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# Budget Vision & Approach

# Chief Financial Officer's Message

The Law Society's financial position was stable over the course of the pandemic due to a proactive strategy to re-capture costs from the outset of the pandemic. These efforts resulted in a strong financial position for the organization which resulted in the reduction of the annual active practice fee by 10% in 2021 (or \$260 per active Alberta lawyer), from \$2,600 to \$2,340. The reduced practice fee was maintained in 2022.

Moving into 2023, the budget assumes a full return to regular business and a shift away from the proactive strategy to recapture costs to mitigate the impact of the pandemic. Budget 2023 planning focused on incorporating efficiencies identified through the pandemic and considering the short, medium, and long term operational and strategic goals and balancing that against the Law Society's long term financial sustainability.

Expenses within the budget have increased by almost \$2.5 million (or 7.7%) compared to the 2022 budget. The Law Society, like many organizations, is experiencing cost increases due to a significant 7% increase in the inflation rate. As a result, market trends are increasing costs in the areas of Human Resources, IT related costs, and professional fee increases. The Law Society also continues to experience increasing complexity in our regulatory work, resulting in increased demands of Law Society resources within both the Regulatory and Lawyer Support services areas.

In addition, Budget 2023 anticipates an increase in active lawyers by 2% in 2023 for a total of 10,980, an increase in inactive lawyers by 1.4% for a total of 2,320, and an increase in part-time lawyers by 10% for a total of 380. This results in an overall total of 13,680 lawyers in 2023 including active, inactive, and part-time, which is a 2.14% increase compared to 2022 (13,394 in 2022). The increase in lawyers regulated by the Law Society results in an increase in the number of transactions and support provided to the profession.

Budget 2023 contemplates investment in capital funds including implementation of a new financial system, Business Central, for the Law Society, implementation of a new Continuing Professional Development (CPD) program, Time Management, and a number of Membership System application changes. There are also updates required for the Law Society's technology and infrastructure systems to proactively mitigate the risks associated with outdated systems, and cyber security.

Budget 2023, as approved, ensures that the Law Society's Contingency Reserves balance remains in a strong position, and above the maximum target within the Contingency Reserves Policy.

**Nadine Meade**  
*Chief Financial Officer*

# Audit and Finance Committee Chair's Message

The Audit and Finance Committee's role in recommending the budget to the Law Society Board (the 'Benchers') is an important one. During the budget process, the Audit and Finance Committee considered the resources required to meet both the Law Society's core missions and goals within the Strategic Plan, while respecting the mandate of the Benchers, which is to protect the public interest.

While costs to run the organization are increasing due to inflationary rates surpassing what has been experienced in many years, the proposed practice fee increase of \$150 per active lawyer is below inflation, and also below the historical practice fees paid by active lawyers from 2017 to 2020. The Law Society continues to invest in infrastructure and operations while ensuring the costs required to accomplish the strategic objectives are reasonable and financially sustainable.

The Benchers approved a Contingency Reserves Policy in February 2020, and its purpose is to provide financial stability for the organization while mitigating risk for unbudgeted operating requirements and capital projects that would otherwise cause fluctuations in the operating budget. Budget 2023 proposes to apply \$1.1 million of the Contingency Reserves to fund the operating deficit and to offset a larger than proposed increase to the practice fee.

Budget 2023 achieves the balance of meeting the organization's operational requirements and funding the goals within the Law Society's Strategic Plan, while considering the long-term financial sustainability of the organization.

**Jim Lutz, KC**  
*Audit and Finance Committee Chair*

# Budget Oversight



# Budget Process and Timeline

## July 2022

- Funding application templates distributed to external organizations
- Budget templates distributed to managers



## September 2022

- Funding applications due from external organizations
- ELT review of department budgets and plans
- Presentation of Budget Assumptions
- Development of draft budget



## November 2022

- Special Benchers budget meeting



## August 2022

- Departmental budgets and resource plans due



## October 2022

- Presentation of draft budget to the Audit and Finance Committee



## December 2022

- Approval of budget by Benchers



# Strategic Goals

The 2020 – 2024 Strategic Plan provides direction and focus to the Benchers and the entire organization, including a framework for decision making, resource allocation and priority setting.



## Innovation & Proactive Regulation

The Law Society regulates the legal profession in a manner that is innovative, proactive, transparent and proportionate.



## Competence & Wellness

The Law Society promotes a broad concept of competency and wellness in the legal profession.



## Access

The Law Society promotes affordability of legal services and removes regulatory barriers to access where reasonable and appropriate.



## Equity, Diversity & Inclusion

The Law Society leads the profession to increase cultural competency and promotes a profession that is representative of the public it serves.



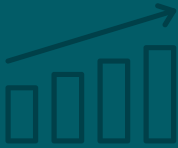
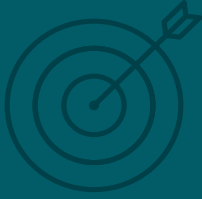
# Statement of Regulatory Objectives

The core purpose of the Law Society of Alberta is to regulate the profession in the public interest.

The Law Society views its core purpose as an active obligation and duty to uphold and protect the public interest in the delivery of legal services. The public interest, as it applies to the work of the Law Society, will be upheld and protected through the following regulatory objectives:

- a** › Protect those who use legal services;
- b** › Promote the independence of the legal profession, the administration of justice and the rule of law;
- c** › Create and promote required standards for the ethical and competent delivery of legal services and enforce compliance with those standards in a manner that is fair, transparent, efficient, proactive, proportionate and principled;
- d** › Promote access to legal services; and
- e** › Promote equity, diversity and inclusion in the legal profession and in the delivery of legal services.

The Law Society will have regard for these regulatory objectives when discharging its regulatory functions.



