

2021 Approved Budget

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Budget Overview



Budget Vision & Approach

Message from the CEO

In the development of the 2021 Law Society of Ontario budget, we have focused on balancing the impact of unanticipated challenges with the need to modernize – responses to COVID-19 and ongoing consideration of strategic changes targeted at proportionate regulation.

As we began 2020, the organization was well placed to continue the work of refining our scope and breadth of activity after a period of governance and operational change in 2019. Our objectives for 2020 included a focus on revitalizing our regulatory functions and streamlining processes.

In mid-March 2020 we were required to pivot, along with all organizations around the world, to address the pandemic. Our teams shifted to work at home protocols, and we once again found ourselves recalibrating our focus – this time to support a significant change in managing ongoing workflow in unusual circumstances, and an increase in the provision of new supports to help the public and licensees during this unprecedented time.

As an operations team, we also made difficult short-term decisions about staffing requirements resulting from the practical impacts of COVID-19 provincial emergency state requirements. This included employee lay-offs and terminations of contract employees.

Budget Vision & Approach

Message from the CEO

With indicators that a return to normalcy is still a long way off, the 2021 budget has been developed with a reduction in headcount for the organization. We are mindful of the need to reduce expenses given the ongoing economic situation brought on by the pandemic. However, this action must be balanced with realistic expectations for progression and continuity in business divisions. Removing this headcount from our operations may have an impact on our service levels and completion rates in 2021. We will monitor these impacts carefully and mitigate the decline in our workforce by actively managing policy and operational priorities.

As we managed through the early pandemic situation, the Board was also provided with a series of Recommendations for Strategic Change that focus on proportionate regulation, burden reduction and modernization. Together, the Board and Management have been working through the recommendations to determine if they merit implementation. These are difficult decisions as some are related to programs and regulatory processes that have been in place for a very long time. We will continue to work with the Board to consider the future scope of the Law Society's policies and programs as we proactively modernize our approach.

Budget Vision & Approach

Message from the CEO

The 2021 budget projection reduces the annual fee for lawyers and for paralegals. It balances the need for timely, high-quality operational activity that effectively supports our mandate with the need to maintain an annual fee that is realistic and proportionate to our regulatory purpose. The Law Society continues to have one of the lowest annual fees of law societies across Canada, and that fee is going down for lawyers and paralegals in 2021. While there may be productivity impacts as a result of a decrease in employees, we believe that this budget strikes the right balance for an unprecedented time and will be an effective bridge between the pre- and post-pandemic realities that must still play out for many months or years.

Budget Focus and Development

Message from the CFO

The Law Society entered 2020 in a strong financial position and, with prudent fund balance management policies in place, is positioned to weather the COVID-19 storm in the near to medium term. However, the Society has not escaped the need to take steps to respond to the financial impact of the pandemic. The Law Society took swift action to respond to the situation, implementing work from home protocols and cost containment measures, in particular related to staffing. The 2021 budget will reduce the Society's full time equivalent staffing by 60 or 10%, and includes a salary freeze for fiscal 2021.

Working with management from across the organization, the budget has been developed with a focus on maintaining the stability of the Law Society. The objective of the 2021 budget is to:

- focus on the Law Society's core operations and serving the public, licensees and candidates;
- moderate annual fees for licensees and maintain a zero increase for candidates in the Licensing Processes; and
- maintain the Law Society's strong financial position to ensure we continue to fulfill our mandate to regulate in the public interest and are able to withstand any adverse effects of the pandemic in 2021.

Budget Focus and Development

Message from the CFO

The 2021 budget also takes into account policy decisions arising from the Report on Recommendations for Strategic Change. Reflected in this budget are recommendations that will change the billing status of some licensees and lead to greater efficiency in the Society's administrative suspension processes, including the elimination of late fees for delinquent fee and filing obligations.

This budget will reduce annual fees for licensees, continue the operational focus on proportionate regulation and burden reduction, and decrease the Society's overall spending on operations. It anticipates the resumption of most, if not all, Law Society programs and services. This includes the resumption of normative expenses based on prior year's results, not including the pandemic year of 2020, which is an unreliable benchmark for establishing budget parameters.

With the fund balance of the lawyer pool of the Compensation Fund now above minimum benchmark required under the Law Society's Fund Balance Management Policy, the annual \$5 million levied from lawyers in each the last three years is not required in the 2021 budget.

Budget Focus and Development

Message from the CFO

The fund balance of the paralegal pool of the Compensation Fund is also well funded. The fund balance is two and half times the total grants paid from the fund since its inception in 2008 and there is currently sufficient reserve to pay for several years of average claim activity.

The capital budget incorporates funding for essential information technology and facilities initiatives. Regular investment in technology and its infrastructure is required to mitigate against the risks associated with out of date systems, lack of maintenance and cyber risks. With the Law Society owning a heritage building, maintenance and preservation of the premises, and grounds is costly and complex. To inform capital investment requirements in the building and grounds over the next 10 years, a Facilities Condition Assessment was completed in 2020.

COVID-19 and its impact on Law Society operations, our licensees, candidates, the public and other stakeholders has influenced the 2021 budget. The uncertain trajectory of the pandemic poses a unique challenge as the Law Society looks to balance financial stability with being responsive to licensees, candidates and the public.

Key Budget Highlights

- Underlying budget development is the unknown impact of COVID-19 into 2021. Budget projections, in particular on the Law Society's revenue streams, are based on available information, data and experience at the time of development. The maintenance of prudent cash reserves and fund balances to withstand the possibility of adverse revenue outcomes in 2021, including licensee attrition, is critical.
- A three year historical review by management of actual spending coupled with an assessment of future commitments and operational changes has resulted in overall reductions in operating and program expenses (non-salary expenses) in the General Fund of \$1,350,000.
- There is a reduction of 77 employees or 60 full time equivalent employees (FTEs) and savings in salaries and benefits of \$4.9 million compared to 2020.
- The budget does not include any provisions for salary merit or market adjustment increases in 2021.
- A contingency amount, intended for new policy and program decisions of Convocation or unexpected operational requirements, is set at \$1 million, which is consistent with 2020 budget.
- The budget includes \$200,000 in support of work of the Technology Task Force, in particular, the regulatory technology sandbox.

Key Budget Highlights

- With COVID-19 related uncertainties leading into 2021, both from a social gathering and consumer behavior perspective, CPD revenues are estimated to be \$2.5 million lower than in 2020 in lost revenues. Corresponding expenses related to hosting in person sessions have also been reduced by \$455,000.
- As approved by Convocation in August 2020, the budget no longer includes \$1.6 million in revenue for late fees related to the late payment of annual fees or filing of annual reports by licensees.
- Support to external organizations is reduced by 10%, in particular LIRN Inc., the Federation of Law Societies and the Federation of Law Associations, resulting in savings of approximately \$910,000.
- The budget incorporates planned capital spending in 2021 estimated at \$5.1 million (2020 - \$4 million). Capital projects incorporated into the 2021 budget have submitted business cases for which the quantitative and qualitative benefits were assessed against the organizations' priorities and prioritized at the Capital Planning Steering Committee.

Key Budget Highlights

- The number of full fee equivalent (FFE) licensees for lawyers is projected to increase by 1,075 in 2021 to 45,075. The increase comprises:
 - 600 net new FFE lawyers (newly licensed less those surrendering their licenses)
 - 475 new FFE lawyers related to the creation of a yearly nominal fee assessed at 10% of the annual fee for licensees over 65 who meet the current requirements for fee exemption
- FFE paralegals is projected to remain unchanged from 2020 at 6,400
- The budget plans for the use of fund balances in 2021 as follows:

Fund Name	2021 Draft Budget
Lawyer General Fund	\$6,172,200
Paralegal General Fund*	\$1,067,300
Errors and Omissions Insurance Fund	\$1,200,000
Compensation Fund - Lawyer	\$50,050
Compensation Fund - Paralegal	\$79,600
Capital Fund	\$1,358,325
County Libraries Fund	\$50,265
Total	\$9,977,740

* Funding of \$270,000 raised through the Paralegal General Fund in 2019 and reserved in the Special Projects Fund for the Family Legal Service Provider (FLSP) initiative will be utilized to mitigate paralegal annual fees in 2021. These funds will be transferred back to the Paralegal General Fund and are reflected in the proposed use of \$1,067,300 of the Paralegal General Fund balance. If funding is needed in 2021 for the FLSP initiative, it will come from the \$1 million contingency.

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Annual Fees



Full Fee Equivalent Licensees

Annual fees for licensees are determined separately for lawyers and paralegals. Paralegals do not share in all the expenses of the Society nor benefit from all non-annual fee revenue. For example, paralegals do not contribute to the operations of LIRN nor do they share in the portion of surplus investment income transferred from the Errors & Omissions Insurance Fund as that fund is dedicated strictly to insurance related transactions among the lawyers, the Law Society and LAWPRO.

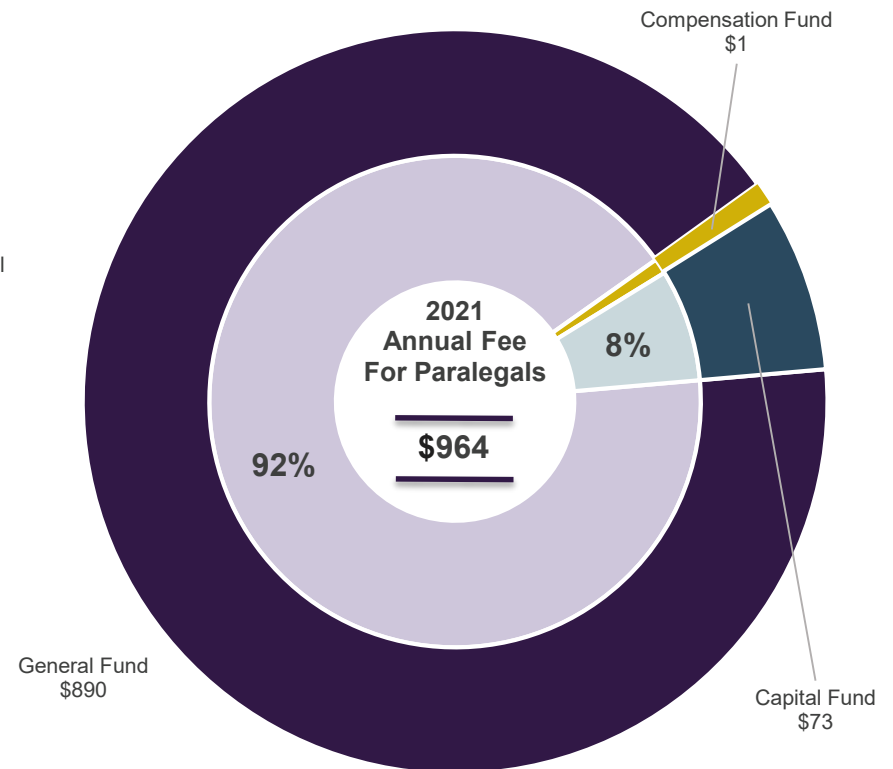
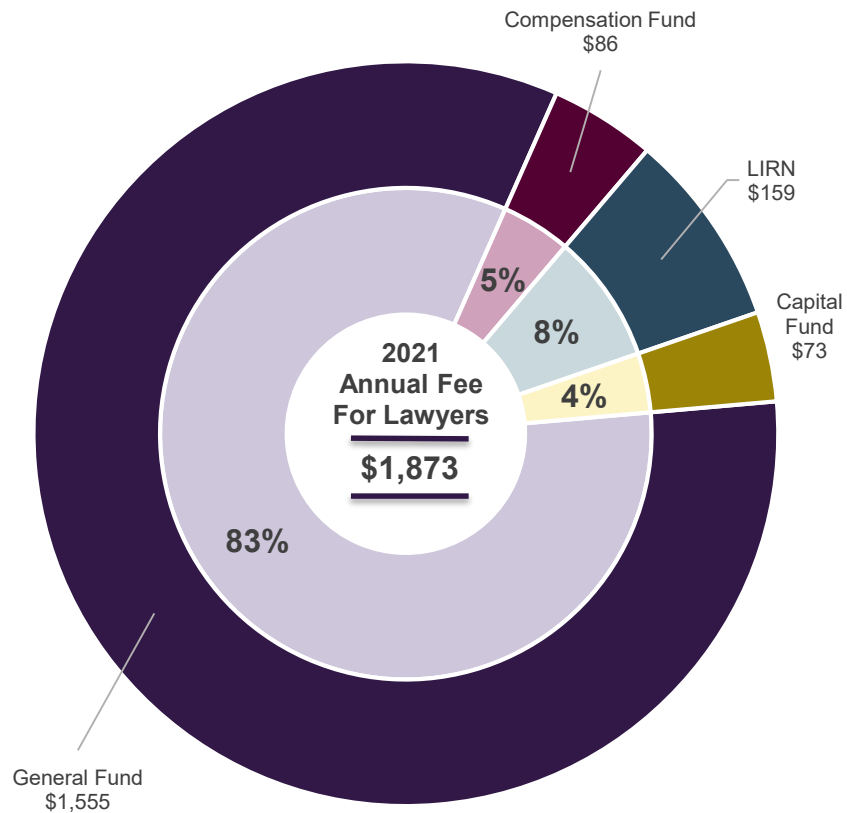
Effective 2021, the Law Society will utilize a four tiered fee structure depending on the nature of the licensee's practising /employment status. Licensees practising law or providing legal services pay 100% of the relevant annual fee; those employed but not practising pay 50%; those retired, not working or on parental leave pay 25%; and new in 2021, those over the age of 65 and meeting established criteria will pay 10% based on a recent decision of Convocation.

