FILED
08/13/2026
Bowen Greenwood
CLERK OF THE SUPREME COURT
STATE OF MONTANA
Case Number: AF 06-0247

IN THE SUPREME COURT OF THE STATE OF MONTANA

FILED
AUG 13 2026
Bowen Greenwood
Clerk of Supreme Court
State of Montana

AF 06-0247

IN THE MATTER OF INCREASING THE ASSESSMENT FOR FUNDING THE OFFICE OF DISCIPLINARY COUNSEL

ORDER

On July 22, 2026, Pamela Bucy, Disciplinary Counsel, filed a petition to increase the annual assessment to active members of the State Bar of Montana and to lawyers admitted pro hac vice, for the funding of the Office of Disciplinary Counsel (ODC) to one hundred seventy-five Dollars ($175.00).

After consideration of the petition and memorandum in support, the Court has determined that the bench and bar of Montana, and the Board of Trustees of the State Bar of Montana, should be provided an opportunity to comment on the petition and memorandum in support attached to this Order. Therefore,

IT IS HEREBY ORDERED that the bench and bar of Montana and the Board of Trustees of the State Bar of Montana are granted 45 days from the date of this Order to file with the Clerk of this Court comments on the petition.

IT IS FURTHER ORDERED that this Order and attached petition shall be posted on the websites of the Montana Judicial Branch and the State Bar of Montana. The State Bar of Montana is requested to give notice of this Order and of its website posting of the petition to the membership by publication in the *Montana Lawyer* magazine and through other electronic and timely means.

The Clerk shall provide a copy of this Order to the State Bar of Montana, the Office of Disciplinary Counsel, and the State Law Library.

Dated this 13th day of August, 2026.

Chief Justice

FILED
07/22/2026
Bowen Greenwood
CLERK OF THE SUPREME COURT
STATE OF MONTANA
Case Number: AF 06-0247

Pamela Bucy
Office of Disciplinary Counsel
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Chief Disciplinary Counsel

IN THE SUPREME COURT OF THE STATE OF MONTANA

No. AF 06-0247

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IN THE MATTER OF INCREASING THE ASSESSMENT FOR FUNDING THE OFFICE OF DISCIPLINARY COUNSEL	**PETITION TO INCREASE ANNUAL ASSESSMENT AND MEMORANDUM IN SUPPORT**

The Office of Disciplinary Counsel of the State of Montana (ODC), pursuant to Article VII, Section 2(3) of the Montana Constitution, and Rules 5B(18) and 6A of the Montana Rules for Lawyer Disciplinary Enforcement (2021), hereby petitions the Montana Supreme Court to increase to One Hundred Seventy-Five Dollars ($175.00) the annual assessment on active members of the State Bar of Montana and lawyers admitted *pro hac vice* for the funding of the ODC.

The Petition is made on the grounds and for the reasons set forth in the following memorandum.