# Budget at a Glance



# Budget Structure

## The Law Society budget includes three operating funds and a capital budget:

The **General Fund**, which covers the general operating costs of the regulatory function and other work of the Law Society;

The **Assurance Fund**, which covers the costs of compensating clients and others who are the victims of trust defalcations occurring prior to July 1, 2014. In addition, as approved by the Benchers in early 2021, the Assurance Fund is also now a fund of last resort for trust defalcation claims occurring after July 1, 2014;

The **Viscount Bennett Fund**, a legacy fund, the income from which funds scholarships for law graduates, articling students, and Alberta lawyers pursuing post-graduate legal studies; and

The **Capital Budget**, which funds investments in assets with an economic life over one year including business technology items and improvements to leased premises;

## In discussing the budget structure, we refer to:

**Budget 2023** - which means the fiscal year beginning January 1, 2023 and ending December 31, 2023; and

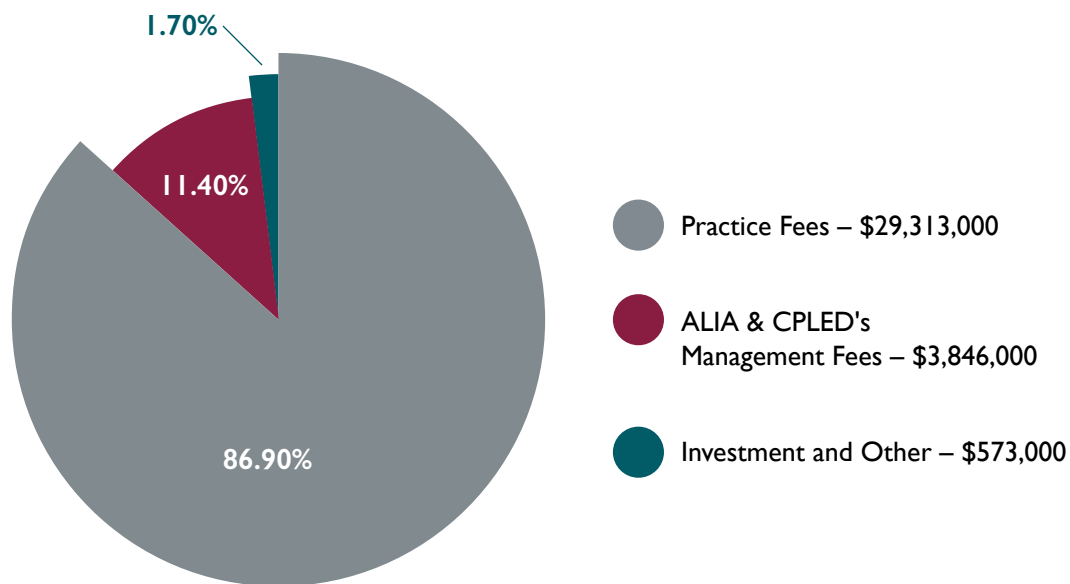
**Budget 2022** - which means the fiscal year beginning January 1, 2022 and ending December 31, 2022; and

**Forecast 2022** - which is the forecast of revenue and expenses for the fiscal year beginning January 1, 2022 and ending December 31, 2022, based on management's current estimate of anticipated results to December 31, 2022.

# Operating Revenues and Expenditures

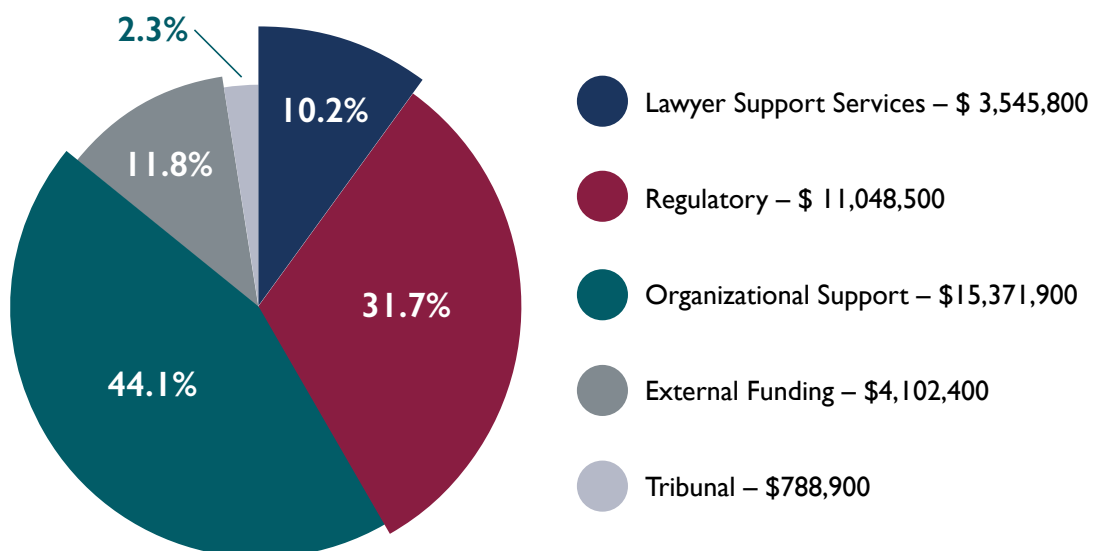
## How is the budget funded?

\$33,732,000



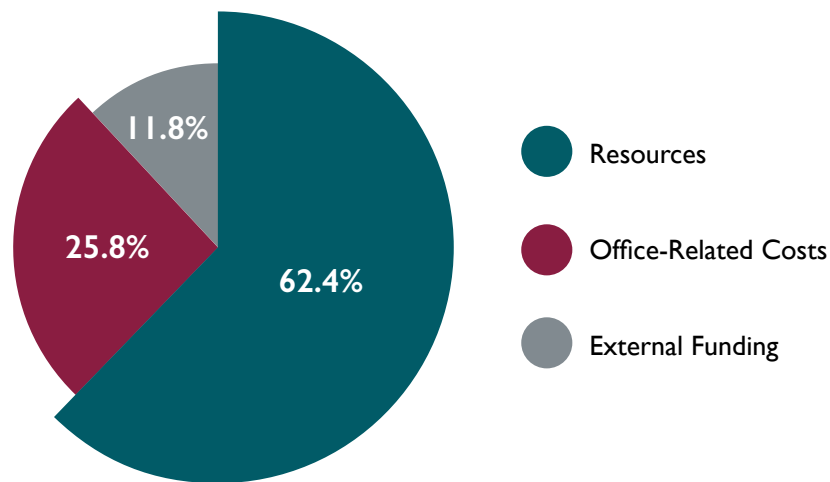
## Where is the budget spent?