The number of licensees in each category are prorated to determine what the number of lawyers and paralegals would equate to at the 100% fee category. This is referred to in the budget materials as the number of full fee equivalent licensees (FFE).

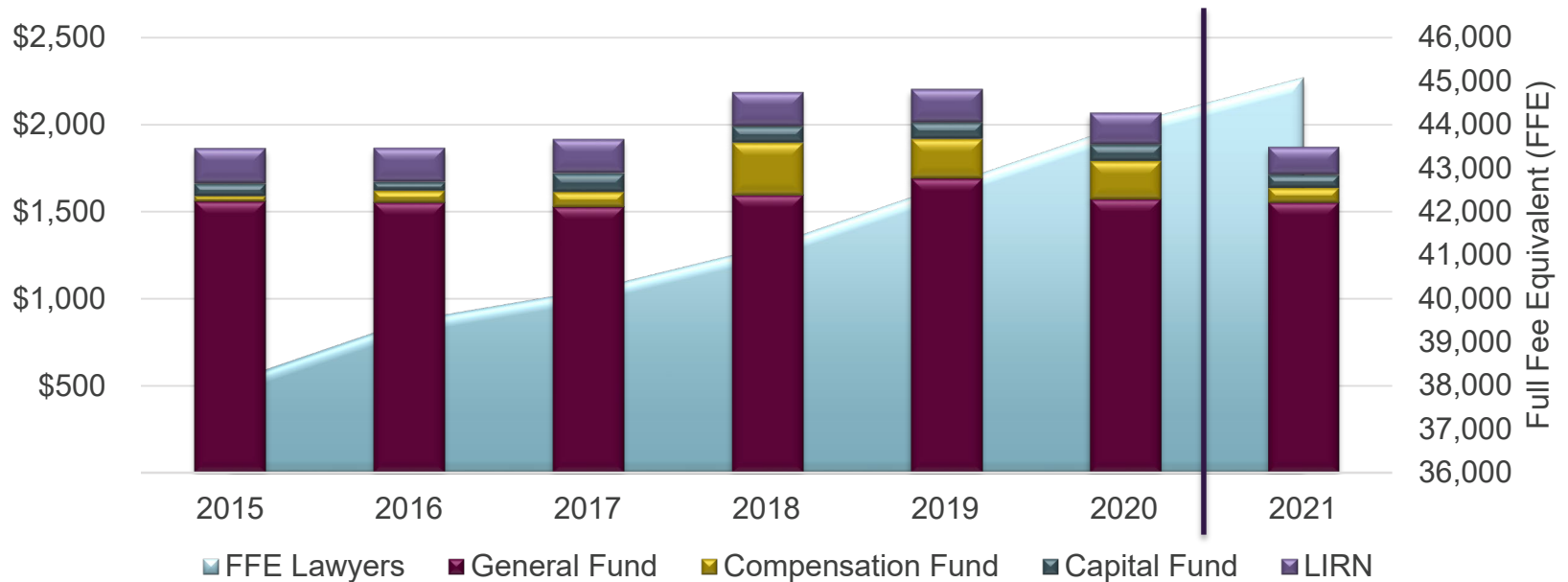
Lawyers - 2021		
Fee Category	Estimated Number	Full Fee Equivalent
100%	39,900	39,900
50%	6,950	3,475
25%	4,900	1,225
10%	4,750	475
Total	56,500	45,075

Paralegals - 2021		
Fee Category	Estimated Number	Full Fee Equivalent
100%	4,000	4,000
50%	3,650	1,825
25%	2,300	575
10%	-	-
Total	9,950	6,400

2021 Annual Fee

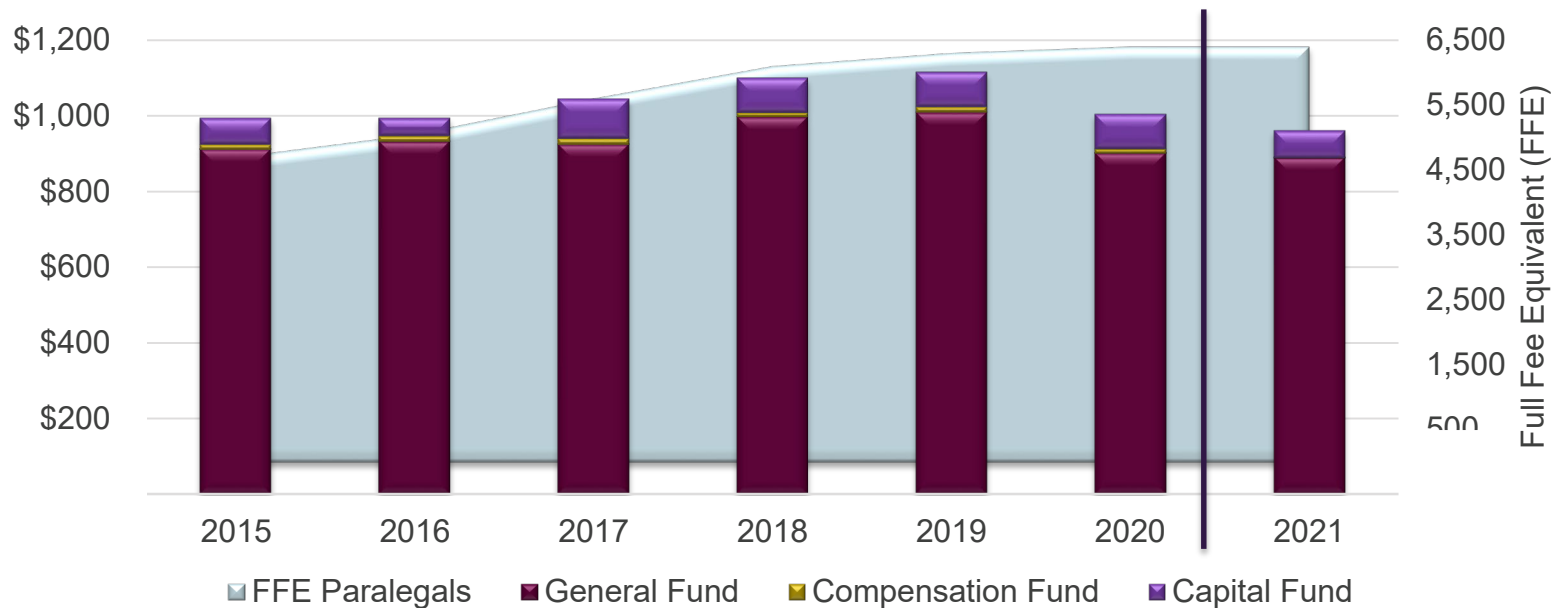


Historical Annual Fees For Lawyers



Annual Fee Breakdown	2015	2016	2017	2018	2019	2020	2021 Approved
General Fund	\$ 1,563	\$ 1,555	\$ 1,531	\$ 1,598	\$ 1,693	\$ 1,574	\$1,555
Compensation Fund	32	71	87	300	226	219	86
LIRN	202	194	194	194	191	182	159
Capital Fund	69	47	104	91	91	91	73
Total Annual Fee	\$ 1,866	\$ 1,867	\$ 1,916	\$ 2,183	\$ 2,201	\$ 2,066	\$1,873
FFE Lawyers	38,100	39,500	40,200	41,200	42,600	44,000	45,075

Historical Annual Fees For Paralegals



Annual Fee Breakdown	2015	2016	2017	2018	2019	2020	2021 Approved
General Fund	\$ 912	\$ 933	\$ 925	\$ 997	\$ 1,009	\$ 902	\$890
Compensation Fund	15	16	17	12	15	13	1
Capital Fund	69	47	104	91	91	91	73
Total Annual Fee	\$ 996	\$ 996	\$ 1,046	\$ 1,100	\$ 1,115	\$ 1,006	\$964
FFE Paralegals	4,700	5,050	5,600	6,100	6,300	6,400	6,400

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2021 Budget at a Glance

2021 Budget Summary - Consolidated

	2021 Approved Budget					2020 Approved Budget				
	General Fund	Compensation Fund	Capital Fund	LIRN Inc	Consolidated	General Fund	Compensation Fund	Capital Fund	LIRN Inc	Consolidated
Annual fee revenue	75,787,630	3,882,850	3,757,675	7,166,925	90,595,080	75,306,125	9,393,775	4,586,400	8,019,100	97,305,400
Licensing process	14,346,240	-	-	-	14,346,240	14,478,000	-	-	-	14,478,000
CPD	5,693,000	-	-	-	5,693,000	8,251,000	-	-	-	8,251,000
Other revenue	7,048,500	1,350,000	-	-	8,398,500	9,368,000	1,325,000	-	-	10,693,000
Total Funding	102,875,370	5,232,850	3,757,675	7,166,925	119,032,820	107,403,125	10,718,775	4,586,400	8,019,100	130,727,400
Salaries and Benefits	65,002,300	617,400	-	-	65,619,700	69,867,200	616,200	-	-	70,483,400
Operating Expenses	4,030,600	26,000	-	-	4,056,600	4,489,500	29,000	-	-	4,518,500
Program Expenses	42,281,970	4,719,100	5,116,000	7,217,190	59,334,260	41,757,825	10,073,575	4,586,400	8,019,100	64,436,900
Total Expenses	111,314,870	5,362,500	5,116,000	7,217,190	129,010,560	116,114,525	10,718,775	4,586,400	8,019,100	139,438,800
Excess of Expenses over Revenue	(8,439,500)	(129,650)	(1,358,325)	(50,265)	(9,977,740)	(8,711,400)	-	-	-	(8,711,400)
E&O surplus investment income	1,200,000	-	-	-	1,200,000	1,200,000	-	-	-	1,200,000
Fund Balance - General	7,239,500	-	-	-	7,239,500	7,511,400	-	-	-	7,511,400
Fund Balance - Compensation	-	129,650	-	-	129,650	-	-	-	-	-
Fund Balance – County Libraries	-	-	-	50,265	50,265	-	-	-	-	-
Fund Balance - Capital Fund	-	-	1,358,325	-	1,358,325	-	-	-	-	-
Total Use of Fund Balances	8,439,500	129,650	1,358,325	50,265	9,977,740	8,711,400	-	-	-	8,711,400

2021 Budget Summary - Lawyers

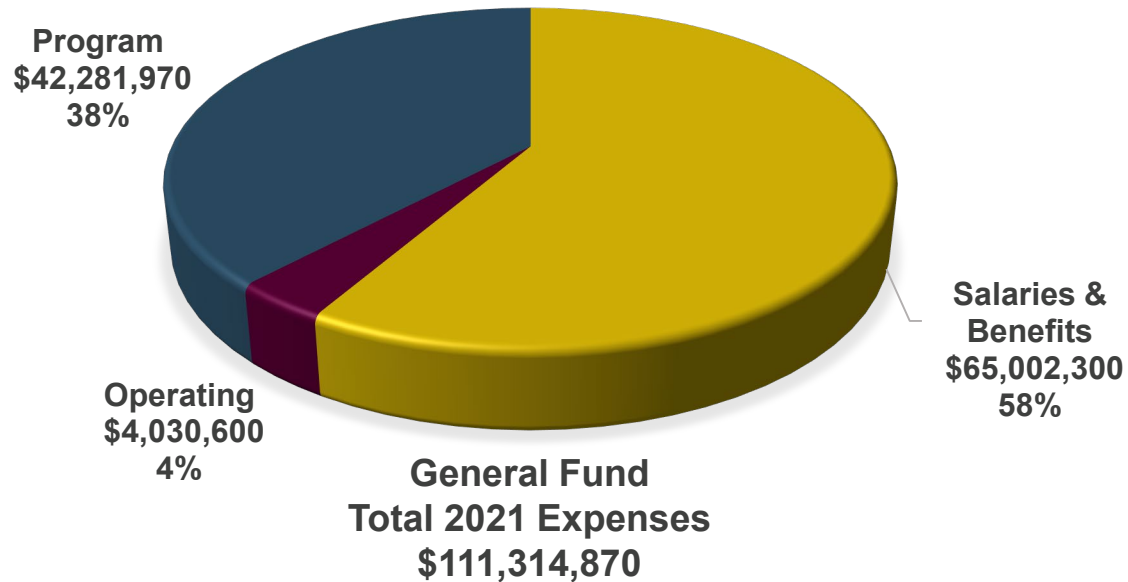
	2021 Approved Budget					2020 Approved Budget				
	General Fund	Compensation Fund	Capital Fund	LIRN Inc	Consolidated	General Fund	Compensation Fund	Capital Fund	LIRN Inc	Consolidated
Annual fee revenue	70,091,630	3,876,450	3,290,473	7,166,925	84,425,478	69,533,325	9,317,475	4,004,000	8,019,100	90,873,900
Licensing process	12,027,740	-	-	-	12,027,740	12,106,400	-	-	-	12,106,400
CPD	5,052,500	-	-	-	5,052,500	7,322,800	-	-	-	7,322,800
Other revenue	6,363,400	1,282,500	-	-	7,645,900	8,234,760	1,199,840	-	-	9,434,600
Total Funding	93,535,270	5,158,950	3,290,473	7,166,925	109,151,618	97,197,285	10,517,315	4,004,000	8,019,100	119,737,700
Salaries and Benefits	58,884,300	586,500	-	-	59,470,800	61,801,523	546,878	-	-	62,348,400
Operating Expenses	3,663,900	24,700	-	-	3,688,600	3,991,063	25,738	-	-	4,016,800
Program Expenses	38,359,270	4,597,800	4,476,000	7,217,190	54,650,260	37,727,900	9,944,700	4,004,000	8,019,100	59,695,700
Total Expenses	100,907,470	5,209,000	4,476,000	7,217,190	117,809,660	103,520,485	10,517,315	4,004,000	8,019,100	126,060,900
Excess of Expenses over Revenue	(7,372,200)	(50,050)	(1,185,527)	(50,265)	(8,658,042)	(6,323,200)	-	-	-	(6,323,200)
E&O surplus investment income	1,200,000	-	-	-	1,200,000	1,200,000	-	-	-	1,200,000
Fund Balance - General	6,172,200	-	-	-	6,172,200	5,123,200	-	-	-	5,123,200
Fund Balance - Compensation	-	50,050	-	-	50,050	-	-	-	-	-
Fund Balance – County Libraries	-	-	-	50,265	50,265	-	-	-	-	-
Fund Balance - Capital	-	-	1,185,527	-	1,185,527	-	-	-	-	-
Total Use of Fund Balances	7,372,200	50,050	1,185,527	50,265	8,658,042	6,323,200	-	-	-	6,323,200