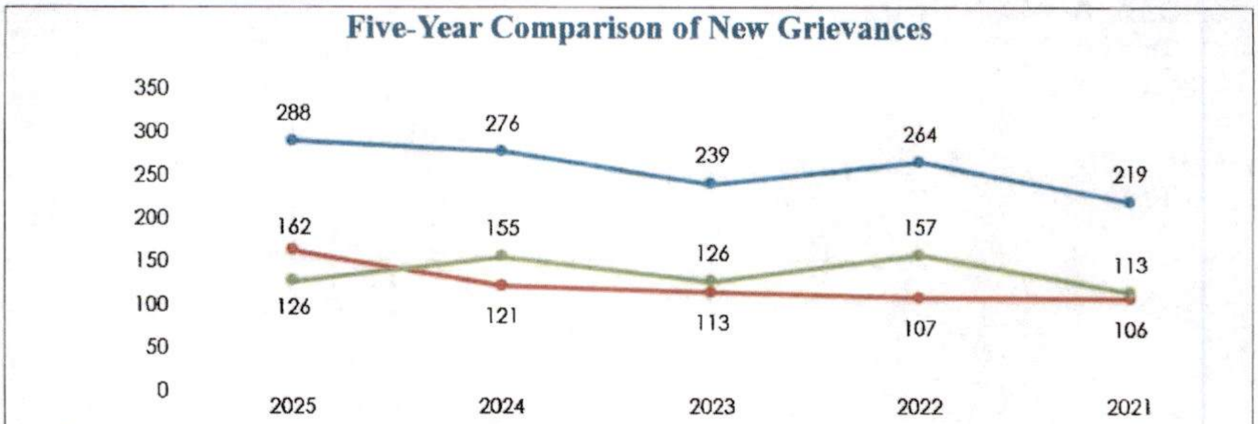
Brief in Support

This Court long ago established the Commission on Practice (COP) and adopted rules to govern proceedings before the COP. In 2001, following nearly a decade of study and case law development regarding the regulation of lawyers, the Court created the current system of lawyer discipline. *See, In Re: the Creation of the Office of Disciplinary Counsel; the Adoption of Structural Changes to the Commission on Practice; and the Adoption of Changes to Montana's System for Disciplining Lawyers,* 2002 MT 257. The Court created the Office of Disciplinary Counsel (ODC) to conduct intake of grievances against lawyers, investigate and, as necessary, prosecute claims before the COP. The ODC also monitors disciplinary compliance and other diversionary programs. The Court adopted the Montana Rules of Professional Conduct (MRPC) which govern lawyer conduct. The Court also adopted the Montana Rules for Lawyer Disciplinary Enforcement (MRLDE) which outline and govern the comprehensive lawyer disciplinary process.

At present, there are approximately 5,621 licensed attorneys in Montana. Montana lawyers, as well as lawyers appearing *pro hac vice* in Montana courts, pay an assessment to fund the operation of the ODC. The assessment is currently $125 and has not changed since 2006. The ODC receives no state or federal funding from any source. None of the staff of ODC are state employees and they do not receive any state benefits. ODC is administratively attached to the State Bar of Montana (State Bar) for purposes of employee benefits and functional support like accounting and information and technology services, however, it operates independently from the State Bar's governance structure. ODC is independently audited financially each year in conjunction with the State Bar. In addition, ODC is required to submit an annual report outlining performance each year. That report is available publicly on ODC's website: https://montanaodc.org/annual-reports.

The assessment of members of the State Bar is the primary source of funding for ODC. ODC also receives interest income as well as a small amount from costs imposed on disciplined attorneys. Historical budget documents indicate that ODC has relied on the income from investments to supplement the attorney assessment since at least 2006. Chief Disciplinary Counsel, Pamela Bucy, was hired by the Court in November of 2019. At that time, it was noted by the Court and Ms. Bucy that the ever-increasing utilization of the investment proceeds was not sustainable. As a result, staff was reduced by two (2) full-time employees (FTE) and other cost-saving measures were implemented. This fiscal discipline enabled ODC to delay requesting a dues increase until this time.

Despite reduction in staff, ODC's workload has continued to average approximately 280 new grievances a year, with that number anticipated to steadily increase over the next several years. Below is a five-year comparison.



	2025	2024	2023	2022	2021
Total	288	276	239	264	219
Merit	162	121	113	107	106
Meritless	126	155	126	157	113

In addition, litigation of disciplinary cases has also increased and has become increasingly more complex and voluminous in terms of investigation, discovery and hearings.

Beginning in 2019, ODC implemented a formal diversion program for newer attorneys who commit minor ethical violations. To assist with that program, ODC began a formal mentorship program, in which ODC selects qualified attorney mentors for those attorneys placed in the diversion program, as well as for attorneys who have been disciplined and are required to work with a mentor in their period of probation. To increase participation and quality of mentors, ODC petitioned the Continuing Legal Education (CLE) Commission to allow ODC mentors to earn up to five (5) ethics credits.

