Glitchy rollout of new California bar exam prompts lawsuit and legislative review*, Los Angeles Times (Feb. 28, 2025) available at: <https://www.latimes.com/california/story/2025-02-28/utterly-botched-chaotic-roll-out-of-new-california-bar-exam>.)

In response to the exam disaster, the Chief Justice of the California Supreme Court stated during her State of the Judiciary address that the Supreme Court would assume a more active role in overseeing the State Bar, a subordinate judicial branch agency. (Karen Sloan, *After disastrous bar exam rollout, California Supreme Court to boost test oversight*, Reuters (Mar. 19, 2025) available at: <https://www.reuters.com/legal/government/after-disastrous-bar-exam-rollout-california-supreme-court-boost-test-oversight-2025-03-19/>.) However, recent actions by the Supreme Court appear to be granting *more* authority to the State Bar and Committee on Bar

Examiners and lessening Supreme Court oversight. (See, Proposed Amendments to Title Nine of the Rules of Court Involving State Bar Matters, S290966 (May. 28, 2025) available at: <https://newsroom.courts.ca.gov/sites/default/files/newsroom/2025-05/S290966%20-%20PROPOSED%20AMENDMENTS%20TO%20TITLE%20NINE%20OF%20THE%20RULES%20OF%20COURT%20INVOLVING%20STATE%20BAR%20MATTERS.5.28.25.pdf>.) In the wake of the February 2025 exam debacle, which is just the latest in a series of missteps at the State Bar in the past decade, it is deeply troubling that the Supreme Court is now proposing to delegate even greater responsibility to an agency that is still struggling to fully adapt to its role as a modern regulator. The proposed delegation is even more concerning given that the Committee of Bar Examiners, as recently as Friday June 20, 2025, is still acting on agenda items that indicate the Committee intends to forge ahead with the rapid redeployment of a future remote bar examination.

Additionally, seeking to ensure that the proceedings of the Committee of Bar Examiners remains open and transparent, which would be especially important should the Committee be awarded additional authority from the Supreme Court, this bill clarifies that the Committee's meetings are subject to the Bagley-Keene Open Meeting Act.

Following the separation of the former "sections" of the State Bar from the regulatory arm of the State Bar, and the creation of the California Lawyers Association in 2017 (SB 36 (Jackson) Chap. 422, Stats. 2017), the Legislature enacted a series of statutes to govern how various affinity funds operated by the sections would transfer to the California Lawyers Association. One such statute, Business and Professions Code Section 6141.3, required certain funds to be utilized for "diversity, equity and inclusion, access to justice, and civic engagement efforts." Unfortunately, some stakeholders have raised concerns regarding the actual use of these funds. Not only are these concerns troubling in that the California Lawyers Association may not be complying with statute, in light of actions by the federal administration regarding diversity, equity, and inclusion programs nationally, ensuring local sources of funding for diversifying the legal profession is more critical than ever. Accordingly, this bill will require, commencing January 2026, the California Lawyers Association to begin reporting to the Legislature how it is utilizing these funds.

According to the Author

This is the annual bill to authorize the collection of license fees from licensed attorneys in California to fund the operations of the State Bar of California. Last year, the State Bar requested a \$125 active licensee fee increase. However, the Legislature, after careful consideration, ultimately only granted the State Bar an \$88 active license fee increase. The State Bar's highest priority is the protection of the public and it accomplishes this through two core priorities – disciplining attorneys and admissions to practice law in this state. Over the past 10 years, the State Bar has faced numerous issues with its discipline system, including an ever-growing backlog of discipline case, the failure to nominate a Chief Trial Counsel for five years, and the Thomas Girardi scandal. The Girardi scandal seriously called into question the ability of the State Bar to meet its mission. The Senate and Assembly Judiciary Committees held a joint oversight hearing of the State Bar on the Girardi scandal in May 2023. I am cautiously optimistic that State Bar has been making meaningful strides to address deficiencies in its discipline system over the past two years.

Unfortunately, this year the State Bar utterly failed at its second core priority with its disastrous administration of the February 2025 bar exam. This debacle has raised serious

questions about the State Bar and the performance of its current leadership. This bill will allow the Legislature to use its oversight authority to enact changes to the State Bar Act to ensure the protection of the public.

Arguments in Support

None on file

Arguments in Opposition

As noted this bill is opposed, unless amended, by the Kohn Law Group of California. In opposition, the firm states:

The State Bar's progressively worsening years-long pattern of mishandling each administration of the California Bar Examination to varying but increasingly consistent and detrimental degrees has culminated in an unprecedented crisis with the February 2025 administration of that exam. For the reasons elaborated below, I urge this Committee to incorporate the appended proposed amendments concerning testing accommodations, exam administration, and ending the State Bar's perceived legal impunity that emboldens them to shirk compliance and fairness whenever it is convenient to maintaining what public records have indicated to be an approximately 30-hour workweek for many admissions staff coupled to compensation exceeding the Governor and Chief Justice of the California Supreme Court and a benefits package that seems to combine the best of the State's pension and other benefits with the perks Big Tech companies have extended to retain top talent.

While the State Bar's own deliberate indifference towards the rights of accommodated applicants has led to a track record documented by public records dating back to 2017 of at least 20% of such applicants not having their approved accommodations fully implemented operationally by the State Bar's poorly trained proctors on ordinary exam cycles consistently, Measure's administration saw this statistic soar far higher to impact most disabled applicants. The State Bar has directed a new vendor to prioritize the nondisabled to ensure they all are addressed prior to the July 2025 exam, but refused to expend further financial resources or equally address the unlawful and invidious treatment of disabled applicants until after the July 2025 exam to do so, with investigations set to report findings for further deliberation no sooner than the end of September. The magnitude of this particular operational error goes far beyond prejudicing exam performance and depriving applicants of an opportunity to meaningfully and equally access the bar exam, and thus have the opportunity to qualify to practice law. For many, not receiving their disability-based testing accommodations deprived them of a safe testing environment and led to medical complications, resulting in preventable hospitalizations, bodily injuries, and in at least one reported instance a pregnant applicant's miscarriage. This continues a trend from the prior year, February 2024, and the injuries sustained at the Cow Palace test site mentioned above.

FISCAL COMMENTS

None

VOTES**SENATE FLOOR: 38-0-2**

YES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

ABS, ABST OR NV: Cervantes, Reyes

ASM JUDICIARY: 12-0-0

YES: Kalra, Dixon, Garcia, Bryan, Connolly, Harabedian, Tangipa, Pacheco, Papan, Sanchez, Lee, Zbur

UPDATED

VERSION: June 25, 2025

CONSULTANT: Nicholas Liedtke / JUD. / (916) 319-2334

FN: 0000990