2021 Budget Summary - Paralegals

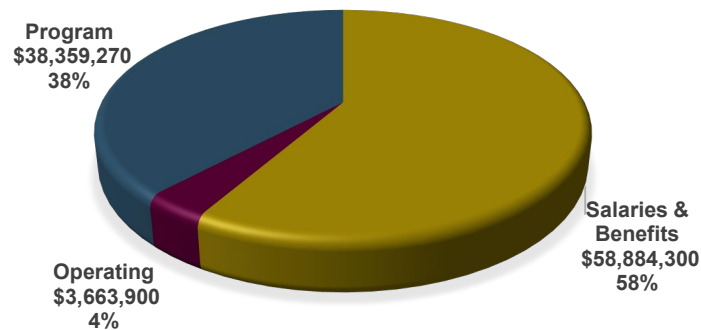
	2021 Approved Budget				2020 Approved Budget			
	General Fund	Compensation Fund	Capital Fund	Consolidated	General Fund	Compensation Fund	Capital Fund	Consolidated
Annual fee revenue	5,696,000	6,400	467,202	6,169,602	5,772,800	76,300	582,400	6,431,500
Licensing process	2,318,500	-	-	2,318,500	2,371,600	-	-	2,371,600
CPD	640,500	-	-	640,500	928,200	-	-	928,200
Other revenue	685,100	67,500	-	752,600	1,133,240	125,160	-	1,258,400
Total Funding	9,340,100	73,900	467,202	9,881,202	10,205,840	201,460	582,400	10,989,700
Salaries and Benefits	6,118,000	30,900	-	6,148,900	8,065,678	69,323	-	8,135,000
Operating Expenses	366,700	1,300	-	368,000	498,438	3,263	-	501,700
Program Expenses	3,922,700	121,300	640,000	4,684,000	4,029,925	128,875	582,400	4,741,200
Total Expenditures	10,407,400	153,500	640,000	11,200,900	12,594,040	201,460	582,400	13,377,900
Excess of Expenses over Revenue	(1,067,300)	(79,600)	(172,798)	(1,319,698)	(2,388,200)	-	-	(2,388,200)
Fund Balance - General	1,067,300	-	-	1,067,300	2,388,200	-	-	2,388,200
Fund Balance - Compensation	-	79,600	-	79,600	-	-	-	-
Fund Balance - Capital	-	-	172,798	172,798	-	-	-	-
Total Use of Fund Balances	1,067,300	79,600	172,798	1,319,698	2,388,200	-	-	2,388,200

2021 General Fund Expense Breakdown

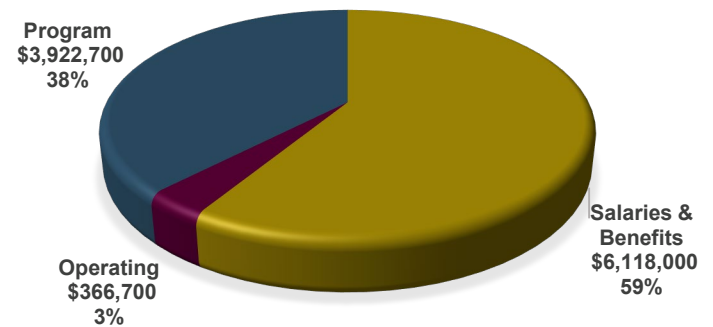
CONSOLIDATED



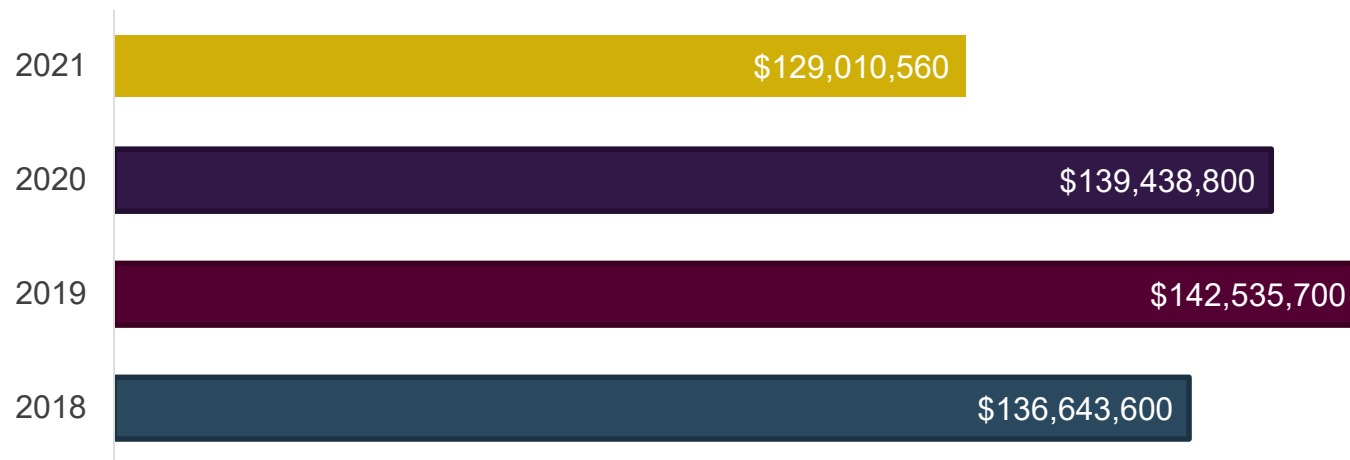
LAWYERS



PARALEGALS



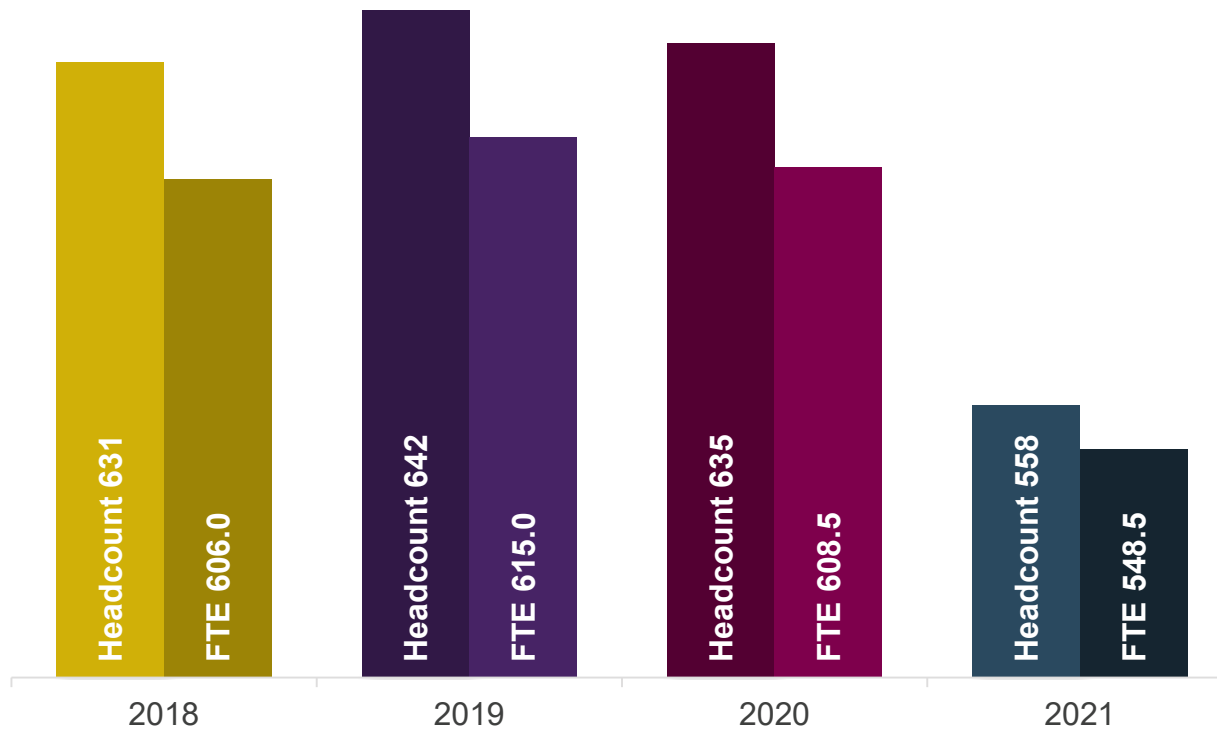
2018 – 2021 Budget Comparison



		Salaries & Benefits	Operating	Program	Capital Fund	LIRN Inc	Compensation Fund	Total
Budget Expenses	2018	66,951,300	4,449,500	39,910,500	4,304,300	7,993,000	13,035,000	136,643,600
	2019	69,961,200	4,542,300	45,292,300	4,449,900	8,152,900	10,137,100	142,535,700
	2020	69,867,200	4,489,500	41,757,825	4,586,400	8,019,100	10,718,775	139,438,800
	2021	65,002,300	4,030,600	42,281,970	5,116,000	7,217,190	5,362,500	129,010,560

		Annual Fees	Licensing Process	CPD	Other Revenue	E&O Surplus	Fund Balances	Total
Budget Funding	2018	96,652,300	13,268,300	8,686,000	10,495,600	600,000	6,941,400	136,643,600
	2019	100,790,100	14,157,500	8,251,000	10,625,700	1,200,000	7,511,400	142,535,700
	2020	97,305,400	14,478,000	8,251,000	10,693,000	1,200,000	7,511,400	139,438,800
	2021	90,595,080	14,346,240	5,693,000	8,398,500	1,200,000	9,977,400	129,010,560

2018-2021 FTE Comparison



Note - FTE – Full Time Equivalent

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Funding the Budget

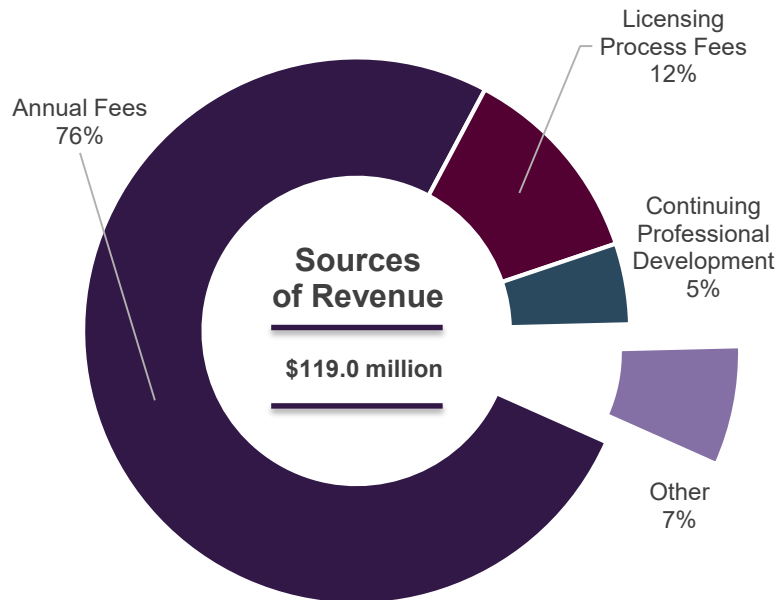
How is the Budget Funded?

Sources of Revenue

Licensee fees account for approximately 76% of total revenue sources in 2021 (2020 – 75%)

Licensing Process fees represent the next significant component of revenue collected by the Law Society, making up approximately 12% (2020 – 11%) of Society revenues, with continuing professional development fees being the third largest contributor at approximately 5% (2020 – 6%).

The remaining 7% (2020 – 8%) of revenue is from a variety of sources including investment income, royalties, catering, payment plan fees and additional licensee fees for professional corporations, Law Society referral service and certified specialist.



Annual Fees

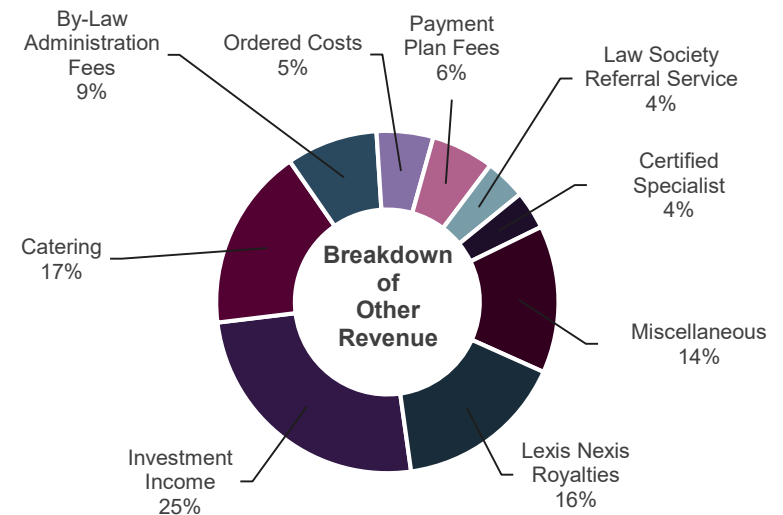
The annual fees represents the amount paid by lawyers and paralegals to support the operations of the Society. For 2021 the annual fee for lawyers is \$1,873 (2020 - \$2,066) and for paralegals is \$964 (2020 - \$1,006).

