

AGENDA ITEM

142 May 9 2014 Proposed New Committee Structure

DATE: **April 25, 2014**

TO: **Members, Planning, Program Development and Budget Committee**
 Members, Board of Trustees

FROM: **Governance Issues Working Group**

SUBJECT: **Proposed New Board Committee Structure**

EXECUTIVE SUMMARY

At its May 2013 meeting, President Luis Rodriguez, then Chair of the Board Planning, Program Development, and Budget Committee, created a working group to review the board committee structure and make suggestions to the Board as to the number of standing committees and the charges of the committees.

The working group has met on several occasions in consultation with the President and the Executive Director. Most recently, the working group reported to the Planning Committee at its March meeting regarding its recommendations for proposed changes to the Board's Committee structure. This agenda item presents proposed changes to the Board's Committee structure as outlined in this memo for consideration and adoption.

The suggested new committee structure is:

1. Board Executive Committee (Board Ex Com)
 - a. Nominations and Appointments Committee (subject to Board Ex Com oversight)
 - b. Audit Committee (subject to Board Ex Com oversight)
2. Regulation and Discipline Committee (RAD)
3. Admissions and Education Committee (A&E)
4. Planning and Budget Committee (P&B)
5. Stakeholders and Access to Justice Committee (Stakeholders)
6. UPL Oversight (UPL)

In sum, structurally what this does is: (1) renames the Board Operations Committee as the Board Executive Committee; (2) eliminates the Member Oversight Committee, moving its fiscal and regulatory functions to the renamed Planning and Budget Committee and its member services related functions to the new Stakeholders and

Access to Justice Committee; (3) expands the purview of the Stakeholders Relations Committee, renaming it as the Stakeholders and Access to Justice Committee; (4) renames the Planning, Program Development and Budget Committee as the Planning and Budget Committee; (5) moves the admissions functions of the current Regulation, Admissions and Discipline Committee to a new Admissions and Education Committee, which will focus on the admissions functions of RAD, and the legal specialization, pre-licensing and continuing education functions of the Member Oversight Committee; and (6) maintains the Nominations and Appointments and Audit Committees, but makes them subject to Executive Committee oversight meaning that they will generally report to the Executive Committee rather than the full Board, except where Board action is needed. NAC and Audit will not generally meet on the Thursday before Friday Board meetings, but will meet at other times and their recommendations for Board action will appear on the Executive Committee's agenda for discussion on the Thursday before Friday Board meetings. The goal of this last change is to use Board meeting time efficiently and to ensure the work of these committees is given sufficient attention.

BACKGROUND

The current board committee structure has been in place since 2001, when the then Board of Governors established a governance structure comprised of five standing committees and a Board Operations Committee. The Audit Committee was added in 2004. The Board further directed that the standing committees could include the following, but should be differentiated with the understanding that the Board may continue to refine the structure as experience and need requires. With minor modifications and the addition of task forces, this structure has been maintained over the last thirteen years:ⁱ

- (1) Board Operations Committee (composed of the President, the chairs of each standing committee, the Executive Director/CEO, and at least one public member)
- (2) Planning, Program Development, and Budget Committee
- (3) Regulation, Admission and Discipline Oversight Committee
- (4) Member Oversight Committee
- (5) Nominations and Appointments Committee
- (6) Stakeholder Relations Committee/Legal Services Committee
- (7) Audit Committee

At the time that it adopted this committee structure, the Board also considered a more streamlined structure that would have consisted of four committees: three board committees each assigned a different area of responsibility; and an executive or governance committee. The Board ultimately selected the structure with the larger number of committees, partially driven by the desire to provide a leadership opportunity for each of five third-year attorney members of the Board, who at the time each held a Vice-President position.

ISSUE

After considering the existing structure of Board committees, the working group decided it was advisable to divide the work of the Board among a redefined set of committees in order to clarify committee missions and use Board meeting time more efficiently. The new committee structure suggested by the working group is as follows:

1. Board Executive Committee
 - a. Nominations and Appointments Committee (NAC) (oversight by Board Ex Com)
 - b. Audit Committee (Audit) (oversight by Board Ex Com)
2. Regulation and Discipline Committee (RAD)
3. Admissions and Education Committee (A&E)
4. Planning and Budget Committee (P&B)
5. Stakeholders and Access to Justice Committee (Stakeholders)
6. UPL Oversight (UPL)

A new charge for each of the new proposed committees and the existing charges for the remaining committees are attached to this item as Exhibit 1. The functions of the new committees are summarized below.

The Board Executive Committee would continue to have the existing functions of the Board Operations Committee and serve as a committee to direct the operations of the Board. The Board Executive Committee would also oversee State Bar litigation and conduct the performance review of the Executive Director. In addition, the Board Executive Committee would oversee the activities of the Nominations and Appointments and Audit Committees. The Executive Committee would continue to be comprised of the President and the chairs of the other Board Committees and would have at least one and preferably two public members. The Executive Director would continue to be a member of the Executive Committee, but would no longer vote in order to distinguish governance from management.

The Audit Committee would maintain its functions, but it is recommended that the Board repeal the appointment structure that was established for Audit, which required that the following board members be appointed to the Audit Committee: the President, who shall be chair, a 1st year member, a 2nd year member, two 3rd year members and a public member, each of whom shall serve on this committee throughout his/her term on the Board. The Board acted last year to provide that the Treasurer is to serve as Chair of the Audit Committee. The attached charter for the Audit Committee does recommend that the Committee should have at least one public member.