\$34,857,500

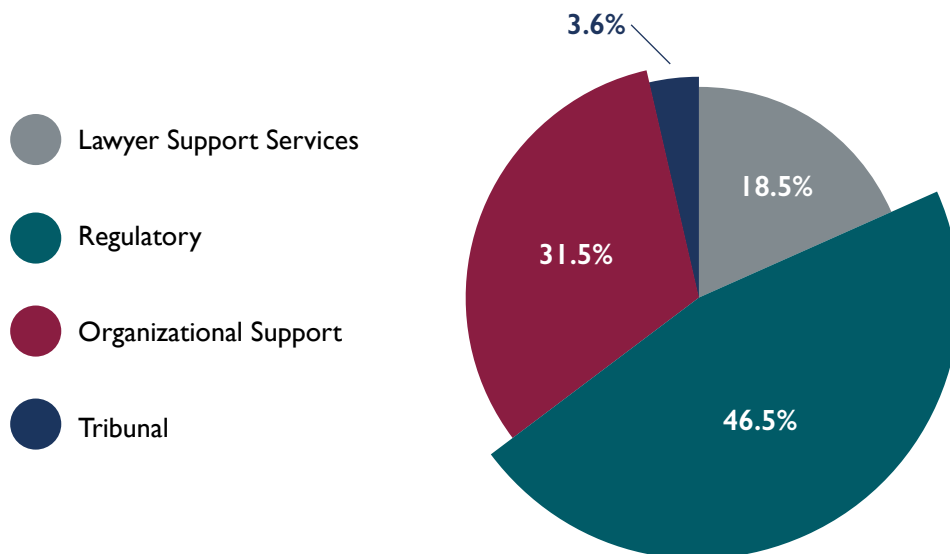


# Budget Breakdown

## Budget Breakdown by Expenses



## Full Time Employees by Organizational Area



# Key Budget Highlights



**Back to  
regular business**

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Additional

**5**  
FTEs

---

**Practice Fee**  
increase of

**\$150**

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Increase in  
lawyers by

**2.14%**



**Inflationary  
considerations**

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**CPD**  
Implementation

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**Market  
driven staff  
compensation**

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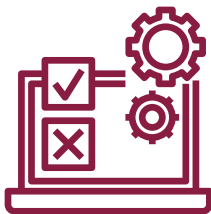


**Increased  
Regulatory  
complexities**

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**Custodianship  
cost increases**

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**Capital investment in  
systems, applications  
and projects**

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# Budget Assumptions

The 2023 budget assumes a full return to regular business and a shift away from the proactive strategy to recapture costs to mitigate the impact of the pandemic. Budget 2023 planning focused on incorporating efficiencies identified through the pandemic and considering the short, medium, and long term operational and strategic goals and balancing that against the Law Society's long term financial sustainability. The following is a summary of the assumptions:

- Increase in the practice fee by \$150
- Increase in staff resources by net 5 FTEs
- Market driven staff compensation. Increases are based on an organization-wide performance review process and current market trends, which are experiencing Human Resources cost increases due to significant increases in the inflation rate.
- Return to required staff business travel and in-person events
- No increase in CPLED student subsidy of \$2,600 per student and no waiving of the interest for the loan re-payment due in 2023
- Increase in active lawyers by 2% to 10,980, increase in inactive lawyers by 1.4% to 2,320, and an increase in part-time lawyers by 10% to 380.
- Market trends, due to inflation increases, are also impacting costs such as professional fees and IT related costs
- Increase in custodianship costs
- Increased regulatory complexity
- Focus on systems and improved processes including Lawyer Referral Service
- Implementation of the CPD program
- Capital funding for Transforming Us/Finance System, Education, and Business Equipment
- Unrealized gains or losses on changes in the market value of investments related to the Assurance and Viscount Bennett funds have not been budgeted for as these amounts are not possible to predict and are non-cash items by nature.
- The Assurance Fund budget reflects no provision for claims

# Fund Budgets

## General Fund

For the year ending December 31, 2023

	2023 Budget	2022 Forecast	2022 Budget	Variance 2023 Budget to 2022 Budget	Variance 2023 Budget to 2022 Forecast	Variance 2022 Forecast to 2022 Budget
<b>Revenue</b>						
Practice fees	\$29,313,000	\$27,395,400	\$27,305,000	\$2,008,000	\$1,917,600	\$90,400
Management fee	3,846,000	3,560,000	3,663,600	182,400	286,000	(103,600)
Investment income	200,000	9,100	140,000	60,000	190,900	(130,900)
Recovered costs	100,000	100,200	100,000	-	(200)	200
Other	273,000	298,400	296,000	(23,000)	(25,400)	2,400
<b>Total revenue</b>	<b>33,732,000</b>	<b>31,363,100</b>	<b>31,504,600</b>	<b>2,227,400</b>	<b>2,368,900</b>	<b>(141,500)</b>
<b>Expenses</b>						
Regulatory	11,048,500	10,291,700	10,708,655	339,845	756,800	(416,955)
Lawyer Support Services	3,545,800	3,055,100	3,125,150	420,650	490,700	(70,050)
Organizational Support	15,371,900	12,716,000	13,509,690	1,862,210	2,655,900	(793,690)
Tribunals Office	788,900	693,200	756,000	32,900	95,700	(62,800)
External Funding	4,102,400	4,164,700	4,268,075	(165,675)	(62,300)	(103,375)
<b>Total expenses</b>	<b>34,857,500</b>	<b>30,920,700</b>	<b>32,367,570</b>	<b>2,489,930</b>	<b>3,936,800</b>	<b>(1,446,870)</b>
<b>Surplus (Deficit)</b>	<b>(1,125,500)</b>	<b>442,400</b>	<b>(862,970)</b>	<b>(262,530)</b>	<b>(1,567,900)</b>	<b>1,305,370</b>



# Assurance Fund

For the year ending December 31, 2023

	2023 Budget	2022 Forecast	2022 Budget	Variance 2023 Budget to 2022 Budget	Variance 2023 Budget to 2022 Forecast	Variance 2022 Forecast to 2022 Budget
<b>Revenue</b>						
Investment income	271,000	(880,100)	282,000	(11,000)	1,151,100	(1,162,100)
<b>Expenses</b>						
Organizational support	42,800	40,300	42,400	400	2,500	(2,100)
Administration	84,000	84,000	84,000	-	-	-
Total expenses	126,800	124,300	126,400	400	2,500	(2,100)
<b>Net Income (loss)</b>	<b>144,200</b>	<b>(1,004,400)</b>	<b>155,600</b>	<b>(11,400)</b>	<b>1,148,600</b>	<b>(1,160,000)</b>