Licensing Process Fees

Licensing Process fees are the fees paid by the licensing candidate enrolled in either the lawyer licensing process or the paralegal licensing process. The total fee for lawyer licensing candidates is dependant upon whether a candidate choses an administrative or ceremonial call to the bar and is either \$4,625 or \$4,710, respectively. The fee for paralegal licensing candidates is \$1,400.

Continuing Professional Development

Continuing professional development revenues are collected from lawyers, paralegals and others for attendance, in person, online or on demand at Law Society professional development programs.



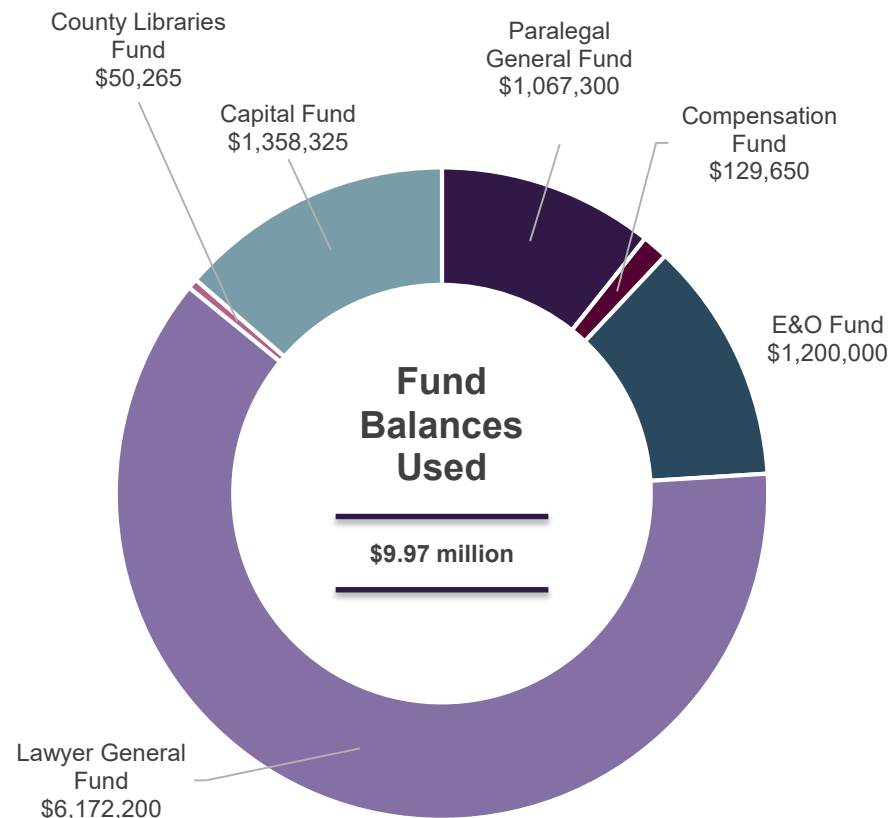
Use of Fund Balances

The Society has fund balance management policies that prescribe the appropriate range of balances to be maintained in both the General and Compensation Funds.

When balances exceed the policy approved minimums, options are available to utilize a portion of the fund balance to mitigate annual fees.

This is a best practice in not-for-profit budgeting and the 2021 budget proposes using \$7.2 million of accumulated fund balances from the lawyer and paralegal General Funds, \$1.4 million from the Capital Fund, \$1.2 million from the E&O Fund, \$130,000 from the Compensation Funds and \$50,000 from the County Libraries Fund.

This will not impair the Society's financial position or risk being outside the policy approved fund balances and will positively impact the setting of annual licensee fees.



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Operations by Division

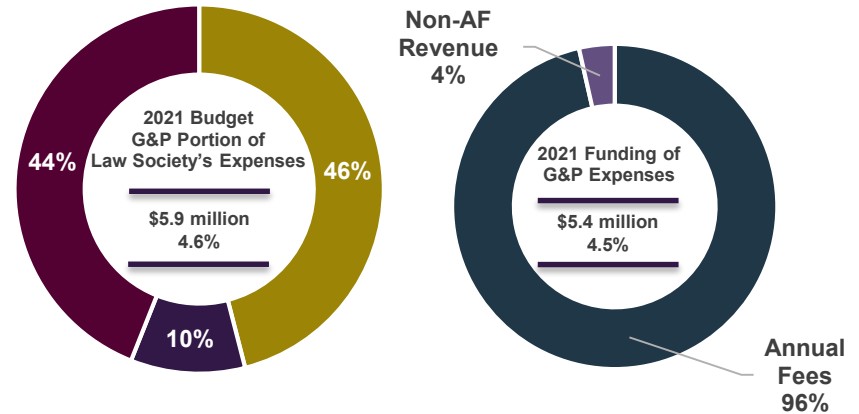


Governance & Policy

Overview

Governance & Policy

The Law Society is governed by a board of directors, known as benchers which includes lawyers, paralegals and appointed representatives (non-lawyers and non-paralegals). The Policy Division groups together a number of functions important to the corporate and governance interests of the Law Society, including policy, committee and Convocation support.



Bencher - Convocation	Office of Treasurer	Policy - Equity Initiatives
<ul style="list-style-type: none"> Convocation governs the Law Society of Ontario Benchers set policy and determine other matters related to the regulation of Ontario's lawyers and paralegals through committee work and Convocation board meetings At the Law Society Tribunal, benchers sit on hearings as adjudicators to hear discipline cases concerning lawyer and paralegal conduct, competence and capacity 	<ul style="list-style-type: none"> Under the Law Society Act, the Treasurer is the president and Chair of the Board of the Law Society 	<ul style="list-style-type: none"> Supports Committees and the Benchers as they make decisions governing the regulation of lawyers and paralegals in the public interest Develops policy, in collaboration with Benchers and Management, in the Committee process Assists in strategic communications and supports organizational alignment of new policy Manages the administration of committees, working groups and task forces Develops and implements equity policies and initiatives pertaining to the professions

Operating Budget Summary

Governance & Policy	2019 Actuals	2020 Projected Actuals	2020 Approved Budget	2021 Draft Budget	% Change
Governance & Policy Total					
Salaries and Benefits	1,812,200	1,642,000	2,135,200	2,046,400	
Operating Expenses	75,800	77,000	126,800	117,800	
Program Expenses	2,643,200	1,907,000	4,234,400	3,768,900	
Total Expenses	4,531,200	3,626,000	6,496,400	5,933,100	-8.7%
Total Non-Annual Fee Revenues	243,000	200,000	190,000	190,000	0.0%
Excess of Revenues Over Expenses / (Expenses Over Revenues)	(4,288,200)	(3,426,000)	(6,306,400)	(5,743,100)	
Full Time Equivalent	-		12.5	11.0	
Headcount			13.0	11.0	

Items of Note

- The decrease in salaries and benefits budget from the 2020 budget of \$89,000 is the result of a restructuring and reduction of 1.5 FTEs in the Policy division.
- The decrease in the program expenses from the 2020 budget is driven by an overall reduction in Benchers expenses and remuneration of \$285,000 by moving 50% of Convocation and Committee meetings to a virtual platform in 2021, \$80,000 reduction in Convocation, functions and consulting fees to reflect historical spending patterns, and \$100,000 reduction in the Policy related to completed initiatives that are no longer required in 2021. 2020 projected actuals related to benchers and Convocation are significantly lower than 2019 actuals and the 2021 budget due to impacts of COVID-19 with all in-person events and governance meetings moving to a virtual platform from March to December 2020 and the freeze on benchers remuneration from April to June 2020.
- A \$1,000,000 contingency intended for new policy and program decisions of Convocation or unexpected operational requirements is budgeted. It was not used in 2019 and is not in the 2020 projected actuals.

Operating Budget Details

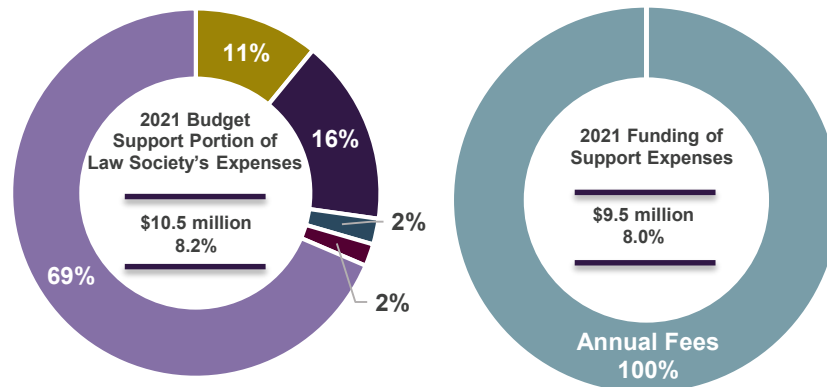
Governance & Policy	2019 Actuals	2020 Projected Actuals	2020 Approved Budget	2021 Draft Budget
Bencher Convocation				
Salaries and Benefits	-	-	-	
Operating Expenses	-	-	-	
Program Expenses	1,908,200	1,100,000	3,093,800	2,728,800
Total Expenses	1,908,200	1,100,000	3,093,800	2,728,800
Total Non-Annual Fee Revenues	243,000	200,000	190,000	190,000
Excess of Revenues Over Expenses / (Expenses Over Revenues)	(1,665,200)	(900,000)	(2,903,800)	(2,538,800)
Full Time Equivalent			-	-
Headcount			-	-
Office of Treasurer				
Salaries and Benefits	17,200	100,000	99,700	97,800
Operating Expenses	5,700	17,000	20,900	17,000
Program Expenses	302,900	308,000	480,800	480,300
Total Expenses	325,800	425,000	601,400	595,100
Total Non-Annual Fee Revenues	-	-	-	-
Excess of Revenues Over Expenses / (Expenses Over Revenues)	(325,800)	(425,000)	(601,400)	(595,100)
Full Time Equivalent			1.0	1.0
Headcount			1.0	1.0
Policy Equity Initiatives				
Salaries and Benefits	1,795,000	1,542,000	2,035,500	1,948,600
Operating Expenses	70,000	60,000	105,900	100,800
Program Expenses	432,100	499,000	659,800	559,800
Total Expenses	2,297,100	2,101,000	2,801,200	2,609,200
Total Non-Annual Fee Revenues	-	-	-	-
Excess of Revenues Over Expenses / (Expenses Over Revenues)	(2,297,100)	(2,101,000)	(2,801,200)	(2,609,200)
Full Time Equivalent			11.5	10.0
Headcount			12.0	10.0

Support of Other Organizations

Overview

Support of Other Organizations

The 2021 budget continues to include support for other organizations although at reduced levels from 2020.

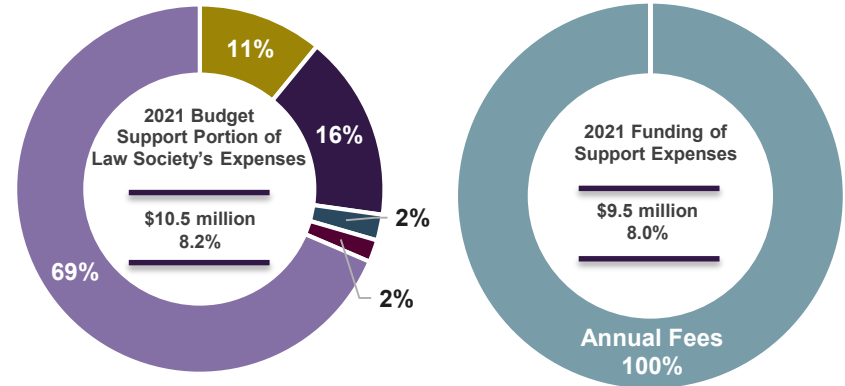


Federation of Law Societies of Canada	Canadian Legal Information Institute (CanLII)	LIRN Inc.
<ul style="list-style-type: none"> The national coordinating body of Canada's 14 provincial and territorial law societies The Federation supports the development of national standards of regulation 	<ul style="list-style-type: none"> CanLII is a non-profit organization launched in 2001 by the Federation of Law Societies of Canada on behalf of its 14 member law societies to provide efficient and open online access to a comprehensive collection of current judicial decisions, legislative documents and secondary resources 	<ul style="list-style-type: none"> LIRN Inc, a wholly-owned, not-for-profit subsidiary of the Law Society of Ontario, was established to develop policies, procedures, guidelines and standards for the delivery of legal information and library services across Ontario and to administer funding on behalf of the Society

Overview

Support of Other Organizations

The 2021 budget continues to include support for other organizations although at reduced levels from 2020.