Additionally, due to an increase in lawyers unexpectedly passing, disappearing, or otherwise abandoning their practices, ODC has assumed some of the significant responsibilities of Rule 33 MRLDE Trustee Appointments. This includes traveling to abandoned storage units and/or offices to retrieve client files, as well as auditing and organizing those files to determine whether the matters can be destroyed or returned to the client.

The organization and return of files, particularly, has had its challenges. There have been instances where there is some organizational system, while others are strewn across several boxes, folders, or binders, or are simply loose leaf in piles. In instances where the client file should be returned, ODC attempts to locate the client and coordinate the return of materials. This is not only a task which ODC has never previously performed, and thus increases its workload, but also increases its expenses (e.g., costs for destruction, mailing). This workload has often been extraordinary for ODC staff, for several reasons, some of which are outlined above. It should be noted that these are instances where ODC cannot find a qualified volunteer to act as Rule 33 Trustee, or in instances where the Trustee has a limited capacity to assist, leaving the remaining burden with ODC.

However, despite these reductions and increased productivity, other costs have exponentially increased since 2006, namely, employee benefits including health insurance, rent, information and technology costs and malpractice insurance. ODC continues to operate at a loss, as total revenue (dues assessment, investment return, and costs recovery) have not kept pace with expenses. To rely on investment income to offset the operating deficit, sufficient reserves must be maintained.

Without a dues increase, ODC will continue drawing down its investment balance, ultimately reducing or eliminating the investment income needed to supplement ODC's budget or address unexpected expenses. To ensure the organization maintains adequate financial stability and preserves reserve levels, annual dues should be increased by $50 per member. This adjustment is expected to help offset projected cost growth, align revenue with anticipated expenditures, and sustain investment reserve balances.

A forecast based upon eight (8) years of historical data is attached as Exhibit A. The forecast was prepared by State Bar Director of Finance and Operations, Jill Lloyd, CPA. The forecast assumes that historical patterns will persist and that no significant structural changes or external disruptions will materially alter the trajectory.

WHEREFORE, ODC respectfully requests that the Court issue an Order:

A) Soliciting comments regarding the proposed change to the annual assessment for the Office of Disciplinary Counsel to One Hundred Seventy-Five Dollar ($175.00); and

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B) Adopt the proposed change to the annual assessment for the Office of Disciplinary Counsel for implementation for the 2028 dues cycle.

Respectfully submitted this 21st day of July, 2026.

OFFICE OF DISCIPLINARY COUNSEL

By: Pamela D. Bucy

Pamela D. Bucy, Chief Disciplinary Counsel

CERTIFICATE OF SERVICE

I, Pamela D. Bucy, hereby certify that I have served true and accurate copies of the foregoing Petition - Other to the following on 07-22-2026:

State Bar of Montana (Other)
Executive Director
State Bar of Montana
P.O. Box 577
Helena MT 59624-0577
Service Method: E-mail Delivery

Electronically signed by Sheena M. Broadwater on behalf of Pamela D. Bucy
Dated: 07-22-2026

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Summary

The attached forecast was developed using Excel's FORECAST.ETS function, which applies exponential smoothing to analyze historical time series data and project future values. This methodology is particularly effective for datasets exhibiting consistent patterns such as seasonality, trends, or recurring fluctuations.

Based on the eight years of historical data, the model identified underlying trends and extrapolated these patterns into the forecast period. The resulting six-year projection indicates a continuation of established trends.

The forecast assumes that historical patterns will persist and that no significant structural changes or external disruptions will materially alter the trajectory. Confidence intervals generated by the model provide a range of expected outcomes, offering insight into potential variability and risk associated with the projections. All line items, except for "Professional Fees," used the median range. Professional Fees utilized the upper bound confidence interval. This decision was based on the assumption that if headcount remains at the current level, then additional support would be contracted to third parties.

Overall, the ETS-based forecast provides a data-driven, statistically grounded outlook that supports planning and decision-making. While the model delivers a reliable baseline, the model was not used to forecast occupancy costs. Occupancy costs are forecasted using the proposed lease which takes effect February 1, 2027.