# Viscount Bennett Fund

For the year ending December 31, 2023

	2023 Budget	2022 Forecast	2022 Budget	Variance 2023 Budget to 2022 Budget	Variance 2023 Budget to 2022 Forecast	Variance 2022 Forecast to 2022 Budget
<b>Revenue</b>						
Investment income	76,000	(224,800)	77,000	(1,000)	300,800	(301,800)
<b>Expenses</b>						
Organizational support	5,000	5,100	5,200	(200)	(100)	(100)
Scholarships	60,000	60,000	60,000	-	-	-
Total expenses	65,000	65,100	65,200	(200)	(100)	(100)
<b>Net Income (loss)</b>	<b>11,000</b>	<b>(289,900)</b>	<b>11,800</b>	<b>(800)</b>	<b>300,900</b>	<b>(301,700)</b>

# Capital Fund

For the year ending December 31, 2023

	Budget 2023	Forecast 2022	Budget 2022
<b>Business Systems and Technology</b>			
E-Business	150,000	25,000	50,000
Enterprise Content Management	395,000	250,000	250,000
Equipment refresh and upgrades	215,000	130,000	125,000
Time Management	105,000	-	-
Litigation Management	110,000	-	-
eSignature Solution	10,500	-	-
Business continuity and security	-	125,000	125,000
	985,500	530,000	550,000
<b>Transforming Us project/Finance System</b>	300,000	130,000	2,000,000
<b>Education</b>	350,000	150,000	150,000
<b>Adjudicator training program</b>	50,000	30,000	30,000
<b>Furniture/Leaseholds</b>	150,000	3,000	-
	<b>\$1,835,500</b>	<b>\$843,000</b>	<b>\$2,730,000</b>

# Capital Fund Details

The Law Society invests in business systems, technology infrastructure, and programs to support the delivery of effective and efficient services. A description of the 2023 capital budget planned spending is provided below. Revenue included in the proposed budget also funds the annual capital expenditures and the cost of capital assets (items such as computer equipment and improvements to our leased premises) are amortized to operating expenses over the useful life of the asset category. For example, leasehold improvements are expensed evenly over the term of the premises lease. The capital assets of the Law Society also support the operations of ALIA and CPLED including housing the ALIA and CPLED staff. The Law Society charges ALIA and CPLED management fees to recover a portion of the amortized cost of such assets as well as a portion of rent and other overhead costs.

## Business Systems and Technology

### E-Business

Most E-Business activities will take place within the Transforming Us program. A small number of business-critical developments and integrations will be required on existing regulatory and financial systems.

### Enterprise Content Management

In recent years, the Law Society undertook a review of Enterprise Content Management (ECM) across the organization. This work led to the production of an information management roadmap. The roadmap provides guidance in respect of systems, processes, legal, regulatory and business requirements to provide an effective enterprise-wide information management and content management environment. During 2023, the tasks identified within the roadmap will take place. Implementing information management and content management as a multi-year endeavor, permits operational units an opportunity to review, develop, and redesign existing processes, to leverage the move to ECM to test new workflows and to determine where additional business process automation would enhance timeliness and efficiency while streamlining existing processes.

### Equipment refresh and upgrades

Routine refresh and upgrades to network servers, workstations, and mobile devices in accordance with our lifecycle replacement plan.

### Time Management

The business has identified a set of requirements to capture, record, analyze and report on staff time spent on litigation matters and to link this data to our regulatory and financial management systems to enable litigation costs to be recorded, understood, and potentially recovered. This project will implement a solution to meet these requirements.

### Litigation Management

ALIA has identified a requirement to implement a litigation management tool to support their recently formed litigation team. It is likely that this tool will also offer Law Society litigators valuable functionality. This project will implement a solution to meet these requirements.

### eSignature Solution

The provision of an eSignature solution will allow staff from across the Law Society and ALIA to securely review, sign and exchange files with a wide range of stakeholders supporting effective and efficient business processes.

# Capital Fund Details

## Transforming Us Project/ Finance System

During 2023 the Transforming Us project will continue with the implementation of Microsoft Dynamics Business Central as our financial management tool. The project will require a set of contractors providing resources and skills not available internally.

Looking forward to 2024 we will review business processes across the Law Society and ALIA and consider how best to improve and simplify the user experience for the profession. We will also test the market through a request for proposal process. The recommendations made from this process will be used to build a 2025 capital project to implement core membership and subscriber management systems. This project, when complete, will provide the Law Society and ALIA with a set of core business systems developed with long term sustainability in mind.

## Education

2022 saw the implementation of mandatory principal training and the development of the Professional Development Profile. In 2023 the focus of the Education Department will be on implementing a new CPD program and tool in alignment with the competence goals of the Strategic Plan. If appropriate resources are in place, the First Three Years Program will also be developed in 2023.

## Adjudicator Training Program

Development of online training materials for the expanded pool of adjudicators occurred in 2016. Enhancements to the online adjudicator training materials will be required in 2023 to add to the online resources, necessitating capital resources to prepare the material for continued use.

## Furniture/Leaseholds

During 2023 updates to office space to accommodate changing department and operational requirements may be necessary. These changes include improvements to floor access, configuration and security systems.

# Management Fees

The 2023 General Fund budget includes management fee revenue totaling \$3,846,000 for a 5% increase over the prior year (2022 - \$3,663,600). The management fee recovers costs related to infrastructure, facilities and services provided to ALIA, the Assurance Fund and CPLED.

## **ALIA - \$3,282,000 (2022 - \$3,124,800)**


The Law Society provides infrastructure, services and facilities to its wholly-owned subsidiary, ALIA, including office space, Accounting, Applications and Information Management, Customer Service, Membership, Human Resources and Governance support. The cost of this infrastructure, services and facilities are recovered through the management fee based on approximations of ALIA's use. The fee also includes a provision for loss prevention services provided to the indemnity program through the Law Society's Practice Advisors, Early Intervention and Practice Management programs. Management believes that based on a detailed analysis of services provided and associated costs the fee fairly represents the cost if sourced independently. The management fee is accounted for in the budgeted operating costs of ALIA and is factored into the determination of the annual levy paid by subscribers. The management fee has increased from 2022 by \$157,200 (5%) due to an increase in Law Society expenses as a result of assumptions made within this budget.

## **Assurance Fund - \$84,000 (2022 - \$84,000)**

The cost of the Law Society's Investigations team is budgeted in the General Fund and a portion of the teams' time is spent investigating and adjudicating trust misappropriation claims. Consequently, the General Fund budget includes management fee revenue charged to the Assurance Fund to recover the estimated portion of investigation costs dedicated to misappropriation claims. A corresponding amount is reflected in the Assurance Fund operating expense budget entitled "Administration". While we have worked effectively over the last few years to wind down the Assurance Fund claims, the requirement to maintain the Assurance Fund comes from the *Legal Profession Act*.