Pro Bono Ontario - Law Commission of Ontario	Federation of Ontario Law Associations (FOLA)
<ul style="list-style-type: none"> • Pro Bono Ontario helps Ontarians who have essential legal needs but cannot afford a lawyer • The Law Commission of Ontario is an independent organization that researches issues and recommends law reform measures to make the law accessible to all members of Ontario's communities 	<ul style="list-style-type: none"> • FOLA is a non-profit organization that coordinates activities for county law associations • Advocates for a better justice system that recognizes the crucial role competent and professional lawyers play in that system

Operating Budget Summary

Support of Other Organizations	2019 Actuals	2020 Projected Actuals	2020 Approved Budget	2021 Draft Budget	% Change
Support of Other Organizations Total					
Operating Expenses	39,400	-	64,000	-	
Program Expenses	11,303,100	11,215,000	11,368,894	10,525,760	
Total Expenses	11,342,500	11,215,000	11,432,894	10,525,760	-7.9%
Excess of Revenues Over Expenses / (Expenses Over Revenues)	(11,342,500)	(11,215,000)	(11,432,894)	(10,525,760)	

Items of Note

- The decrease in budgeted expenses of \$907,000 is attributed to a 10% planned reduction in funding support in 2021 for LIRN Inc and the Federation of Ontario Law Associations. A 10% reduction effective July 1, 2021 is planned to the Federation of Law Societies of Canada.
- Reductions in support to other organizations is in line with the Law Society's initiatives to decrease expenditures. These organizations have also experienced savings in 2020 with Law Society grants unchanged and/or should have reduced costs in 2021 related to travel, meetings and other events as a result of COVID-19.

Operating Budget Details

Support of Other Organizations	2019 Actuals	2020 Projected Actuals	2020 Approved Budget	2021 Draft Budget
Federation of Law Societies of Canada				
Program Expenses	1,152,000	1,211,000	1,211,000	1,150,500
Total Expenses	1,152,000	1,211,000	1,211,000	1,150,500
Excess of Revenues Over Expenses / (Expenses Over Revenues)	(1,152,000)	(1,211,000)	(1,211,000)	(1,150,500)
Canadian Legal Information Institute (CanLII)				
Program Expenses	1,665,200	1,715,000	1,715,200	1,715,200
Total Expenses	1,665,200	1,715,000	1,715,200	1,715,200
Excess of Revenues Over Expenses / (Expenses Over Revenues)	(1,665,200)	(1,715,000)	(1,715,200)	(1,715,200)
LIRN Inc.				
Program Expenses	8,057,900	8,019,000	8,019,094	7,217,190
Total Expenses	8,057,900	8,019,000	8,019,094	7,217,190
Excess of Revenues Over Expenses / (Expenses Over Revenues)	(8,057,900)	(8,019,000)	(8,019,094)	(7,217,190)
Pro Bono Ontario Law Commission of Ontario				
Program Expenses	225,800	201,000	223,300	205,000
Total Expenses	225,800	201,000	223,300	205,000
Excess of Revenues Over Expenses / (Expenses Over Revenues)	(225,800)	(201,000)	(223,300)	(205,000)
Federation of Ontario Law Associations (FOLA)				
Operating Expenses	39,400	-	64,000	-
Program Expenses	202,200	69,000	200,300	237,870
Total Expenses	241,600	69,000	264,300	237,870
Excess of Revenues Over Expenses / (Expenses Over Revenues)	(241,600)	(69,000)	(264,300)	(237,870)

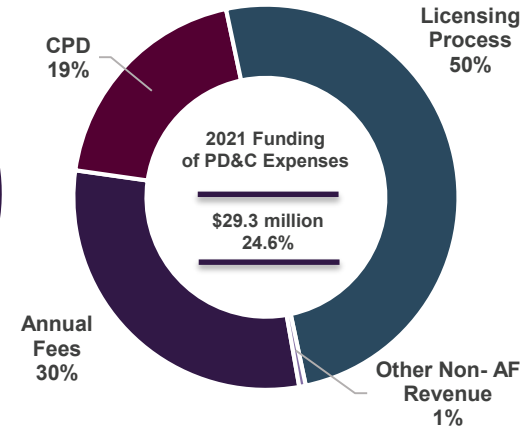
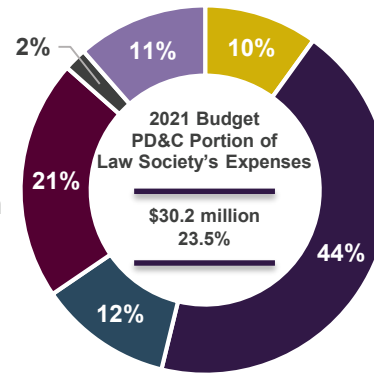
Professional Development & Competence



Overview

Professional Development & Competence

Professional Development and Competence focuses on the competency and professional standards of the professions through the licensing processes, provision of legal information and supports, competence resources and education programs, and post-licensing quality assurance programs.

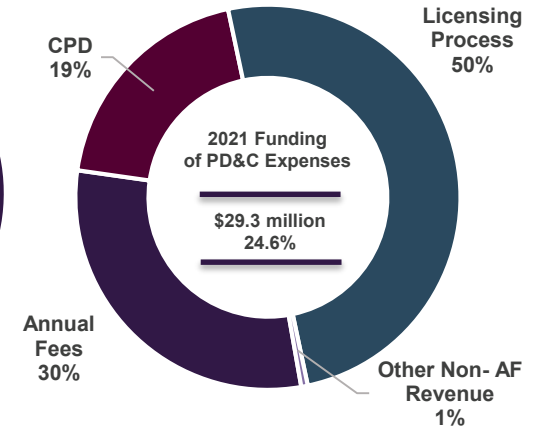
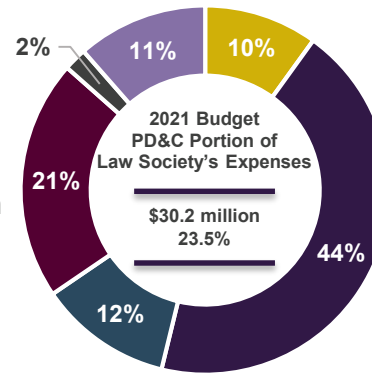


Executive Director's Office Practice Supports & Resources	Licensing Process Certified Specialist	Continuing Professional Development
<ul style="list-style-type: none"> Provides professionalism and practice management guidance and information in response to over 8,500 licensee inquiries per year on the Practice Management Helpline. Supports over 140 Law Society of Ontario professionalism and practice management resources, including practice management guidelines, practice guides, frequently asked questions, checklists, precedents, and other tools. Facilitates licensee implementation of best practices and assistance with substantive and procedural law inquiries through the Coach and Advisor Network 	<ul style="list-style-type: none"> Manages the licensing processes and implements standardized, fair, transparent and defensible systems of assessment for entry-level lawyers and paralegals Registers approximately 2,600 new lawyer candidates and 1,400 new paralegal candidates in the licensing process annually. Develops and delivers Licensing Examinations, Study Materials, and the Experiential Training Program (Articling and the Law Practice Program/PPD). Licenses approximately 2,400 lawyers and 1,000 paralegals each year Accredits and audits college paralegal education programs Administers the Certified Specialist Program for lawyers. 	<ul style="list-style-type: none"> Delivers educational programming for the legal professions on a wide variety of substantive and professionalism topics via live programs, and live and archived webcast Coordinates the development and presentation of approximately 140 programs per year

Overview

Professional Development & Competence

Professional Development and Competence focuses on the competency and professional standards of the professions through the licensing processes, provision of legal information and supports, competence resources and education programs, and post-licensing quality assurance programs.



Practice Review - Spot Audit	Practice Audits	Great Library - Corporate Records & Archives
<ul style="list-style-type: none"> Conducts Spot Audits to assess a law firm's compliance with the Law Society's financial record keeping requirements Conducts Practice Management Reviews of lawyers who were called to the Bar within the past eight years to assess if they are meeting standards of professional competence. Conducts Practice Management Reviews of lawyers who re-enter private practice after an absence of 48 months over the past five years. Conducts Focused Practice Reviews of lawyers who have been referred to the Practice Audits Department from one of the Law Society's regulatory units or who have been ordered to participate in a Practice Management Review as part of a Law Society Tribunal ruling to assess if they are meeting standards of professional competence. 	<ul style="list-style-type: none"> Conducts Practice Audits of paralegals, which is a combined compliance assessment of certain financial record keeping requirements and a practice management review to assess if they are meeting standards of professional competence. Conducts Focused Practice Audits of paralegals who have been referred to the Practice Audits Department from one of the Law Society's regulatory units or who have been ordered to participate in a Practice Audit as part of a Law Society Tribunal ruling to assess if they are meeting standards of professional competence. 	<ul style="list-style-type: none"> Supports the research and information needs of the lawyer and paralegal professions through a significant print collection, and increasingly through electronic resources, and responds to over 20,000 legal research and information requests each year Administers AccessCLE, a full-text, searchable website Shares information through its blog, Know How Manages the Law Society's large and complex document collection, including the organization's official corporate records and artifacts of historical significance to Ontario's legal professions

Operating Budget Summary

Professional Development & Competence	2019 Actuals	2020 Projected Actuals	2020 Approved Budget	2021 Draft Budget	% Change
Professional Development & Competence Total					
Salaries and Benefits	16,618,000	16,634,000	17,289,800	16,431,200	
Operating Expenses	973,100	652,000	1,018,900	956,500	
Program Expenses	13,204,500	11,874,000	14,026,600	12,881,200	
Total Expenses	30,795,600	29,160,000	32,335,300	30,268,900	-6.4%
Total Non-Annual Fee Revenues	24,128,400	18,155,000	23,196,300	20,503,540	-11.6%
Excess of Revenues Over Expenses / (Expenses Over Revenues)	(6,667,200)	(11,005,000)	(9,139,000)	(9,765,360)	
Full Time Equivalent	-		160.5	150.0	
Headcount	-		166.0	151.0	

Items of Note

- The decrease in salaries and benefits budget from 2020 budget of \$859,000 is the result of a reduction in 10.5 FTEs across various departments and reflected in the department detail summaries.
- There is a decrease in operating and program expenses due to anticipated decrease in publication costs in the Great Library of \$300,000, savings of \$350,000 from a newly renegotiated contract with Ryerson for the Law Practice Program, and reduced program delivery costs of \$455,000 within CPD due to a change in course delivery from in person to online.
- The decrease in CPD program expenses partially offsets the pressure associated with the reduction in CPD revenue of \$2.5 million as a result of continued impacts of COVID-19 on this revenue stream. This has increased the reliance on annual fee revenue within PDC.

Operating Budget Details

Professional Development & Competence	2019 Actuals	2020 Projected Actuals	2020 Approved Budget	2021 Draft Budget
Executive Director's Office Practice Supports & Resources				
Salaries and Benefits	2,357,700	2,510,000	2,612,200	2,607,100
Operating Expenses	110,700	100,000	126,900	124,900
Program Expenses	94,900	267,000	267,100	282,100
Total Expenses	2,563,300	2,877,000	3,006,200	3,014,100
Total Non-Annual Fee Revenues	35,300	4,000	-	-
Excess of Revenues Over Expenses / (Expenses Over Revenues)	(2,528,000)	(2,873,000)	(3,006,200)	(3,014,100)
Full Time Equivalent			19.0	19.0
Headcount			21.0	19.0
Licensing Process Certified Specialist				
Salaries and Benefits	3,437,400	3,484,000	3,729,500	3,534,500
Operating Expenses	154,000	135,000	159,900	168,200
Program Expenses	9,655,100	8,747,000	9,989,300	9,570,900
Total Expenses	13,246,500	12,366,000	13,878,700	13,273,600
Total Non-Annual Fee Revenues	15,547,400	14,520,000	14,778,000	14,651,240
Excess of Revenues Over Expenses / (Expenses Over Revenues)	2,300,900	2,154,000	899,300	1,377,640
Full Time Equivalent			40.5	38.5
Headcount			41.0	39.0
Continuing Professional Development				
Salaries and Benefits	2,473,900	2,374,000	2,533,400	2,229,800
Operating Expenses	107,100	80,000	109,100	94,100
Program Expenses	1,609,000	895,000	1,664,300	1,209,300
Total Expenses	4,190,000	3,349,000	4,306,800	3,533,200
Total Non-Annual Fee Revenues	8,384,400	3,482,000	8,251,000	5,693,000
Excess of Revenues Over Expenses / (Expenses Over Revenues)	4,194,400	133,000	3,944,200	2,159,800
Full Time Equivalent			29.0	25.5
Headcount			30.0	25.0



Operating Budget Details

Professional Development & Competence	2019 Actuals	2020 Projected Actuals	2020 Approved Budget	2021 Draft Budget
Practice Review Spot Audit				
Salaries and Benefits	5,998,500	6,042,000	6,070,700	5,878,600
Operating Expenses	489,000	272,000	504,300	456,200
Program Expenses	39,500	49,000	38,800	38,800
Total Expenses	6,527,000	6,363,000	6,613,800	6,373,600
Total Non-Annual Fee Revenues	-	5,000	-	-
Excess of Revenues Over Expenses / (Expenses Over Revenues)	(6,527,000)	(6,358,000)	(6,613,800)	(6,373,600)
Full Time Equivalent			48.0	45.5
Headcount			48.0	46.0
Practice Audits				
Salaries and Benefits	527,900	507,000	546,800	547,500
Operating Expenses	57,200	28,000	59,900	58,000
Program Expenses	2,800	4,000	2,700	2,700
Total Expenses	587,900	539,000	609,400	608,200
Total Non-Annual Fee Revenues	-	-	-	-
Excess of Revenues Over Expenses / (Expenses Over Revenues)	(587,900)	(539,000)	(609,400)	(608,200)
Full Time Equivalent			4.0	4.0
Headcount			4.0	4.0
Great Library Corporate Records & Archives				
Salaries and Benefits	1,822,600	1,717,000	1,797,200	1,633,700
Operating Expenses	55,100	37,000	58,800	55,100
Program Expenses	1,803,200	1,912,000	2,064,400	1,777,400
Total Expenses	3,680,900	3,666,000	3,920,400	3,466,200
Total Non-Annual Fee Revenues	161,300	144,000	167,300	159,300
Excess of Revenues Over Expenses / (Expenses Over Revenues)	(3,519,600)	(3,522,000)	(3,753,100)	(3,306,900)
Full Time Equivalent			20.0	17.5
Headcount			22.0	18.0



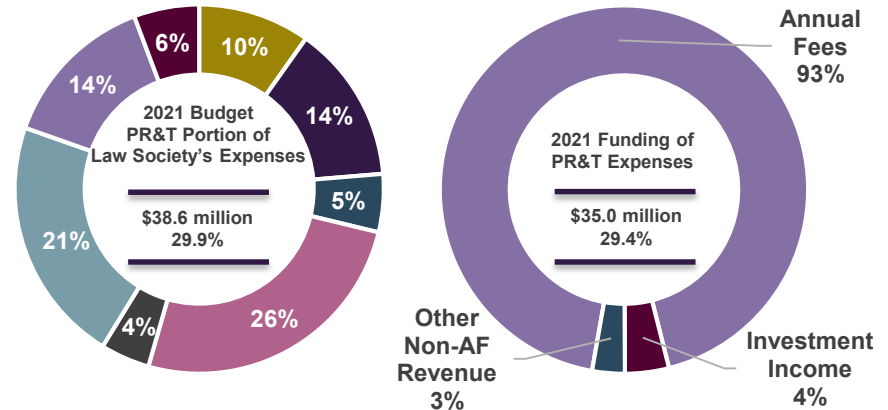
Professional Regulation & Tribunal



Overview

Professional Regulation & Tribunal

Professional Regulation responds to regulatory issues brought to the Law Society’s attention by resolving and investigating matters, and representing the Law Society in hearings before the Law Society Tribunal. Primary activities of Professional Regulation include complaints handling, investigations, discipline prosecutions, monitoring and enforcement of orders and undertakings, trusteeships, and client compensation.

