

Michigan State Bar Foundation

2025 Budget FINAL

	2024 Budget	2024 Projected Actuals	2025 Budget
<u>REVENUES</u>			
IOLTA (Net of Services Charges)	\$ 7,600,000	\$ 18,814,625	\$ 15,016,000
IOLTA - Race/Ethnic/Gender/ATJ Related	\$ (640,000)	\$ (1,755,536)	\$ (1,324,454)
IOLTA - Supreme Court Historical Society	\$ (59,780)	\$ (53,000)	\$ (55,000)
Civil Justice System Access and Legal Self-Help	\$ 650,000	\$ 650,000	\$ 650,000
MSHDA Eviction Diversion Program	\$ 4,500,000	\$ 6,785,015	\$ 1,182,500
Filing Fees	\$ 55,000	\$ 60,000	\$ 61,000
Fellows and Other Contributions	\$ 36,250	\$ 61,700	\$ 50,000
Special Funds and Fundraising Support	\$ 95,000	\$ 173,750	\$ 105,000
ATJ Fund Contributions	\$ 1,375,000	\$ 1,361,186	\$ 1,375,000
MDHHS - Social Security Disability	\$ 325,000	\$ 325,000	\$ 600,000
Memorials, Tributes and Contributions	\$ -	\$ 4,197	\$ -
Unemployment Relief	\$ -	\$ -	\$ 500,000
Interest and Dividends	\$ 430,000	\$ 1,059,825	\$ 945,000
TOTAL REVENUES	\$ 14,366,470	\$ 27,486,762	\$ 19,105,046
<u>ADMINISTRATIVE EXPENDITURES</u>			
Personnel	\$ 747,274	\$ 723,183	\$ 1,018,905
Employee Taxes and Benefits	\$ 209,237	\$ 192,093	\$ 281,176
Accounting Fees	\$ 35,400	\$ 29,710	\$ 32,000
Legal Fees and Filing Fees	\$ 3,000	\$ 870	\$ 3,425
Other Professional Fees	\$ 60,000	\$ 56,935	\$ 60,000
Postage, Printing, Design and Marketing	\$ 4,015	\$ 10,125	\$ 11,000
Rent	\$ 43,562	\$ 43,390	\$ 45,025
Insurance	\$ 15,000	\$ 16,215	\$ 16,928
Telephone	\$ 6,360	\$ 3,959	\$ 5,125
Meetings, Conferences, Travel, and Training	\$ 60,000	\$ 36,088	\$ 58,583
Dues, Subscriptions, and Publications	\$ 13,730	\$ 13,267	\$ 14,641
Supplies	\$ 2,500	\$ 4,698	\$ 25,600
Program Evaluation and Support	\$ 90,000	\$ 34,770	\$ 90,000
Maintenance and Technology Services	\$ 75,000	\$ 61,086	\$ 67,103
Interest and Service Charges	\$ 22,670	\$ 28,244	\$ 32,400
Depreciation	\$ 5,712	\$ 4,635	\$ 9,554
TOTAL ADMINISTRATIVE EXPENSES	\$ 1,393,460	\$ 1,259,268	\$ 1,771,465
NET REVENUES AFTER ADMINISTRATIVE EXPENSES	\$ 12,973,010	\$ 26,227,494	\$ 17,333,581
<u>GRANTS</u>			
Civil Legal Services Annual Grants	\$ 1,855,866	\$ 2,052,269	\$ 2,320,000
Special Annual Grant Initiatives	\$ -	\$ -	\$ 5,350,000
IOLTA - Administration of Justice	\$ 825,000	\$ 501,930	\$ 1,000,000
MDHHS - Social Security Disability	\$ 312,520	\$ 312,520	\$ 576,923
Civil Justice System Access Grants and Legal Self-Help Grants	\$ 650,000	\$ 650,000	\$ 650,000
ATJ Fund - Designated and Statewide Distribution	\$ 1,663,600	\$ 1,243,156	\$ 1,252,000
ATJ Fund - Grants (Designated Endowments)	\$ 124,000	\$ 79,664	\$ 120,000
MSHDA Eviction Diversion Program	\$ 4,410,000	\$ 6,717,515	\$ 1,160,000
Unemployment Funding	\$ -	\$ -	\$ 480,769
Franck Funds	\$ 10,000	\$ -	\$ 10,000
Special Grants	\$ -	\$ 72,672	\$ 10,000
TOTAL GRANTS	\$ 9,850,986	\$ 11,629,726	\$ 12,929,692
NET REVENUES OVER EXPENSE	\$ 3,122,024	\$ 14,597,768	\$ 4,403,889
IOLTA - Grant Stabilization/Emergency Issues Fund	\$ 1,500,000	\$ -	\$ -
PROJECTED TOTAL NET ASSETS		\$ 29,632,099	\$ 34,035,988

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CAPITAL EXPENDITURES DETAIL			
Hardware	\$ 9,000	\$ 4,938	\$ 12,000
Software	\$ -	\$ -	\$ 20,000
TOTAL CAPITAL EXPENDITURES	\$ 9,000	\$ 4,938	\$ 32,000