The Planning and Budget Committee would have the existing functions of the Planning, Program Development and Budget Committee and would also assume the fiscal functions of MOC and Stakeholders. The charge of the Planning and Budget Committee has been modified to incorporate the following functions set forth as duties of the Treasurer: that the Treasurer will serve as Chair or Vice-Chair of Planning; and will make the fiscal reports to the Board required by the Treasurer through the Planning Committee.

The Regulation and Discipline Committee would focus its functions on regulation and discipline, including oversight of the discipline system, the Client Security Fund, Fee Arbitration and preventative training. The Regulation and Discipline Committee would continue to conduct the performance review for the Chief Trial Counsel.

The Admissions and Education Committee would focus its functions on the admissions system (including interface with the Committee of Bar Examiners), licensure issues, legal specialization, and pre-licensing and continuing education.

The Stakeholders and Access to Justice Committee would have the existing non-fiscal functions of the Stakeholders Relations Committee, as well as the non-regulatory, member services and non-fiscal functions of the existing Member Oversight Committee. It would have increased responsibility for the Bar's access to justice commitments.

The Nominations and Appointments Committee's charge has been updated to more accurately describe its functions.

FISCAL / PERSONNEL IMPACT:

None

RULE AMENDMENTS:

None

BOARD BOOK IMPACT:

Revised Committee Charters

RECOMMENDATION

The working group recommends that the Planning Committee recommend that the Board of Trustees adopt the recommended new Board Committee structure, to be effective starting with the 2014 – 2015 Board year.

PROPOSED BOARD COMMITTEE RESOLUTION:

Should the Planning, Program Development and Budget Committee agree with the above recommendation, the following resolution would be appropriate:

RESOLVED, that the Planning, Program Development and Budget Committee recommends that the Board of Trustees adopt the proposed committee structure, beginning with the 2014-2015 board year, that consists of the following committees:

1. Board Executive Committee (Board Ex Com)
 - a. Nominations and Appointments Committee (subject to Board Ex Com oversight)
 - b. Audit Committee (subject to Board Ex Com oversight)
2. Regulation and Discipline Committee (RAD)
3. Admissions and Education Committee (A&E)
4. Planning and Budget Committee (P&B)
5. Stakeholders and Access to Justice Committee (Stakeholders)
6. UPL Oversight (UPL); and it is

FURTHER RESOLVED, that the Planning, Program Development and Budget Committee recommends that the Board of Trustees adopt the amended charters for the committees as appear in Exhibit 1; and it is

FURTHER RESOLVED, that the Planning, Program Development and Budget Committee recommends that the Board of Trustees repeal the structure currently in place for appointments to the Audit Committee.

PROPOSED BOARD OF TRUSTEES RESOLUTION:

Should the Board concur with the Planning, Program Development and Budget Committee's recommendation, the following resolutions would be in order:

RESOLVED, that upon the recommendation of the Planning, Program Development and Budget Committee, the Board of Trustees hereby adopts the proposed committee structure, beginning with the 2014-2015 board year, which consists of the following committees:

1. Board Executive Committee (Board Ex Com)
 - a. Nominations and Appointments Committee (subject to Board Ex Com oversight)
 - b. Audit Committee (subject to Board Ex Com oversight)
2. Regulation and Discipline Committee (RAD)
3. Admissions and Education Committee (A&E)
4. Planning and Budget Committee (P&B)
5. Stakeholders and Access to Justice Committee (Stakeholders)

6. UPL Oversight (UPL); and it is; and it is

FURTHER RESOLVED, that upon the recommendation of the Planning, Program Development and Budget Committee, the Board of Trustees hereby adopts the amended charters for the committees that appear as Exhibit 1; and it is

FURTHER RESOLVED, that upon the recommendation of the Planning, Program Development and Budget Committee, the Board of Trustees hereby repeals the structure currently in place for appointments to the Audit Committee.

¹Source: Annual Organization Board of Governors' Resolution; Board of Governors' Resolution, October, 2001 Action Plan/Report; Board of Governors' Resolutions September 2004, July 2009, May 2010.

Historical Note

In 2001, the Board of Governors established a board committee structure comprised of five standing committees and a Board Operations Committee (BOPS). The Board further directed that the standing committees could include the following, with the understanding that the Board may continue to refine the structure as experience and need requires: (1) Planning, Program Development, and Budget (PPDB) Committee, (2) Member Oversight Committee (MOC), (3) Regulation, Admission and Discipline Oversight Committee (RAD), (4) Stakeholder Relations Committee (SRC)/Legal Services Committee, (5) Volunteer Involvement Committee (VIC).

- 2002 - 2003, the Board added a Task Force on Sections.
- 2004 - 2005, SRC and VIC were combined to create the Communications and Bar Relations Committee (COMBAR). BOPS, RAD, MOC, PPDB and Task Force on Sections were maintained.
- In 2004, the Board added an independent State Bar Audit Committee.
- During 2005 – 2006, the Board went back to the six-committee governance structure adopted in 2001 with the addition of the Task Force on Sections and Audit Committees.
- 2009 – 2010, VIC and MOC were combined to form a Member Involvement Relations & Services committee (MIRS). RAD was split into two committees, Discipline Oversight Committee (DOC) and Regulation and Admissions Committee (RAC). SRC was eliminated and replaced with the Legal Services, Pro Bono & Equal Access Committee. BOPS, PPDB, Sections Task Force and Audit Committees were maintained.
- 2010 – 2011, the Board returned to the six-committee structure adopted in 2001, maintaining the Task Force on Sections and Audit Committees.
- 2011-2012, the Board changed the name of the Volunteer Involvement Committee (VIC) to Nominations and Appointment Committee (NAC) because in recent years, the central mission of the VIC -- and the bulk of its work -- has been nominations and appointments; created a Task Force on Discipline Metrics and Monitoring and an Ad Hoc Legislative Affairs Committee.