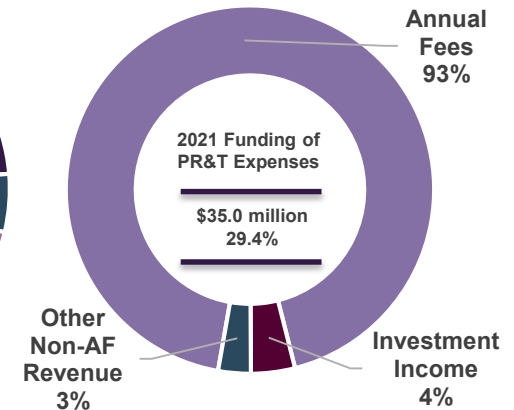
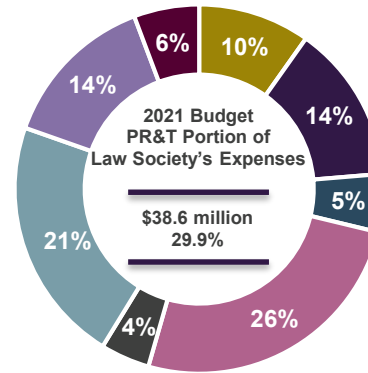


Executive Director's Office	Complaints & Compliance - Intake & Resolution - Complaints Resolution Commissioner	By-Law Administration Services - Regulatory Compliance	Investigation Services
<ul style="list-style-type: none"> Oversees all departments and functions within Professional Regulation Manages communications with other divisions of the Law Society and external parties, and the development of policy and rule amendment proposals Supports bench work on strategic initiatives in licensee regulation 	<ul style="list-style-type: none"> Receives, logs and acknowledges complaints-related correspondence, assessing whether a written complaint is within Law Society jurisdiction Reviews the complaints, assessing the risk and collecting information from the complainant and licensee as required. Intake & Resolution either completes the review or transfers the complaint to Investigation Services Conducts an independent review of the Law Society's consideration of a complaint and its resulting decision to close a complaint file. The Commissioner may conduct an in-person review. 	<ul style="list-style-type: none"> Administers by-law driven processes, including annual reporting; enforces, suspension orders and revocations Communicates practice restrictions, discipline histories and other regulatory information internally and to the public 	<ul style="list-style-type: none"> Investigates serious allegations of licensee misconduct, incapacity and incompetence Investigates issues relating to the good character of licensee applicants and the unauthorized practice by non-licensees Resolves and closes file, refers the matter to the Proceedings Authorization Committee (PAC) or transfers file to Litigation Services

Overview

Professional Regulation & Tribunal

Professional Regulation responds to regulatory issues brought to the Law Society's attention by resolving and investigating matters, and representing the Law Society in hearings before the Law Society Tribunal. Primary activities of Professional Regulation include complaints handling, investigations, discipline prosecutions, monitoring and enforcement of orders and undertakings, trusteeships, and client compensation.



Case & Data Management	Litigation Services - Discipline Group & Trustee Services	Compensation Funds	Law Society Tribunal
<ul style="list-style-type: none"> Oversees case management system, "IRIS" (Integrated Regulatory Information System) and monitors quality of case files Develops qualitative analysis and recommendations regarding file handling, issue management, work process and procedural improvements Develops reporting structures and the examination and evaluation of reporting requirements Oversees production flow, quality control and adherence to legal procedures regarding electronic evidence seizure, handling and analysis Oversees storage of digital and physical evidence obtained during an investigation 	<ul style="list-style-type: none"> Handles regulatory prosecutions for the Law Society, primarily before the Law Society Tribunal but also (for the purposes of appeals and judicial reviews) before the courts in Ontario Oversees the interests and property of the clients of non-practicing licensees, often through the use of formal or informal trusteeships Administers the Trust Fund established by the Provincial Government to hold unclaimed monies from the trust accounts of Ontario licensees. 	<ul style="list-style-type: none"> Processes claims by clients who have lost money as a result of the dishonesty of a licensee. The current maximum amounts payable to a claimant in respect of lawyer or paralegal dishonesty are \$500,000 and \$10,000, respectively 	<ul style="list-style-type: none"> Processes, hears and decides regulatory cases about Ontario lawyers and paralegals in a manner that is fair, just and in the public interest

Operating Budget Summary

Professional Regulation & Tribunal	2019 Actuals	2020 Projected Actuals	2020 Approved Budget	2021 Draft Budget	% Change
Professional Regulation & Tribunal Total					
Salaries and Benefits	25,773,900	26,970,000	28,528,900	27,607,700	
Operating Expenses	1,666,600	1,337,000	2,121,900	1,991,500	
Program Expenses	4,312,400	9,261,000	13,869,800	9,004,000	
Total Expenses	31,752,900	37,568,000	44,520,600	38,603,200	-13.3%
Total Non-Annual Fee Revenues	3,034,900	1,285,000	2,305,500	2,351,500	2.0%
Excess of Revenues Over Expenses / (Expenses Over Revenues)	(28,718,000)	(36,283,000)	(42,215,100)	(36,251,700)	
Full Time Equivalent			229.0	220.5	
Headcount			237.0	227.0	

Items of Note

- There is a reduction of 8.5 FTEs across various departments and reflected in the department detail summaries following. In addition, the variance between 2020 projected salaries and 2021 budget is related to staffing vacancies in the first half of 2020 of which the majority have been filled by Q3 2020.
- The decrease in expenses is mainly driven by the removal of a \$5 million provision to replenish the fund balance of the lawyer pool of the Compensation Fund and a reduction of \$350,000 in the provision for routine claims within the Fund. This decrease is partially offset by an increase in external counsel fees of \$500,000 within the Executive Director's Office, related to specialist legal support on ongoing complex cases.
- 2020 projected expenses and revenues are lower compared to 2020 approved budget, mainly driven by improved claim experience in the Compensation Fund and underperformance in investment revenues.

Operating Budget Details

Professional Regulation & Tribunal	2019 Actuals	2020 Projected Actuals	2020 Approved Budget	2021 Draft Budget
Executive Director's Office - Professional Regulation				
Salaries and Benefits	1,498,100	1,424,000	1,378,600	1,379,100
Operating Expenses	150,000	69,000	261,600	219,300
Program Expenses	1,690,800	2,453,000	1,739,900	2,191,000
Total Expenses	3,338,900	3,946,000	3,380,100	3,789,400
Total Non-Annual Fee Revenues	-	-	-	-
Excess of Revenues Over Expenses / (Expenses Over Revenues)	(3,338,900)	(3,946,000)	(3,380,100)	(3,789,400)
Full Time Equivalent			8.0	8.0
Headcount			8.0	8.0
Complaints & Compliance Intake & Resolution Complaints Resolution Commissioner				
Salaries and Benefits	4,954,400	5,181,000	5,342,700	4,934,000
Operating Expenses	197,500	153,000	269,000	237,300
Program Expenses	129,700	142,000	176,600	179,700
Total Expenses	5,281,600	5,476,000	5,788,300	5,351,000
Total Non-Annual Fee Revenues	308,800	248,000	179,900	264,900
Excess of Revenues Over Expenses / (Expenses Over Revenues)	(4,972,800)	(5,228,000)	(5,608,400)	(5,086,100)
Full Time Equivalent			48.5	43.5
Headcount			50.0	44.0
By-Law Administration Services Regulatory Compliance				
Salaries and Benefits	1,687,500	1,742,000	1,780,700	1,794,900
Operating Expenses	63,800	89,000	129,900	118,400
Program Expenses	15,600	49,000	50,000	51,000
Total Expenses	1,766,900	1,880,000	1,960,600	1,964,300
Total Non-Annual Fee Revenues	793,000	793,000	700,000	725,000
Excess of Revenues Over Expenses / (Expenses Over Revenues)	(973,900)	(1,087,000)	(1,260,600)	(1,239,300)
Full Time Equivalent			19.5	19.5
Headcount			21.0	21.0

Operating Budget Details

Professional Regulation & Tribunal	2019 Actuals	2020 Projected Actuals	2020 Approved Budget	2021 Draft Budget
Investigation Services				
Salaries and Benefits	8,519,900	8,906,000	8,915,600	8,812,600
Operating Expenses	840,400	630,000	814,400	807,700
Program Expenses	351,800	291,000	292,700	292,700
Total Expenses	9,712,100	9,827,000	10,022,700	9,913,000
Total Non-Annual Fee Revenues	-	-	-	-
Excess of Revenues Over Expenses / (Expenses Over Revenues)	(9,712,100)	(9,827,000)	(10,022,700)	(9,913,000)
Full Time Equivalent			72.5	71.0
Headcount			74.0	72.0
Case & Data Management				
Salaries and Benefits	775,100	697,000	1,011,900	1,057,000
Operating Expenses	24,500	9,000	33,900	27,800
Program Expenses	295,600	353,000	573,000	581,000
Total Expenses	1,095,200	1,059,000	1,618,800	1,665,800
Total Non-Annual Fee Revenues	-	-	-	-
Excess of Revenues Over Expenses / (Expenses Over Revenues)	(1,095,200)	(1,059,000)	(1,618,800)	(1,665,800)
Full Time Equivalent			7.5	9.0
Headcount			8.0	9.0
Litigation Services - Discipline Group & Trustee Services				
Salaries and Benefits	6,336,000	6,959,000	8,021,700	7,596,900
Operating Expenses	299,500	299,000	477,100	448,000
Program Expenses	328,500	296,000	271,800	302,800
Total Expenses	6,964,000	7,554,000	8,770,600	8,347,700
Total Non-Annual Fee Revenues	1,000	6,000	100,600	11,600
Excess of Revenues Over Expenses / (Expenses Over Revenues)	(6,963,000)	(7,548,000)	(8,670,000)	(8,336,100)
Full Time Equivalent			55.0	52.0
Headcount			58.0	55.0

Operating Budget Details

Professional Regulation & Tribunal	2019 Actuals	2020 Projected Actuals	2020 Approved Budget	2021 Draft Budget
Compensation Funds				
Salaries and Benefits	645,800	616,000	616,200	617,400
Operating Expenses	12,400	29,000	29,000	26,000
Program Expenses	615,500	5,082,000	10,073,600	4,719,100
Total Expenses	1,273,700	5,727,000	10,718,800	5,362,500
Total Non-Annual Fee Revenues	1,931,800	238,000	1,325,000	1,350,000
Excess of Revenues Over Expenses / (Expenses Over Revenues)	658,100	(5,489,000)	(9,393,800)	(4,012,500)
Full Time Equivalent			5.0	5.0
Headcount			5.0	5.0
Law Society Tribunal				
Salaries and Benefits	1,356,900	1,445,000	1,461,500	1,415,800
Operating Expenses	78,500	59,000	107,000	107,000
Program Expenses	885,100	595,000	692,200	686,700
Total Expenses	2,320,500	2,099,000	2,260,700	2,209,500
Total Non-Annual Fee Revenues	300	-	-	-
Excess of Revenues Over Expenses / (Expenses Over Revenues)	(2,320,200)	(2,099,000)	(2,260,700)	(2,209,500)
Full Time Equivalent			13.0	12.5
Headcount			13.0	13.0

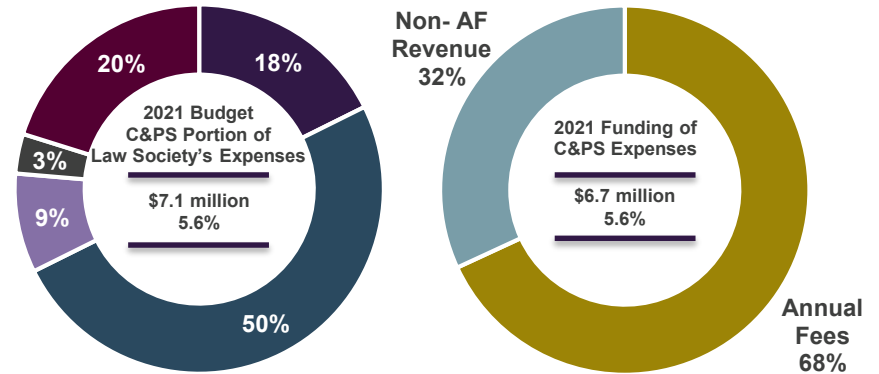
Client & People Services



Overview

Client & People Services

Client & People Services division is a collection of business units, including Human Resources, Portfolio Management Office, Client Service Centre, Catering and Events that offer a diverse range of services to internal and external stakeholders.