## **CPLED - \$480,000 (2022 - \$454,800)**

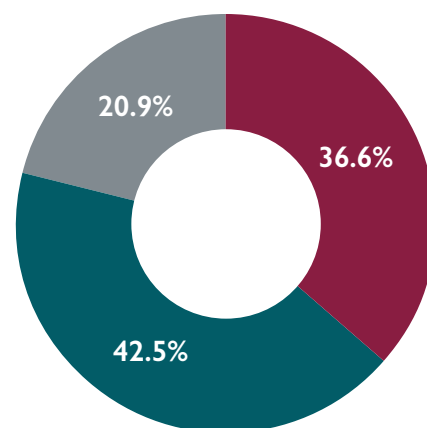
The Law Society provides infrastructure, services and facilities to CPLED including office space, Accounting, Application and Information Management, Human Resources and Customer Service support. The cost of the infrastructure, services and facilities are recovered through the management fee based on an approximation of use of these services by CPLED. The management fee has increased from 2022 by \$25,200 (5.5%) due to an increase in Law Society expenses as a result of assumptions made within this budget.



# Expense Breakdown by Organizational Area

# Lawyer Support Services

The Lawyer Support Services area includes the Membership, Practice Advisors, and Education teams. They proactively assist Alberta lawyers with ethical and competent delivery of legal services through direct communication, resources and programming.



Education	Membership	Practice Advisors
<ul style="list-style-type: none"> <li>• Development of the new CPD program and improvements to articling.</li> <li>• Focus on enhancing mentorship opportunities within the profession and enhancing expertise on legal technology.</li> <li>• Includes the office of the Indigenous Initiatives Counsel and EDI.</li> </ul>	<ul style="list-style-type: none"> <li>• Administers applications for students-at-law, enrolment and reinstatement of lawyers, inter-jurisdictional transfers, professional corporations and limited liability partnerships.</li> <li>• Provides customer service including inquiries regarding lawyer status, address changes, certificates of standing, and membership renewals.</li> <li>• Processes annual membership and indemnity renewals.</li> <li>• Provides support to ALIA and CPLED</li> </ul>	<ul style="list-style-type: none"> <li>• Provides confidential advice to Alberta lawyers with respect to ethical, practice management, and stress-of-practice issues.</li> </ul>

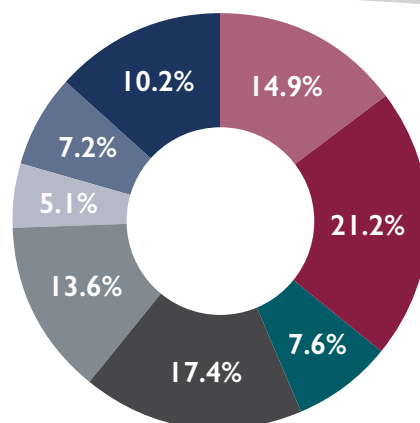


# Lawyer Support Services

	2023 Budget	2022 Forecast	2022 Budget	Variance 2023 Budget to 2022 Budget	Variance 2023 Budget to 2022 Forecast	Variance 2022 Forecast to 2022 Budget
Salaries, Benefits, Contractors	3,422,600	3,003,900	2,998,600	424,000	418,700	5,300
Professional Development, Travel, Dues	90,800	39,200	71,550	19,250	51,600	(32,350)
Education Initiatives	22,400	2,000	45,000	(22,600)	20,400	(43,000)
Membership Initiatives	10,000	10,000	10,000	-	-	-
	<b>3,545,800</b>	<b>3,055,100</b>	<b>3,125,150</b>	<b>420,650</b>	<b>490,700</b>	<b>(70,050)</b>

# Regulatory

The Regulatory area includes the Conduct, Counsel, Custodianships, Early Intervention, Investigations, Policy, Practice Management and Trust Safety teams. These groups enforce requirements and standards for the profession with the core purpose of upholding and protecting the public interest.



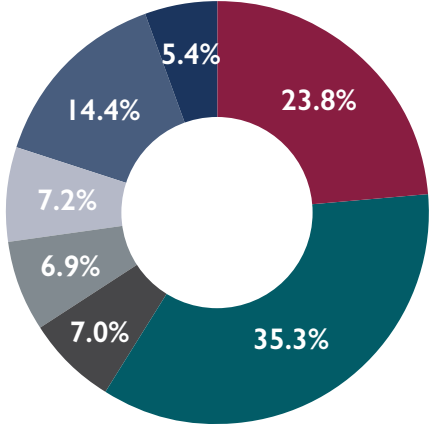
Conduct	Custodianships	Investigations	Practice Management
<ul style="list-style-type: none"> <li>Reviews, resolves, (where possible), and investigates complaints and refers matters to Practice Management.</li> </ul>	<ul style="list-style-type: none"> <li>Protects members of the public in the event their lawyer is unable or not allowed to continue the practice of law.</li> <li>Engages contract custodians to assume control of lawyers' practices when required.</li> <li>Conducts custodianships in house where possible.</li> <li>Retains and manages the records and client files of lawyers' practices subject to custodianships.</li> </ul>	<ul style="list-style-type: none"> <li>Provides investigative services to Counsel, Conduct, Membership (new applicants and principals), Early Intervention, and Trust Safety departments.</li> <li>Investigates Misappropriation Indemnity claims in the ALIA program.</li> </ul>	<ul style="list-style-type: none"> <li>Conduct practice assessments and oversee conditions imposed on lawyers practices. Provide practice management supports and tools to lawyers.</li> </ul>
Counsel		Policy	Trust Safety
<ul style="list-style-type: none"> <li>Acts as Counsel for the Law Society in conduct hearings, appeals and other adjudicated matters.</li> <li>Provides legal advice internally to other departments.</li> <li>Represents the Law Society before the Courts.</li> </ul>		<ul style="list-style-type: none"> <li>Undertakes the policy work of the Law Society including maintenance of the policy development inventory which sets out the Bencher priorities on strategic goals, processes, and potential policy projects.</li> <li>Maintenance of the administrative policy inventory which sets out administrative policy projects; and monitoring of the local, national, and international regulatory environment to identify potential policy issues, questions, and future policy projects to further the strategic goals of the Law Society.</li> </ul>	<ul style="list-style-type: none"> <li>Supports lawyers in the proper management of client trust accounts.</li> <li>Administers, reviews, and analyzes annual trust filings from Responsible Lawyers.</li> <li>Through an outsourced service provider (PwC), analyzes trust transaction data.</li> <li>Approves and administers the designation of Responsible Lawyers and provides ongoing education and training opportunities for Responsible Lawyers.</li> <li>Conducts trust audits as required.</li> </ul>
	Early Intervention		
	<ul style="list-style-type: none"> <li>Manages intake and triage of information received about a lawyer to the appropriate department.</li> <li>Develops and delivers programs that identify practitioners in risky situations and streams them into remedial programs before more serious conduct situations arise.</li> <li>Directly supports loss prevention initiatives undertaken by ALIA.</li> </ul>		

