

From: Dyan J. Ebert [mailto:debert@quinlivan.com]
Sent: Thursday, February 05, 2009 3:20 PM
To: Tim Groshens; Terry Votel
Cc: Kim Pennington; Dyan J. Ebert
Subject: RE: MSBA Dues Collection for the 7th District

Hi, Tim and Terry -

I am writing in my role as sec/treas. for the 7th District Bar Association and in response to Tim's email. I appreciate the budget cutting that the MSBA is contemplating and realize that it will likely have an impact on all layers, including the services provided to the district bar associations. We clearly obtain a benefit from the MSBA's due collections, as well as the other services provided to the District Bars. However, as you note, the proposal will have a significant impact on our Association's bottom line. We typically use a large portion of the dues we collect from our members to fund the various donations we make to MSBA Mock Trial, MJF, Lawyers Concerned for Lawyers, and the Loan Repayment Assistance Program. Very little, if any, of our dues are spent on actual member services since we have one meeting per year and have been able to publicize our announcements, etc. via email for the most part. We would have to, in turn, reduce our donations. Further, while I have no doubt that \$2 per member is "nominal" in comparison to the actual costs of the service, it is significant in light of the fact that our dues are only \$12 per year. We would be spending about 18% of our dues on the cost of collection. Would the MSBA entertain some type of a sliding scale based on amount of dues? Dyan

From: Tim Groshens [mailto:tgroshen@statebar.gen.mn.us]
Sent: Tuesday, February 03, 2009 4:26 PM
To: Kim Pennington
Cc: Dyan J. Ebert
Subject: MSBA Dues Collection for the 7th District

Dear Kim:

The MSBA is developing its budget for the next three years and, like most organizations, we are looking very closely at our expenses. The initial draft of the budget includes a 5% reduction in staff positions, a nominal increase in dues, and the elimination of services or programs which do not demonstrate value to the members.

We are also looking at the services we provide to district bar associations and foundations. One of the services the MSBA provides is the collection of dues for twenty-one district bar associations and three foundations. Historically we provided this service without passing on any of the related costs to your organization. Now, however, the budget proposal includes a charge to the districts of \$2.00 for each of your members that is billed and pays their dues. Our estimate is that this change would cost your association approximately \$1,380 annually beginning with the 2009-10 dues collection cycle.

Be assured that we are not using the billing service as a source of profit. MSBA's costs for maintaining member information, billing, posting payments, and remitting the dues to yours and other organizations exceeds \$100,000 per year. We believe the \$2.00 per paying member is substantially lower than the cost you would incur with a separate billing system.

We know your organization is most likely facing similar issues and we want to give you as much notice as possible of this change. The MSBA Operations Committee meets February 17 and again in March to develop a budget recommendation. Between February 17 and the March meeting, subcommittees of the Operations Committee will be meeting. The final budget recommendation is scheduled to be considered at the April Assembly meeting.

If you wish to comment on this proposal, you may do so by contacting Tim Groshens (tgroshens@mnbar.org) or Terry Votel (terry.votel@farmersinsurance.com) and we will assist you in having your comments considered by the Operations Committee.

Thanks
Tim

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