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REVENUES

SOURCE	2025 Budget	EXPLANATION
IOLTA (Net of Services Charges)	\$15,016,000	Estimated IOLTA revenue based utilizing projected Fed Fund Rates.
Race/Ethnic (10%)	-1,324,454	This amount is 10% of estimated net IOLTA revenue. This is contra-revenue recorded as a liability.
Supreme Court Historical Society (5%)	-55,000	This amount includes funds payable to the Michigan Supreme Court Historical Society. AO 2021-3 capped their annual amount at the higher of 5% not to exceed a maximum of \$50,000 plus annual increased based on inflation. This is contra-revenue recorded as a liability.
Civil Justice System Access and Legal Self-Help	650,000	Revenue for Michigan Legal Help operations includes \$600k from SCAO and \$50k from SBM, consistent with FY24 funding.
MSHDA Eviction Diversion Program	1,182,500	Estimated revenues for 4th Quarter 2024. Funding ends December 31, 2024.
Filing Fees	61,000	The statutory allocation for the Foundation's annual reimbursement for costs in performing its functions relating to P.A. 189 of 1993 is 1% of the legal services portion of the funds. This is based on SCAO's projection for 2025 revenue.
Fellows and Other Contributions	50,000	Fellows income budget is based on prior year actuals and increased contribution levels.
Special Funds and Fundraising Support	105,000	\$75K from SBM and LJAP donations estimated at \$30K.
ATJ Fund Contributions	1,375,000	Consistent with FY24 budget.
MDHHS - Social Security Disability	600,000	Anticipated increased funding for FY25.
Unemployment Relief	500,000	MSBF has been asked to administer a grant program to assist claimants with unemployment benefit matters. This money was provided as part of a class action lawsuit, Saunders v. State of Michigan Unemployment Insurance Agency.
Interest and Dividends	945,000	Projected interest based on current year revenue.
TOTAL REVENUES	\$19,105,046	

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ADMINISTRATIVE EXPENSES

CATEGORY	2025 Budget	EXPLANATION
Personnel		FY25 budgeted salaries and wages include current positions and three new positions and salary adjustments of approximately 3.5%-5%. Any actual salary and benefits will be set later per our compensation policy.
Salaries and Wages	\$1,018,905	
Benefits and Taxes	281,176	Benefits and taxes are based on current benefits and estimated increases.
Accounting Fees	32,000	Estimated based on FY24 usage.
Legal Fees and Filing Fees	3,425	Includes legal fees contingency plus annual recurring filing fees.
Other Professional Fees	60,000	Includes additional upgrades to IMS IOLTA database and consulting fees for IOLTA compliance program.
Postage and Printing	11,000	Estimated based on FY24 usage for annual reports and increased mailings.
Rent	45,025	A new lease agreement with annual adjustments based on annual CPI changes started Sept. 30, 2021. The budgeted amount for FY25 includes CPI of 3.36%.
Insurance	16,928	Includes D&O, general liability and cyber security insurances.
Telephone	5,125	Estimated based on FY24 usage and accounting for three additional staff.
Meetings, Conferences, Travel, and Training	58,583	This includes in-person and online trainings, conference registrations, and conference travel related to IOLTA and the ATJ Campaign.
Dues, Subscriptions, and Publications	14,641	Includes membership in Michigan Bankers Association, National Association of IOLTA Programs, Council of Michigan Foundations, and other similar entities.
Supplies	25,600	Standard office supplies including hardware and software below \$1,000.
Program Evaluation and Support	90,000	Program evaluation and support costs help assure accountability and effectiveness for annual legal services and other grants. Includes an evaluation of CALL and a tech audit.
Maintenance and Technology Services	67,103	This includes hardware and software maintenance contracts, including IMS costs, Raiser's Edge costs, online grant management system, and new accounting software. Also included is IT support and migration from a network to Office 365.
Interest and Service Charges	32,400	This includes monthly checking account fees, investment account fees, and credit card processing for Fellows payments.
Depreciation	9,554	Based on future depreciation for current and anticipated fixed asset purchases.
TOTAL ADMINISTRATIVE EXPENSES	\$1,771,465	

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GRANT EXPENSES

GRANT TYPE	2025 Budget	EXPLANATION
IOLTA Civil Legal Services (70%)	2,320,000	Based on proposed 25% increase for annual legal services grants.
Administration of Justice (15%)	1,000,000	This is estimated based on prior spending and anticipated additional grants. More funding is available per AO2021-3.
Special Annual Grant Initiatives	5,350,000	In June 2024, the Board approved an RFP process of \$4 M for housing stability and the FAC discussed using increased IOLTA funding for a 3 year grant to Counsel and Advocacy Law Line in the amount of \$1.35M per year to decrease the amount that the regional legal aid programs are paying to fund CALL, while we conduct a business process analysis and evaluation.
MDHHS - Social Security Disability	576,923	The FY25 budgeted amount is the amount of grants to programs, after subtracting out a 4% administrative fee for MSBF.
Civil Justice System Access and Legal Self-Help	650,000	Legal Self-Help funds are specifically designated for support of the Michigan Legal Help website and self-help centers. This includes expenditures for Michigan Legal Help operations in projected amounts of \$650,000 for FY25 and \$650,000 for FY25 from funds received for that purpose.
ATJ Fund - Designated and Statewide Distributions	1,252,000	The ATJ Campaign is a centralized effort and 100% of funds raised for operations are distributed to the legal aid organizations participating in the campaign.
ATJ Fund - Grants (Designated Endowments)	120,000	This amount is based on the assumption that all programs eligible for an endowment distribution of up to 5%, elect to receive their distribution.
MSHDA Eviction Diversion Program	1,160,000	Estimated expenses for 4th Quarter 2024. Funding ends December 31, 2024.
Unemployment Funding	480,769	Amount to be disbursed to programs, minus administrative costs.
Franck Fund	10,000	The Michael Franck Fund for Professional Responsibility was established in June, 1994. This is an estimate of potential grants awarded.
Special Grants	10,000	Currently estimating \$10K for LJAP
TOTAL GRANTS	\$12,929,692	

CAPITAL EXPENDITURES

TYPE	2025 Budget	EXPLANATION
Computer Hardware	\$12,000	Laptop costs for three replacements and three new staff members.
Computer Software	20,000	New accounting software implementation costs.
TOTAL CAPITAL EXPENDITURES	\$32,000	