# Regulatory

	2023 Budget	2022 Forecast	2022 Budget	Variance 2023 Budget to 2022 Budget	Variance 2023 Budget to 2022 Forecast	Variance 2022 Forecast to 2022 Budget
Salaries, Benefits, Contractors	10,115,000	9,322,000	9,705,300	409,700	793,000	(383,300)
Professional Development, Travel, Dues	234,100	131,900	262,355	(28,255)	102,200	(130,455)
Custodianships	446,000	643,700	438,500	7,500	(197,700)	205,200
E & O Defence Costs	100,000	100,200	100,000	-	(200)	200
Independent Counsel	100,000	50,000	156,000	(56,000)	50,000	(106,000)
Hearings and Investigations	53,400	43,900	46,500	6,900	9,500	(2,600)
	<b>11,048,500</b>	<b>10,291,700</b>	<b>10,708,655</b>	<b>339,845</b>	<b>756,800</b>	<b>(416,955)</b>

# Organizational Support

The organizational support area includes Applications & Information Management, Communications, Customer & Office Services, Finance & Accounting, Governance, and Human Resources. They provide the necessary support to carry out all regulatory, Board and lawyer support functions, as well as additional support for ALIA and CPLED. This area also includes general corporate and overhead costs.



<p><b>Corporate Costs</b></p> <ul style="list-style-type: none"> <li>Amortization expenses account for the cost of long-term capital assets (i.e. business equipment) over the lifetime of its use.</li> <li>General corporate costs include professional fees such as audit, banking and investment, Defined Benefit pension costs, as well as corporate insurance.</li> <li>Premises operating costs includes the rent expense for the Law Society office as well as property insurance.</li> </ul>	<p><b>Applications and Information Management</b></p> <ul style="list-style-type: none"> <li>Securely manages all the information, in physical and electronic form, that is collected and generated by the organization.</li> <li>Designs and maintains the information technology infrastructure including the membership and financial business applications and overall systems including security.</li> <li>Provides project management support.</li> <li>Provides support to ALIA and CPLED.</li> </ul>	<p><b>Customer and Office Services</b></p> <ul style="list-style-type: none"> <li>Frontline contact for the organization.</li> <li>Manages office premises and meeting facilities.</li> <li>Operates the document production facility.</li> <li>Provides support to ALIA and CPLED.</li> </ul>	<p><b>Governance</b></p> <ul style="list-style-type: none"> <li>Contains the offices of the Executive Director and the Deputy Executive Director.</li> <li>Provides governance support and services to the Benchers, the ALIA Board and the committees of both boards.</li> </ul>
	<p><b>Communications</b></p> <ul style="list-style-type: none"> <li>Develops communications tools and techniques to inform key external and internal stakeholders.</li> <li>Provides strategic communications advice to the Benchers and Law Society management.</li> </ul>	<p><b>Finance and Accounting</b></p> <ul style="list-style-type: none"> <li>Provides financial management, reporting, budgeting, payroll, and cash management services to the Law Society, ALIA and CPLED.</li> </ul>	<p><b>Human Resources</b></p> <ul style="list-style-type: none"> <li>Provides advice and guidance in the effective recruitment and retention of employees.</li> <li>Provides support to ALIA and CPLED.</li> </ul>

# Organizational Support

	2023 Budget	2022 Forecast	2022 Budget	Variance 2023 Budget to 2022 Budget	Variance 2023 Budget to 2022 Forecast	Variance 2022 Forecast to 2022 Budget
Salaries, Benefits, Contractors	6,171,600	5,341,000	5,508,100	663,500	830,600	(21,400)
Professional Development, Travel, Dues	485,200	328,400	460,850	24,350	156,800	(82,850)
Premises, Corporate, Amortization	3,653,600	2,978,100	3,306,900	346,700	675,500	(328,800)
Software and IT Related Costs	3,892,400	3,376,800	3,297,600	594,800	515,600	(70,500)
Governance	600,200	387,900	487,440	112,760	212,300	(99,540)
Communications Initiatives	368,900	103,800	238,200	130,700	265,100	(134,400)
HR Recruitment	200,000	200,000	210,600	(10,600)	-	(10,600)
	<b>15,371,900</b>	<b>12,716,000</b>	<b>13,509,690</b>	<b>1,862,210</b>	<b>2,655,900</b>	<b>(748,090)</b>

# Tribunal Office

The Tribunal Office independently coordinates and oversees the Law Society's regulatory hearings. Independent adjudicators, including Benchers and both appointed lawyers and members of the public, ensure that proceedings are fair and conducted in the public interest.

## Tribunal Office

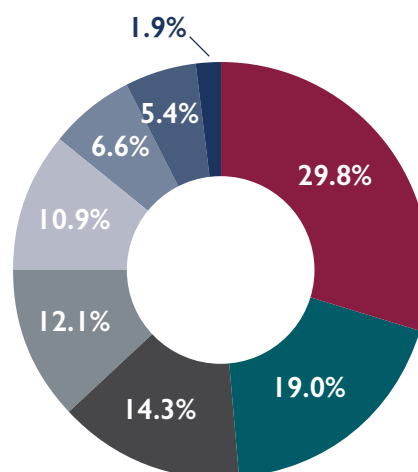
- Provides independent advice and support to the adjudicators.
- Ensures that hearings are impartial and conducted in a manner that is timely, fair and transparent.
- Manages the hearing process, including scheduling pre-hearing conferences, hearings and complaint dismissal appeals.
- Manages privacy

# Tribunal Office

	2023 Budget	2022 Forecast	2022 Budget	Variance 2023 Budget to 2022 Budget	Variance 2023 Budget to 2022 Forecast	Variance 2022 Forecast to 2022 Budget
Salaries, Benefits, Contractors	619,900	598,600	606,500	13,400	21,300	(7,900)
Professional Development, Travel, Dues	14,000	6,400	14,000	-	7,600	(7,600)
Hearing and Adjudications	155,000	88,200	135,500	19,500	66,800	(47,300)
	<b>788,900</b>	<b>693,200</b>	<b>756,000</b>	<b>32,900</b>	<b>95,700</b>	<b>(62,800)</b>

# External Funding

The Law Society provides external funding to organizations that support Alberta lawyers including Alberta Law Review, Alberta Law Libraries, Assist, CanLII, CPLED, Federation of Law Society of Canada, Legal Archives Society of Alberta and Pro Bono Law Alberta.