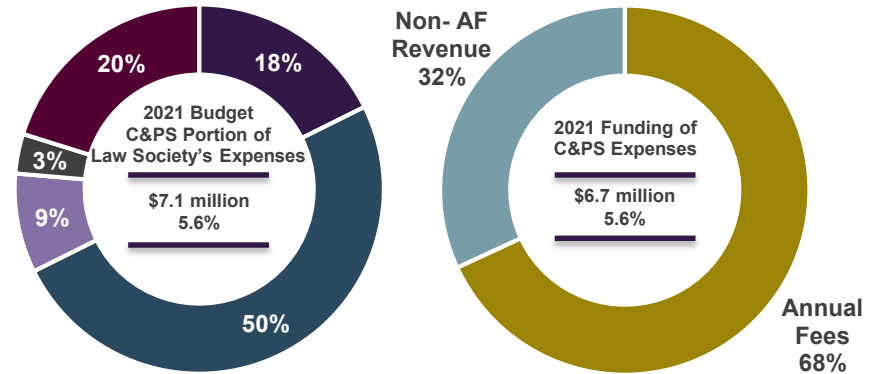


Executive Director's Office - Portfolio Management Office	Client Service Centre	Catering - Events
<ul style="list-style-type: none"> Maintains and manages the portfolio of capital projects within Law Society. Establishes project standards and methodology for the organization Offers support and guidance for all project managers, providing tools and templates and maintains documentation for standards and best practices in project management. 	<ul style="list-style-type: none"> Receives over 150,000 calls to Licensee Inquiry, Complaints Reception and Main Reception lines, and receives over 16,000 emails to the Law Society inbox Updates licensee information and maintains most of the contact related database changes Produces licensee and staff Law Society photo ID cards, Certificates of Standing, Status Letters, and Adjusted Billings for licensees whose status have changed during the year Connects people looking for legal assistance with a lawyer or paralegal who will provide a free consultation of up to 30 minutes to help determine rights and options 	<ul style="list-style-type: none"> Provides food services for internal and external meetings and events, manages the Osgoode Hall Restaurant, and assists in preparation of meals for the Toronto Lawyers Feed the Hungry Program Works closely with Facilities to manage internal and external room bookings and provides maintenance of the spaces

Overview

Client & People Services

Client & People Services division is a collection of business units, including Human Resources, Portfolio Management Office, Client Service Centre, Catering and Events that offer a diverse range of services to internal and external stakeholders.



Member Assistance Plan (MAP)	Parental Leave Assistance Plan (PLAP)
<ul style="list-style-type: none"> A confidential service designed to help members to achieve their health and wellness goals Lawyers, paralegals, licensing candidates, law students, judges, other legal professionals and their families can access the MAP Funded by and fully independent of the Law Society of Ontario and LAWPRO, Homewood Health provides services through coaching, counselling, peer support and resources 	<ul style="list-style-type: none"> Financial assistance following the birth or adoption of a child – \$750 per week for up to 12 weeks (\$9,000 max. per family) For practising lawyers (women and men) in sole practice, or firms of up to five lawyers, who do not have access to other parental or adoption benefits

Operating Budget Summary

Client & People Services	2019 Actuals	2020 Projected Actuals	2020 Approved Budget	2021 Draft Budget	% Change
Client & People Services Total					
Salaries and Benefits	5,935,000	5,375,000	6,320,500	4,703,000	
Operating Expenses	197,700	126,000	342,800	280,700	
Program Expenses	1,740,200	1,169,000	1,802,600	2,207,600	
Total Expenses	7,872,900	6,670,000	8,465,900	7,191,300	-15.1%
Total Non-Annual Fee Revenues	2,707,300	1,072,000	2,572,700	2,133,200	-17.1%
Excess of Revenues Over Expenses / (Expenses Over Revenues)	(5,165,600)	(5,598,000)	(5,893,200)	(5,058,100)	
Full Time Equivalent			69.0	48.0	
Headcount			80.0	48.0	

Items of Note

- There is a reduction of 21 FTEs across various departments with 18 FTEs eliminated from Catering and Events.
- Catering budget for both revenues and expenses has been established on the assumption that when it is possible to re-open, it will be based on a break-even model. Projected revenue and expenses have been adjusted to \$1,450,000 to align with previous budgeted revenues from internal catering, Osgoode Hall restaurant and the cafeteria. External events have been excluded from the budget. This has resulted in overall reductions in expenses and non-annual fee revenues over the 2020 budget.

Operating Budget Details

Client & People Services	2019 Actuals	2020 Projected Actuals	2020 Approved Budget	2021 Draft Budget
Executive Director's Office Portfolio Management Office Corporate Resource & Training Centre				
Salaries and Benefits	987,600	1,079,000	1,254,900	1,050,200
Operating Expenses	40,200	22,000	95,600	68,500
Program Expenses	140,100	129,000	135,800	151,200
Total Expenses	1,167,900	1,230,000	1,486,300	1,269,900
Total Non-Annual Fee Revenues	-	-	-	-
Excess of Revenues Over Expenses / (Expenses Over Revenues)	(1,167,900)	(1,230,000)	(1,486,300)	(1,269,900)
Full Time Equivalent			8.0	6.0
Headcount			8.0	6.0
Client Service Centre				
Salaries and Benefits	3,466,700	3,433,000	3,484,100	3,394,700
Operating Expenses	121,100	88,000	195,300	182,100
Program Expenses	12,600	11,000	18,900	18,900
Total Expenses	3,600,400	3,532,000	3,698,300	3,595,700
Total Non-Annual Fee Revenues	484,300	415,000	427,700	447,700
Excess of Revenues Over Expenses / (Expenses Over Revenues)	(3,116,100)	(3,117,000)	(3,270,600)	(3,148,000)
Full Time Equivalent			41.0	40.0
Headcount			42.0	40.0
Catering Events				
Salaries and Benefits	1,480,700	863,000	1,581,500	258,100
Operating Expenses	36,400	16,000	51,900	30,100
Program Expenses	780,400	204,000	822,700	1,162,300
Total Expenses	2,297,500	1,083,000	2,456,100	1,450,500
Total Non-Annual Fee Revenues	1,954,800	422,000	1,910,000	1,450,500
Excess of Revenues Over Expenses / (Expenses Over Revenues)	(342,700)	(661,000)	(546,100)	-
Full Time Equivalent			20.0	2.0
Headcount			30.0	2.0

Operating Budget Details

Client & People Services	2019 Actuals	2020 Projected Actuals	2020 Approved Budget	2021 Draft Budget
Member Assistance Plan (MAP)				
Program Expenses	618,800	625,000	625,200	625,200
Total Expenses	618,800	625,000	625,200	625,200
Total Non-Annual Fee Revenues	268,200	235,000	235,000	235,000
Excess of Revenues Over Expenses / (Expenses Over Revenues)	(350,600)	(390,000)	(390,200)	(390,200)
Parental Leave Assistance Plan (PLAP)				
Program Expenses	188,300	200,000	200,000	250,000
Total Expenses	188,300	200,000	200,000	250,000
Excess of Revenues Over Expenses / (Expenses Over Revenues)	(188,300)	(200,000)	(200,000)	(250,000)

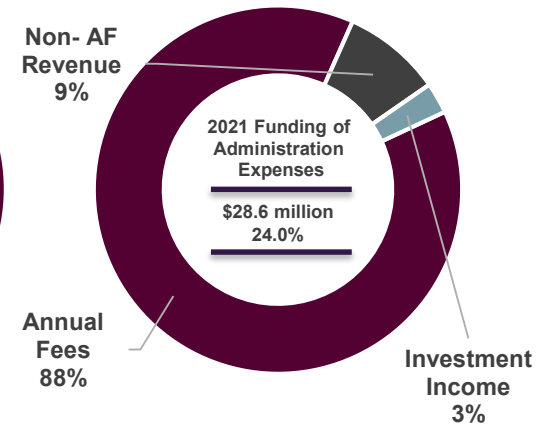
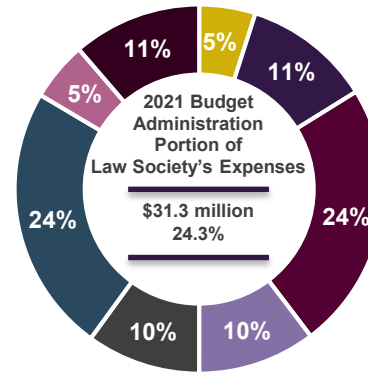
Administration



Overview

Administration

The Society's administrative functions include executive oversight, financial administration, information systems, office of general counsel, human resources and facilities management.

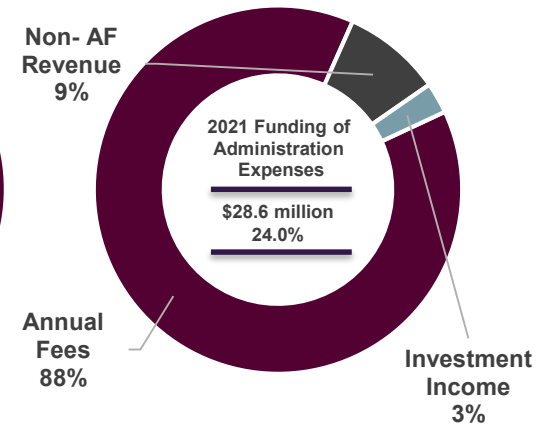
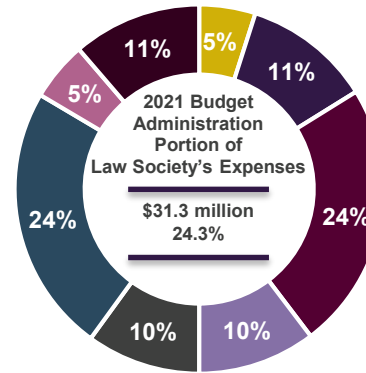


Office of Chief Executive Officer	Finance	Information Technology	Human Resources
<ul style="list-style-type: none"> Leads the operations of the Law Society Provides advice and support to the Treasurer and benchers and operational oversight for projects and activities that bridge strategy, policy and large-scale implementation Includes the Corporate Secretary function with oversight and management of governance functions Coordinates the contribution of benchers and management to Federation of Law Societies of Canada 	<ul style="list-style-type: none"> Oversees the Society's financial administration including its annual budget, financial policies and reporting, internal controls and support for the Audit and Finance Committee Manages the Society's enterprise risk management including risk identification, assessment and mitigation and compliance reporting Provides Financial administration to the Law Society Foundation and LIRN Inc. 	<ul style="list-style-type: none"> Supports business applications and information and communications technology that enables the Law Society to operate efficiently and effectively Manages IT related projects and initiatives for the Law Society 	<ul style="list-style-type: none"> Contributes to meeting the needs of our employees by providing support and services in the following areas: Employee Relations, Performance Management, Recruitment and Staffing, Compensation: salary and benefits (including the company pension plan), Coaching, Training and Development; Employment Legislation and Human Rights Committed to employment and pay equity, and supports the Occupational Health and Safety Act.

Overview

Administration

The Society's administrative functions include executive oversight, financial administration, information systems, office of general counsel, human resources and facilities management.



External Relations & Communications	Facilities	Office of General Counsel	Corporate
<ul style="list-style-type: none"> Leads the Society's communications, government and stakeholder relations functions Provides strategic communications and engagement advice and services Works closely with the Treasurer, benchers, management and operational areas to advance policy initiatives and strategic priorities by taking a leadership role in engagement and communications strategy development, media relations and issues management 	<ul style="list-style-type: none"> Provides employees with a safe, comfortable, clean and sustainable work environment. The portfolio of integrated services include: Building Maintenance, Planning and operations, facility capital projects, security services and curatorial. Delivers an optimal environment for the organization's primary functions, taking an integrated view of the business infrastructure, and using this to deliver effective and responsive services, create flexible and adaptable spaces, and operate cost effective building assets and services. 	<ul style="list-style-type: none"> Provides oversight for all corporate litigation Supports and co-instructs external counsel appointed by the Law Society's insurers in respect of litigation that is insured Manages an average of 30 corporate litigation files each year Provides a variety of legal services to the organization, ranging from advice and opinions on emerging policy matters through to legal implications of implementation of programs and policies including employment law and other organization obligations 	<ul style="list-style-type: none"> Includes expenses not aligned specifically with an operational department including insurance, audit fees, provision for bad debts, payment card processing fees and the central operations contingency.

Operating Budget Summary

Administration	2019 Actuals	2020 Projected Actuals	2020 Approved Budget	2021 Draft Budget	% Change
Administration Total					
Salaries and Benefits	15,528,500	14,998,000	16,209,000	14,831,400	
Operating Expenses	605,700	597,000	844,100	710,100	
Program Expenses	20,667,900	13,944,000	14,548,200	15,830,800	
Total Expenses	36,802,100	29,539,000	31,601,300	31,372,300	-0.7%
Total Non-Annual Fee Revenues	6,584,900	3,647,000	5,157,500	3,259,500	-36.8%
Excess of Revenues Over Expenses / (Expenses Over Revenues)	(30,217,200)	(25,892,000)	(26,443,800)	(28,112,800)	
Full Time Equivalent			137.5	119.0	
Headcount			140.0	121.0	

Items of Note

- The decrease in salaries and benefits of \$1.4 million is the result of a reduction of 18.5 FTEs across various departments with 14 FTEs eliminated from Facilities as a result of the outsourcing of security services.
- The increase in program expenses of \$1.28 million is the result of outsourcing security services (\$825,000) and offset by salary and benefit savings of \$950,000 from this transition and a \$250,000 increase in software maintenance costs.
- The decrease in non-annual fee revenues of \$1.90 million is mainly driven by elimination of late fees, as approved by Convocation for the 2021 budget year.