To ensure the organization maintains adequate financial stability and preserves reserve levels over the forecast horizon, an increase in dues is recommended. Specifically, dues should be increased by **$50 per member**. This adjustment is expected to help offset projected cost growth, align revenue with anticipated expenditures, and sustain reserve balances of approximately 20 months.

Historical budget documents indicate that ODC has relied on the income from investments to supplement the assessment since at least 2006. That amount has ranged from $50,000-190,000, per year. Chief Disciplinary Counsel Pam Bucy was hired in 2020. Recognizing that the ever-increasing amount of utilization of investment proceeds was not sustainable, Ms. Bucy reduced staff by 2 FTE and implemented other cost-saving measures. At the same time, Ms. Bucy implemented a new case management system and increased security and technical support; historically ODC had managed its own technology and IT security. Historical data shows that, over the past six years, expenses have been effectively managed under her leadership. This fiscal discipline has enabled ODC to delay requesting a dues increase.

However, ODC continues to operate at a loss, as total revenue (dues assessments and investment returns) has not kept pace with expenses. To rely on investment income to offset the operating deficit, sufficient reserves must be maintained. Without a dues increase, ODC will continue drawing down its investment balance, ultimately reducing or eliminating the investment income needed to help cover the deficit.

Income Statement - ODC

This worksheet takes eight years historical data and forecasts out six years using the methodolgy described.

Account	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Actual	2026 Actual	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast	2032 Forecast
Income														
Discipline Counsel Assessment	534,551	539,416	551,520	547,667	565,300	574,165	574,617	595,875	601,936	604,246	614,389	625,534	627,845	637,987
Total Income	**534,551**	**539,416**	**551,520**	**547,667**	**565,300**	**574,165**	**574,617**	**595,875**	**601,936**	**604,246**	**614,389**	**625,534**	**627,845**	**637,987**
Expense														
Payroll	578,454	599,335	490,938	425,450	431,775	448,966	466,743	515,696	524,506	537,020	549,534	562,048	574,562	587,075
Software & Tech	5,910	7,817	7,242	19,978	26,796	13,484	12,608	14,395	18,061	19,374	20,687	22,000	23,313	24,627
General & Administrative	40,063	37,032	26,369	23,433	34,897	43,910	44,122	36,996	38,719	39,639	40,558	41,478	42,398	43,318
Insurance and Bonds	6,148	8,711	10,614	12,539	22,478	18,929	19,884	18,163	22,866	24,957	27,049	29,140	31,232	33,323
Occupancy	65,502	66,632	67,718	75,445	75,132	80,106	80,828	80,449	95,076	126,450	130,243	134,150	138,175	142,320
Indirect to SBMT	7,445	11,468	12,537	12,646	13,768	18,000	18,000	18,540	20,734	22,261	23,787	25,313	26,839	28,365
Professional Fees	6,740	3,252	4,161	17,576	10,248	33,279	52,473	14,111	66,977	82,909	72,376	85,869	101,801	91,268
Total Expense	**710,262**	**734,247**	**619,579**	**587,067**	**615,095**	**656,674**	**694,658**	**698,350**	**786,939**	**852,609**	**864,234**	**899,998**	**938,319**	**950,296**
Operating Gain/Loss	**-175,711**	**-194,831**	**-68,059**	**-39,399**	**-49,795**	**-82,509**	**-120,041**	**-102,475**	**-185,003**	**-248,363**	**-249,845**	**-274,464**	**-310,475**	**-312,309**
Other Income														
Investment Gain/Loss	29,050	(80,744)	260,806	16,987	-74,228	148,625	77,799	97,195	277,918	75,805	-7,996	290,551	88,438	4,636
Total Other Income	**29,050**	**-80,744**	**260,806**	**16,987**	**-74,228**	**148,625**	**77,799**	**97,195**	**277,918**	**75,805**	**-7,996**	**290,551**	**88,438**	**4,636**
Other Expense														
Other Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Expense	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net Other Income/Expense	**29,050**	**-80,744**	**260,806**	**16,987**	**-74,228**	**148,625**	**77,799**	**97,195**	**277,918**	**75,805**	**-7,996**	**290,551**	**88,438**	**4,636**
Net Gain/Loss	**-146,662**	**-275,575**	**192,747**	**-22,413**	**-124,024**	**66,117**	**-42,242**	**-5,280**	**92,915**	**-172,558**	**-257,841**	**16,087**	**-222,037**	**-307,673**
Investment balance 03/31/2026								1,471,328	1,564,243	1,391,686	1,133,844	1,149,932	927,895	620,222
No. of months expense reserves at the end of the fiscal year									24	20	16	15	12	8
Estimated number of assessments									4,815	4,834	4,915	5,004	5,023	5,104
Amount of dues to break even on *operating expense*									$ 163.43	$ 176.38	$ 175.84	$ 179.86	$ 186.80	$ 186.19

