

AGENDA ITEM

144 MARCH 2015

DATE: March 11, 2015

TO: Members, Planning & Budget Committee
Members, Board of Trustees

FROM: Sam Quan, Acting Chief Financial Officer
Christine Wong, Director of Finance

SUBJECT: Amended 2015 Budget and Spending Authority

EXECUTIVE SUMMARY

In this item, the amended budget for the current calendar and fiscal year of 2015, which includes among other things proposed expenditures by departmental cost centers of the State Bar, would be adopted and staff spending authority under that budget for the calendar year would be extended through the full 2015 calendar year.

DISCUSSION

On January 24, 2015, the Board of Trustees adopted the Bar's 2015-17 budget with spending authority only through April 30, 2015, subject to further review and action at the Board's March meeting. The budget, as presented, included proposed expenditures at the fund level. The fund level format only provides a consolidated snapshot of the financials for each budgetary fund, without detailed budgetary data by cost centers for individual departments or department units. Cost-center level budgeting sets forth expenditures by a distinctly identifiable department, division, or unit whose managers are responsible for all its associated direct and indirect costs and for ensuring adherence to the Bar's budget.¹ In approving the budget until April 30, the Board directed staff to reformat the budget into a cost-center level budget, in addition to the fund level. The Board's resolution provided:

RESOLVED, that the Board of Trustees hereby adopts the 2015-17 Budget in the form presented to the Board this day; and it is

¹ See also, https://www.google.com/search?q=cost+center+definition&rls=com.microsoft:en-us&ie=UTF-8&oe=UTF-8&startIndex=&startPage=1&gws_rd=ssl, defining a cost center as "a department or other unit within an organization to which costs may be charged for accounting purposes."

FURTHER RESOLVED, that spending authority under the budget ends April 30, 2015, subject to further review and action at the Board's March meeting; and it is

FURTHER RESOLVED, that staff is directed to submit a revised budget with spending authority identified by program cost center by April 30, 2015.

Consistent with the recommendations in the related Agenda Item 143 providing for the level of detail to be included in all annual budgets prepared and presented to the Board for approval, an amended budget for the State Bar's calendar and fiscal year of 2015, with department or cost-center details, is attached. This amended budget is contained in 2016 Proposed Final Budget that was prepared immediately after the Board's January meeting and submitted to the Legislature on February 13, 2015, as required under Business and Professions section 6140.1, so that the budget may be reviewed and approved in conjunction with Senate Bill No. 387 (2015-2016 Regular Sessions), this year's fee bill authorizing the active membership fees for 2016.

RECOMMENDATION

Staff recommends approval of the 2015 amended budget, as included in the attached copy of the proposed final budget submitted to the Legislature, and the spending authority for the full calendar year as provided.

FISCAL / PERSONNEL IMPACT:

Full adoption of the 2015 budget, including the spending authority for 2015 through the end of fiscal year 2015.

RULE AMENDMENTS:

None

BOARD BOOK IMPACT:

None

PROPOSED PLANNING AND BUDGET COMMITTEE RESOLUTION:

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

RESOLVED, that the Planning and Budget Committee recommends that the Board of Trustees approves and adopts the amended 2015 budget, as presented in the attachment, with spending authority within the cost centers in that budget through the end of calendar year 2015.

PROPOSED BOARD OF TRUSTEES RESOLUTION:

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

RESOLVED, that upon the recommendation of the Planning and Budget Committee, the Board hereby approves and adopts the amended 2015 budget, as presented in the attachment, with spending authority within the cost centers in that budget through the end of calendar year 2015.