Operating Budget Details

Administration	2019 Actuals	2020 Projected Actuals	2020 Approved Budget	2021 Draft Budget
Office of Chief Executive Officer				
Salaries and Benefits	1,340,500	1,336,000	1,335,600	1,336,300
Operating Expenses	53,300	54,000	78,600	56,600
Program Expenses	215,800	77,000	244,500	154,500
Total Expenses	1,609,600	1,467,000	1,658,700	1,547,400
Total Non-Annual Fee Revenues	-	-	-	-
Excess of Revenues Over Expenses / (Expenses Over Revenues)	(1,609,600)	(1,467,000)	(1,658,700)	(1,547,400)
Full Time Equivalent			5.0	5.0
Headcount			5.0	5.0
Finance				
Salaries and Benefits	2,990,700	2,904,000	3,063,200	3,101,600
Operating Expenses	109,600	120,000	146,500	146,500
Program Expenses	187,300	285,000	288,500	274,500
Total Expenses	3,287,600	3,309,000	3,498,200	3,522,600
Total Non-Annual Fee Revenues	588,000	535,000	473,000	498,000
Excess of Revenues Over Expenses / (Expenses Over Revenues)	(2,699,600)	(2,774,000)	(3,025,200)	(3,024,600)
Full Time Equivalent			25.0	25.0
Headcount			25.0	25.0
Information Technology				
Salaries and Benefits	4,721,700	4,852,000	4,914,100	4,584,600
Operating Expenses	100,000	126,000	126,400	103,700
Program Expenses	1,883,000	2,121,000	2,125,200	2,688,000
Total Expenses	6,704,700	7,099,000	7,165,700	7,376,300
Total Non-Annual Fee Revenues	12,000	12,000	12,000	12,000
Excess of Revenues Over Expenses / (Expenses Over Revenues)	(6,692,700)	(7,087,000)	(7,153,700)	(7,364,300)
Full Time Equivalent			43.0	41.0
Headcount			43.0	41.0



Operating Budget Details

Administration	2019 Actuals	2020 Projected Actuals	2020 Approved Budget	2021 Draft Budget
Human Resources				
Salaries and Benefits	1,371,700	1,352,000	1,395,300	1,693,000
Operating Expenses	81,700	61,000	146,500	114,200
Program Expenses	950,700	970,000	1,444,700	1,434,600
Total Expenses	2,404,100	2,383,000	2,986,500	3,241,800
Total Non-Annual Fee Revenues	-	-	-	-
Excess of Revenues Over Expenses / (Expenses Over Revenues)	(2,404,100)	(2,383,000)	(2,986,500)	(3,241,800)
Full Time Equivalent			12.0	14.0
Headcount			12.0	14.0
External Relations & Communications				
Salaries and Benefits	1,630,800	1,657,000	1,865,600	1,743,600
Operating Expenses	103,700	81,000	180,800	132,900
Program Expenses	1,377,100	789,000	1,579,100	1,259,100
Total Expenses	3,111,600	2,527,000	3,625,500	3,135,600
Total Non-Annual Fee Revenues	4,700	-	120,000	-
Excess of Revenues Over Expenses / (Expenses Over Revenues)	(3,106,900)	(2,527,000)	(3,505,500)	(3,135,600)
Full Time Equivalent			16.0	15.0
Headcount			16.0	15.0
Facilities				
Salaries and Benefits	2,178,800	1,604,000	2,230,300	1,251,200
Operating Expenses	69,600	67,000	79,200	70,100
Program Expenses	4,993,400	4,835,000	5,285,700	6,054,700
Total Expenses	7,241,800	6,506,000	7,595,200	7,376,000
Total Non-Annual Fee Revenues	-	-	-	-
Excess of Revenues Over Expenses / (Expenses Over Revenues)	(7,241,800)	(6,506,000)	(7,595,200)	(7,376,000)
Full Time Equivalent			28.0	13.0
Headcount			30.0	15.0

Operating Budget Details

Administration	2019 Actuals	2020 Projected Actuals	2020 Approved Budget	2021 Draft Budget
Office of General Counsel				
Salaries and Benefits	1,294,300	1,293,000	1,404,900	1,121,100
Operating Expenses	87,800	88,000	86,100	86,100
Program Expenses	6,562,400	315,000	248,400	418,400
Total Expenses	7,944,500	1,696,000	1,739,400	1,625,600
Total Non-Annual Fee Revenues	-	-	-	-
Excess of Revenues Over Expenses / (Expenses Over Revenues)	(7,944,500)	(1,696,000)	(1,739,400)	(1,625,600)
Full Time Equivalent			8.5	6.0
Headcount			9.0	6.0
Corporate				
Salaries and Benefits	-	-	-	-
Operating Expenses	-	-	-	-
Program Expenses	4,498,200	4,552,000	3,332,100	3,547,000
Total Expenses	4,498,200	4,552,000	3,332,100	3,547,000
Total Non-Annual Fee Revenues	5,980,200	3,100,000	4,552,500	2,749,500
Excess of Revenues Over Expenses / (Expenses Over Revenues)	1,482,000	(1,452,000)	1,220,400	(797,500)
Full Time Equivalent			-	-
Headcount			-	-

6

Other Funds



Compensation Fund - Lawyer

The Compensation Funds are restricted by the Law Society Act. Under the Act, the Funds' revenues are to include licensee annual fees, recoveries and investment income from the investment of the accumulated fund balances.

The Funds make grants to members of the public who are the victims of licensee dishonesty and misappropriation of client funds held in trust. Convocation has delegated responsibility for the approval of grants to the Compensation Fund Committee. Current guidelines for grants cap payments at \$500,000 for the lawyer fund and \$10,000 for the paralegal fund.

The lawyer fund is governed by a Convocation approved fund balance management policy. The policy sets out minimum and maximum fund balance amounts to be maintained and prescribes the use of the accumulated fund balance and steps to be taken in the event the fund balance is below the policy minimum.

A key element of the fund balance management policy is the use of stochastic modelling to predict future claims activity and the appropriate size of the fund balance. A update to the stochastic modelling was completed in 2020 and the recommendations from that are reflected as part of the 2021 budget.

Compensation Fund - Lawyers

Key changes that are reflected in the 2021 budget related to the stochastic model and subsequent policy revisions by Convocation are:

- Provision for normal grants has been set at the 50th percentile in the 2021 budget at \$4.49 million (2020 budget – 50th percentile at \$4.8 million).
- Convocation approved a change in the Lawyer Compensation Fund Policy to reduce the minimum balance required in the fund from a minimum of one 99.5th percentile aggregate claim scenario to one 97.5th percentile aggregate claim scenario. This reduced the minimum required fund balance from \$20.5 million to \$19.6 million. With the current balance of the lawyer compensation fund at \$26.8 million as of September 30, 2020, it is no longer required to continue the replenishment strategy for the Compensation Fund. The Compensation Fund replenishment of \$5 million that was included in the 2020 budget has been removed for 2021.

As a result of the above changes, the Compensation Fund fee for lawyers is decreasing significantly from \$219 in 2020 to \$86 in 2021. The 2021 budget proposes the use of \$50,000 of the lawyer pool of the Compensation Fund.

Compensation Fund - Paralegals

The paralegal pool of the Compensation Fund is not governed by a Fund Balance Management Policy. With a grant limit of \$10,000 per claim and a fund balance that is two and half times the total grants paid since the beginning of paralegal regulation in 2008, the fund is in a very strong position to absorb a major defalcation if it were to occur.

With a fund balance of \$922,000 as of September 30, 2020 and based on past claims history, the 2021 budget recommends a nominal levy for the paralegal pool of the Compensation Fund of \$1 and the use of approximately \$80,000 of the current paralegal pool of the Compensation Fund. In consultation with the Audit and Finance Committee, should circumstances change in the future, consideration will be given to using an actuarial consultant to establish a stochastic model to estimate future claims activity and the appropriate size of the fund balance for the paralegal pool of the Compensation Fund.

Capital Fund

The Law Society maintains a restricted Capital Fund for the sole purpose of providing funding for the replacement, upgrade and restoration of its physical assets and information technology systems.

Osgoode Hall is unquestionably one of the legal professions' most iconic sites and the Law Society is entrusted with its preservation. Maintaining Osgoode Hall, in addition to requiring attention to its historical and symbolic importance, is complicated and expensive as the Law Society seeks to modernize its physical plant while respecting and maintaining the building's heritage. Management conducted a facilities condition assessment in 2020 to develop a ten year plan for the maintenance and replacement of relevant aspects of its physical infrastructure. This plan has informed the choice of projects to be undertaken in 2021 as key elements of the buildings physical plant have reached the end of their useful life.

A knowledge based operation like the Law Society requires continuous investment in modern information technology to meet the expectations, not only of licensees, but also the public, for information to be widely accessible and generally available on demand. To meet these expectations, the 2021 budget includes a number of business modernization projects intended to streamline operations, achieve efficiencies, improve service delivery along with licensee experience and reduce overall operating costs.

Of particular importance in this regard is implementation of an electronic data management system in Professional Regulation to improve workflows and reporting and reduce operational costs in a core service area. Also relevant is the implementation of an enhanced case management system that facilitates e-filing, scheduling, case tracking, and adjudicator access to files and resources for the Tribunal.

Capital Fund

These projects have been highlighted as key initiatives to be undertaken through the capital planning process as they reduce administrative burden, improve efficiency, enhance the licensee experience and improve the decision making capabilities of Management and Convocation.

Requests for information technology and business improvement initiatives of a capital nature require formal business cases. The Capital Planning Steering Committee, comprised of the CEO, Executive Director, Finance & CFO, and the Executive Director, Client & People Services, evaluates and prioritizes the requests before inclusion in the capital budget.

In addition to annual fee revenue, it is recommended that \$1.4 million of the current Capital Fund balance be used to support technology and facilities infrastructure requirements of \$5.1 million in 2021. This results in a capital levy in 2021 of \$73 (2020 - \$91).

County Libraries Fund

The Society maintains the County Libraries Fund to collect fees from lawyers for the provision of legal information and the support of county library services across Ontario's law libraries through its wholly-owned not-for-profit subsidiary LIRN Inc.

On an annual basis the Law Society approves a budget submission from LIRN Inc. and levies lawyers their proportionate share based on the estimated number of full fee equivalent lawyers in the upcoming year. The revenue raised from the annual fee is reported as revenue of the Fund, and payments made to LIRN Inc. are reported as an expense of the Fund. As part of the overall expense reductions planned in 2021, the amount to be paid to LIRN Inc has declined to \$7,217,000, a decrease of 10%.

To the extent that levies raised exceed payments to LIRN Inc., the difference is maintained in the County Libraries Fund. This balance is available to mitigate future annual fees raised for the purpose of funding LIRN Inc. The balance in the Fund at the end of September 30, 2020 was \$96,000.

The 2021 budget proposes the use of \$50,000 of the available fund balance in the County Libraries Fund. With this use of the fund balance, the levy in support of the County Libraries in 2021 is \$159 (2020 - \$182).

Errors and Omissions Insurance Fund

The Society's Errors and Omissions Insurance Fund (E&O Fund) is maintained for the purpose of reporting insurance related transactions between the Society, lawyers and LAWPRO. LAWPRO, on behalf of the Law Society of Ontario, administers the day to day operations of the E&O Fund under a management services agreement at no cost to the Society.

The administration of the Fund dates back to 1995 and the repurposing of LAWPRO as an independent provider of E&O insurance for Ontario lawyers, acting at arms length from the Society. Adjudication of pre-1995 claims by LAWPRO was a principle focus of the services agreement. With no existing pre-1995 claims, LAWPRO's administration of the E&O Fund is limited to the billing and collection of premiums and various additional levies related to transactions undertaken by lawyers in the course of their practice.

Ownership of the Fund's assets, including decisions to restrict their use, as well as income derived from their investment, is entirely the prevue of Convocation. It is for this reason that Convocation, on an annual basis from 2008 to 2019, approved the restriction of \$15 million as a backstop to LAWPRO insurance claims and, from 1999 to the present, approved the transfer of surplus investment income to the Society's General Fund with its acceptance of the LAWPRO insurance report.

The 2021 budget again proposes to transfer \$1.2 million of investment income, surplus to the needs of the E&O Fund, to support the operations of the lawyer General Fund.

Errors and Omissions Insurance Fund

Elimination of Insurance Claims Backstop

Commencing with the 2008 insurance program, the Society agreed to restrict \$15 million of the E&O Fund's balance as a backstop for adverse claims development on LAWPRO insurance claims. By agreeing to this restriction, the Society allowed LAWPRO to avoid the expense of obtaining reinsurance coverage for claims over and above those anticipated.

This backstop remained in place until 2019 and has never been required as a funding mechanism to support LAWPRO claims. In 2020, the restriction placed on the \$15 million was removed by Convocation. Those funds are now unrestricted within the E&O Fund and available to Convocation for purposes other than a claims backstop.

The availability of these funds has not been factored into the 2021 budget. As Convocation continues to consider COVID-19 relief measures for licensees, over and above those identified in this budget, consideration could be given to utilizing some, or all, of the available \$15 million to create a COVID-19 Annual Fee Relief Fund.