Fiscal year begins April 1 and ends March 31

Grouped Expenses include:

Software & Tech: Tech Support, Softwre

General & Administrative: Postage, Telephone, Internet, Supplies, Subscriptions, Dues, Depreciation, Books, Reference, Travel, Education, Training, Cleaning, Copier, etc.

Professional Fees: Consulting, Professional Fees, Rule 33 Trustee, Litigation

Investment Gain/Loss: Gain/Loss, Unrealized Gain/Loss, Interest Income, Money Manager Fee

Income Statement - ODC

This worksheet uses eight years of historical data and projects results six years into the future using the methodology described. Based on the forecast, maintaining adequate reserves will require increasing the assessment by $50, from $125 to $175 per year. This increase will allow the ODC to maintain a 24-month reserve balance, providing sufficient funds to support ongoing operations while preserving a healthy level of reserves for future needs and unexpected expenses.

Account	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Actual	2026 Actual	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast	2032 Forecast
Income										$ 175.00	$ 175.00	$ 175.00	$ 175.00	$ 175.00
Discipline Counsel Assessment	534,551	539,416	551,520	547,667	565,300	574,165	574,617	595,875	601,936	845,950	860,125	875,700	879,025	893,200
Total Income	**534,551**	**539,416**	**551,520**	**547,667**	**565,300**	**574,165**	**574,617**	**595,875**	**601,936**	**845,950**	**860,125**	**875,700**	**879,025**	**893,200**
Expense														
Payroll	578,454	599,335	490,938	425,450	431,775	448,966	466,743	515,696	524,506	537,020	549,534	562,048	574,562	587,075
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Other Income														
Investment Gain/Loss	29,050	(80,744)	260,806	16,987	-74,228	148,625	77,799	97,195	277,918	75,805	-7,996	290,551	88,438	4,636
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Other Expense														
Other Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Expense	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net Other Income/Expense	**29,050**	**-80,744**	**260,806**	**16,987**	**-74,228**	**148,625**	**77,799**	**97,195**	**277,918**	**75,805**	**-7,996**	**290,551**	**88,438**	**4,636**
Net Gain/Loss	**-146,662**	**-275,575**	**192,747**	**-22,413**	**-124,024**	**66,117**	**-42,242**	**-5,280**	**92,915**	**69,146**	**-12,105**	**266,253**	**29,144**	**-52,459**
Investment balance 03/31/2026								1,471,328	1,564,243	1,633,389	1,621,284	1,887,537	1,916,681	1,864,222
No. of months expense reserves at the end of the fiscal year									24	23	23	25	25	24
Estimated number of assessments									4,815	4,834	4,915	5,004	5,023	5,104
Amount of dues to break even on *operating expense*									$ 163.43	$ 176.38	$ 175.84	$ 179.86	$ 186.80	$ 186.19

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Investment Gain/Loss: Gain/Loss, Unrealized Gain/Loss, Interest Income, Money Manager Fee