## CPLED

CPLED delivers the bar admission program for law students before being called to the Bar. Funding includes a per student tuition subsidy to reduce the costs to law students.

## Alberta Law Libraries

Alberta Law Libraries is a provincial network of law libraries existing to provide research support and information services to the legal community.

## Assist

Assist enhances the immediate and long-term well-being of Alberta lawyers, articling and law students, and their families, through confidential psychological assistance, peer support, education and community.

## Pro Bono Law Alberta

Pro Bono Law Alberta (PBLA) works to engage the legal community and leverage their skills and resources in pro bono services that facilitate access to justice for Albertans.

## CanLII

CanLII is an on-line research portal providing access to legal information for Alberta lawyers.

## Federation of Law Societies of Canada

Federation of Law Societies of Canada (FLSC) membership fees funds the national coordinating body whose mandate is to promote development of national standards and to undertake national initiatives.

## Legal Archives Society of Alberta

Legal Archives Society of Alberta (LASA) is dedicated to preserving, promoting, and understanding the evolution of law and society in Alberta by establishing and preserving a complete and accurate historical record of the legal profession and judiciary in Alberta.

## Alberta Law Review

Alberta Law Review enables legal practitioners to stay informed of new developments in legislation and jurisprudence by promoting legal research and scholarship and providing a forum for the discussion of contemporary legal issues.



# External Funding

	2023 Budget	2022 Forecast	2022 Budget	Variance 2023 Budget to 2022 Budget	Variance 2023 Budget to 2022 Forecast	Variance 2022 Forecast to 2022 Budget
CPLED costs	1,223,800	1,323,400	1,427,400	(203,600)	(99,600)	(104,000)
Alberta Law Libraries	779,300	749,300	749,275	30,025	30,000	25
ASSIST	585,000	693,200	693,000	(108,000)	(108,200)	200
PBLA	498,300	421,200	421,000	77,300	77,100	200
CanLII	448,000	436,900	436,000	12,000	11,100	900
FLSC	270,000	255,500	256,400	13,600	14,500	(900)
LASA	220,000	215,200	215,000	5,000	4,800	200
Alberta Law Review	78,000	70,000	70,000	8,000	8,000	-
	<b>4,102,400</b>	<b>4,164,700</b>	<b>4,268,075</b>	<b>(165,675)</b>	<b>(62,300)</b>	<b>(103,375)</b>



# Practice Fee



# Practice Fee

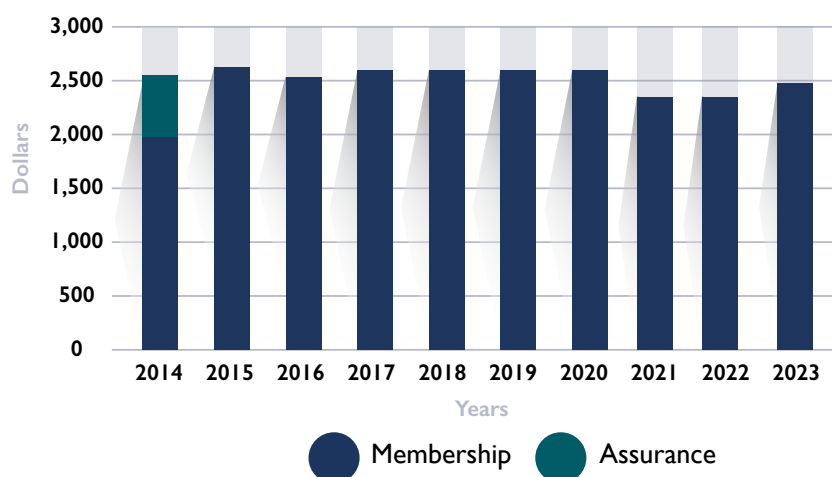
The Law Society's financial position was stable over the course of the pandemic due to a proactive strategy to re-capture costs from the outset of the pandemic. These efforts resulted in a strong financial position for the organization which resulted in the reduction of the annual active practice fee by 10% in 2021 (or \$260 per active Alberta lawyer), from \$2,600 to \$2,340. The reduced practice fee was maintained in 2022.

Budget 2023 was approved by the Benchers with an increase in the annual 2023 practice fee of \$150 to \$2,490 compared to the 2022 practice fee of \$2,340. The Law Society is experiencing an increase in costs due mainly to inflationary factors resulting in higher costs to run the organization. In addition, Budget 2023 assumes full return to regular business including in-person events and work such as Practice Management assessments and Trust Safety audits.

The Law Society's Contingency Reserves Policy states that the target minimum reserves are equal to two months of average annual budgeted operating costs and the maximum is equal to three months. For Budget 2023, the minimum is \$5.8 million and the maximum is \$8.7 million and at the end of 2022 the reserves are forecasted to be approximately \$11 million (please refer to the Practice Fee Sensitivity Analysis in the following page).

Given the Law Society's current reserves position, the Benchers approved applying \$1.1 million of the reserves to fund the deficit budget and to ensure a measured approach to how the Contingency Reserves are managed.

## Practice Fee History



*The Law Society charged an Assurance Fund fee up to and including 2014. Misappropriation claims occurring subsequent to June 30, 2014 are covered through the Misappropriation Indemnity policy administered by ALIA.*

