

# AGENDA ITEM

**112 MARCH 2016**

**DATE:** February 23, 2016

**TO:** Members, Board Executive Committee  
Members, Board of Trustees

**FROM:** Leah Wilson, Chief Operating Officer

**SUBJECT:** President's Reimbursement Policy

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## EXECUTIVE SUMMARY

Last year, the Board amended the existing policy regarding reimbursement of the President's expenses to appropriate \$30,000 on a continuing basis to fund reasonable and necessary expenses of the President, subject to other requirements. During this year's budget process, it was decided that there would not be a separate line item for President expense reimbursement. Instead, the Board President will be reimbursed for eligible expenditures pursuant to governing State Bar policies, in alignment with the manner in which similar reimbursements are made for State Bar employees, Board members, and volunteers. This item asks that the board amend the existing policy to reflect this change.

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## BACKGROUND

Last year, the Board adopted the following policy regarding reimbursement of the President's expenses:

### ***Continuing Appropriation for President's Actual and Necessary Business Expenses***

(a) The Board hereby appropriates \$30,000 per year on a continuing basis to fund the reasonable and necessary Business expenses of the President of the State Bar. This funding shall be in addition to that provided for travel expenses of staff and volunteers including Trustees. The President's Business expenses shall be reimbursed on the same terms as are the Business Expenses of Senior State Bar management staff, pursuant to adopted policies regarding Travel and Business-Related Expenses by such staff, provided that the President may be reimbursed for his or her cost to attend an event as a representative of the State Bar.

(b) Such reimbursements shall be funded from non mandatory dues revenue in recognition of the restrictions of the Keller and Brosterhous decisions and other law.

(c) Such reimbursements shall be consistent with the requirement of Business & Professions Code section 6028, subdivision (c) that no attorney Trustee be compensated for service.

Adoption of this policy presented a modification of existing policy which provided that the President receives reimbursement for necessary expenses connected with the performance of his or her duties related to attendance at non-State Bar events. These events have historically included attendance at the ABA Midyear Meeting, the ABA Bar Leadership Institute, the Western States Bar Conference, the ABA Annual Meeting – National Conference of Bar Presidents, and district meetings and local bar outreach. The modifications offered additional detail regarding the criteria for reimbursing the President's expenses, conforming them to the same terms as the travel and expense policies applied to Senior State Bar management staff.

Attorney Board members are reimbursed only for necessary expenses connected with the performance of their duties. The President's expenses can exceed those of a regular Board member because of the greater range of activities that he or she may attend. Business and Professions Code section 6028(b) expressly states that “. . . no member of the board shall receive any other compensation than his or her necessary expenses connected with the performance of his or her duties as a member of the board.”

## **DISCUSSION**

This item proposes a further amendment to the policy regarding reimbursement of the President's expenses to eliminate the continuing appropriation for President expenses.

The amended policy recommended for adoption is as follows:

### ***Reimbursement of President's Actual and Necessary Business Expenses***

(a) The President shall be reimbursed for his or her actual or necessary business expenses on the same terms that the business expenses of State Bar staff are reimbursed pursuant to adopted policies regarding Travel and Business-Related Expenses by such staff, provided that the President may be reimbursed for the actual costs associated with attending any event as a representative of the State Bar.

(b) Such reimbursements shall be funded from non mandatory dues revenue in recognition of the restrictions of the Keller and Brosterhous decisions and other law.

(c) Such reimbursements shall be consistent with the requirement of Business & Professions Code section 6028, subdivision (c) that no attorney Trustee be compensated for service.

## **FISCAL/PERSONNEL IMPACT**

N/A

## **RULE AMENDMENTS**

N/A

## **BOARD BOOK IMPACT**

Tab 8, Article 1, Section 5, Page 3

## **BOARD COMMITTEE RECOMMENDATIONS**

The Board Executive Committee recommends that the Board of Trustees approve the following resolution:

**RESOLVED**, that the Board of Trustees approve the following policy regarding reimbursement of the President's expenses:

### ***Reimbursement of President's Actual and Necessary Business Expenses***

(a)

(a) The President shall be reimbursed for his or her actual or necessary business expenses on the same terms that the business expenses of State Bar staff are reimbursed pursuant to adopted policies regarding Travel and Business-Related Expenses by such staff, provided that the President may be reimbursed for the actual costs associated with attending any event as a representative of the State Bar.

(b) Such reimbursements shall be funded from non mandatory dues revenue in recognition of the restrictions of the Keller and Brosterhous decisions and other law.

(c) Such reimbursements shall be consistent with the requirement of Business & Professions Code section 6028, subdivision (c) that no attorney Trustee be compensated for service.