# Fee Schedule

January 1, 2023 to December 31, 2023

	Fee	5% GST	Total
<b>Professional Corporation Fees</b>			
Professional Corporation application fee	470.00	23.50	493.50
Professional Corporation annual renewal fee	220.00	11.00	231.00
<b>Limited Liability Partnership Fees</b>			
Limited Liability Partnership (LLP) registration fee (per partner)	150.00	7.50	157.50
Limited Liability Partnership (LLP) renewal fee (per partner)	90.00	4.50	94.50
<b>Student Fees</b>			
Student application & admission fee (Section 40)	700.00	35.00	735.00
<b>Transfer Fees</b>			
Transfer application & admission fee	1,400.00	70.00	1,470.00
<b>Reinstatement Fees</b>			
Reinstatement, suspended member	900.00	45.00	945.00
Reinstatement, retired Judge	640.00	32.00	672.00
Reinstatement, suspension transaction fee (returning active)	260.00	13.00	273.00
Reinstatement, suspension transaction fee (returning inactive)	110.00	5.50	115.50
Reinstatement, inactive member with matters open	880.00	44.00	924.00
Reinstatement, inactive member with no matters open	450.00	22.50	472.50
Reinstatement, resigned member	1,730.00	86.50	1,816.50
Application for reinstatement, disbarred member	10,920.00	546.00	11,466.00
<b>Trust Safety Late Filing Fees</b>			
Late filing fee - April	250.00	-	250.00
Late filing fee - May	500.00	-	500.00
Late filing fee - June	750.00	-	750.00
<b>Foreign Legal Consultant Fees</b>			
Foreign Legal Consultants initial permit	870.00	43.50	913.50
Foreign Legal Consultants annual renewal	200.00	10.00	210.00
Reinstatement, suspension transaction fee (returning within 3 months)	260.00	13.00	273.00
<b>Document Fees</b>			
Issuing a document	100.00	5.00	105.00
Non-negotiable items returned by the bank	60.00	-	60.00
Certificate of Standing	150.00	7.50	157.50
Notarial Certificates	50.00	2.50	52.50
<b>Annual Fees (effective March 15, 2023)</b>			
Annual fee, active member	2,490.00	124.50	2,614.50
Annual fee, active member practising in Lloydminster, AB and SK	1,245.00	62.25	1,307.25
Annual fee, part-time member	1,245.00	62.25	1,307.25
Annual fee, active member for pro bono services only	230.00	11.50	241.50
Instalment payment admin fee (active status only)	50.00	2.50	52.50
<b>Inactive fee (effective March 15, 2023)</b>			
Annual fee, inactive	230.00	11.50	241.50

# Where the Practice Fee Goes

## \$ 2,490



Lawyer Support Services  
**\$253.29**

LASA  
**\$15.72**




Alberta Law Review  
**\$5.57**



Tribunal  
**\$56.35**

Assist  
**\$41.79**



CanLII  
**\$32.00**



Alberta Law Libraries  
**\$87.42**

Regulatory  
**\$ 789.24**



CPLED  
**\$55.67**



Organizational Support  
**\$1,098.07**

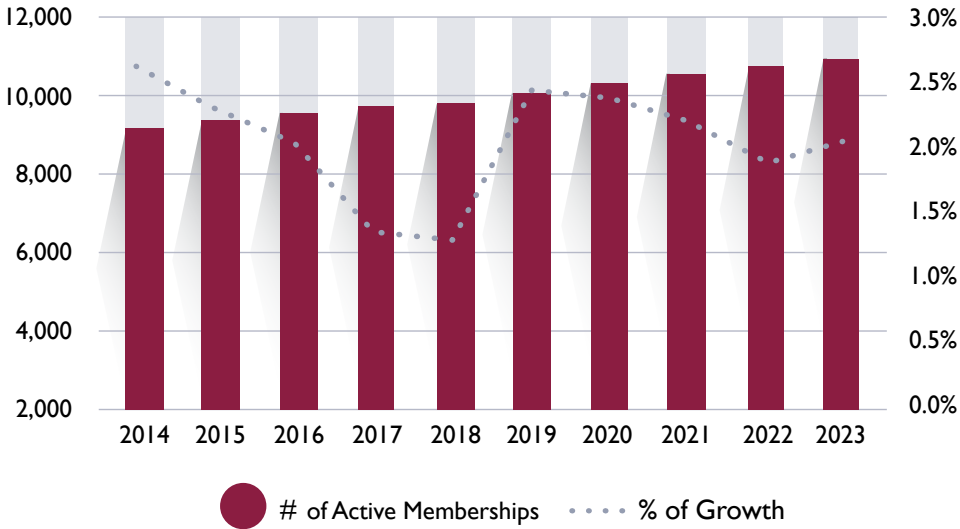
Federation of Law Societies  
**\$19.29**



PBLA  
**\$35.60**

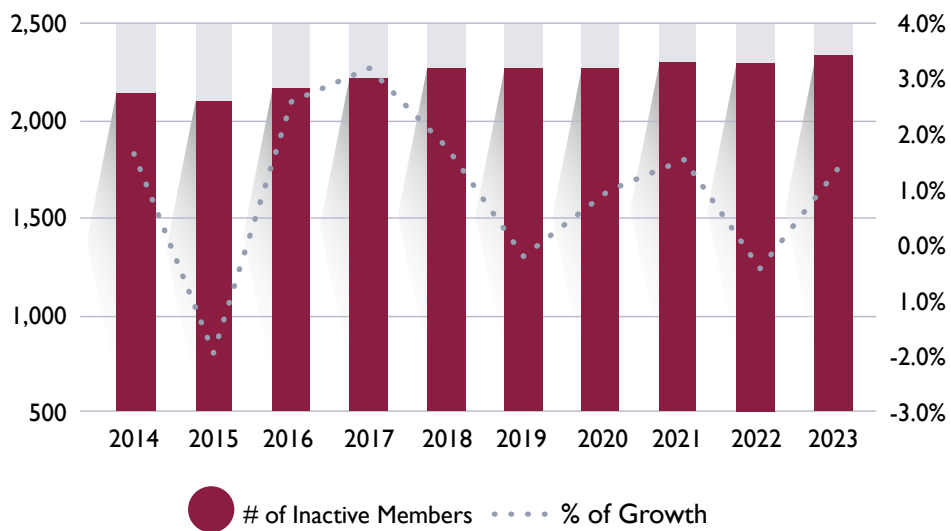
# Our Membership

## Active Membership Growth

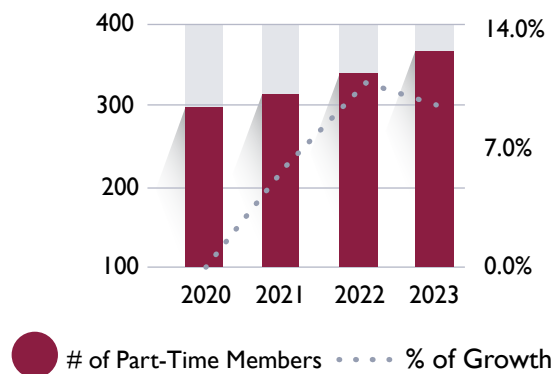


**10,980**  
Current Active Membership

## Inactive Membership Growth



## Part-Time Membership Growth





LAW SOCIETY  
*of* ALBERTA