

# AGENDA ITEM

## 136 NOVEMBER 2016

**DATE:** November 16, 2016

**TO:** Members, Admissions and Education Committee  
Members, Board of Trustees

**FROM:** Terrance Flanigan, Chair  
Joanna Mendoza, Vice Chair

**SUBJECT:** 2017 Annual Meeting Structure

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### EXECUTIVE SUMMARY

The State Bar is required to have an Annual Meeting (Meeting) pursuant to Business and Professions Code section 6205:

*The board shall by rule fix the time and place of the annual meeting of the State Bar, the manner of calling special meetings thereof and determine what number shall constitute a quorum of the State Bar.*

Previous Meetings were held over four days, usually in September or October. Attendance at the Meeting has been falling over the past several years. Most of the costs of the Meeting are borne by attendees, but have been increasingly subsidized by the General Fund. In 2015, for example, the Meeting received a General Fund subsidy of approximately \$200,000.

In light of the need to prioritize all discretionary General Fund dollars for investment in the discipline system, staff acted to cancel 2018 and 2019 Meeting contracts in September, prior to the onset of significant escalations in cancellation penalties. At its October 2, 2016, meeting, the Board of Trustees (Board) considered these cancellations, as well as the 2017 Meeting contract. The Board was specifically asked to decide whether or not to direct staff to reinstate the cancelled 2018 and 2019 contracts, and whether the 2017 Meeting contract should be cancelled. The Board voted to cancel the 2017 contract, and did not act on reinstatement of the 2018 or 2019 contracts. The Admissions and Education Committee (Committee) was asked to work with staff and interested stakeholders to develop possible alternative options to the traditional Meeting format. Options, all of which enable compliance with the statutory requirements for the Meeting, were developed and vetted by the Committee's Chair and Vice Chair. These options, along with the recommendation of the Committee's leadership, are outlined in this memorandum.

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## **BACKGROUND**

Business and Professions Code section 6025 outlines the requirement for the State Bar to hold the Meeting:

*The board shall by rule fix the time and place of the annual meeting of the State Bar, the manner of calling special meetings thereof and determine what number shall constitute a quorum of the State Bar.*

Sections 6012, 6013.5, 6016, 6019, 6021 and 6026 prescribe certain activities that are to occur at the Meeting, most notably with regards to formal commencement of trustee terms. All applicable statutes are provided in Attachment A.

The State Bar has held the Meeting for 89 years. After Continuing Legal Education (CLE) became mandatory in the early 1990's, the Meeting was used as a venue for delivering educational content to attorneys.

The Meeting has been increasingly subsidized by the General Fund, to the amount of approximately \$200,000 in 2015, the most recent year for which data is available. Given concerns about the appropriateness of continued General Fund subsidies for this event, several future Meeting hotel contracts were canceled, including the 2017 Disneyland Hotel contract.

## **DISCUSSION**

At the October 2, 2016 meeting the Board adopted the following resolution:

*Resolved, that the Board of Trustees directs staff to cancel the 2017 Disneyland Hotel contract and directs staff to come back to the Board with alternative recommendations.*

Subsequent to the meeting, staff developed various options for consideration by the Admission and Education Committee Chair and Vice Chair. In developing these options, the Chair and Vice Chair identified those components of the Meeting that were trade show or associational in nature, versus those that were educational or statutorily required. Each component is described below.

### COMPONENTS

#### **Swearing In Ceremony**

The Meeting signifies the end of the current term and beginning of the new term for the Board, and all other committee, commission and task force members appointed by the Board. The Swearing-In Ceremony takes place at the Meeting every year. The State Bar President and Board as well as the California Judges Association President and Board Members are sworn-in by the Chief Justice of the California Supreme Court. The Chair and Vice Chair recommend the ceremony for the Board be part of a reconstituted Meeting.

## **Morrison Lecture**

The Morrison Lecture Series has been presented at the Meeting for three quarters of a century. The inspiration for the Lecture Series was Alexander F. Morrison. Six years after Mr. Morrison's death, the State Bar of California was created. Two years after that, in 1929, the stock market crashed. But, in the midst of this economic turbulence, five individuals heavily influenced by Alexander Morrison came together, generated the idea for the Morrison Lecture Series and made the substantial financial contributions necessary to support the Lectures. This money has been kept in a Trust and is used to pay for speaker honorariums and any travel expenses associated with the speaker. The Trust money is not used to pay for lunch. The Morrison Lecture takes place at a luncheon at the Meeting. Attendees pay a ticket fee which pays for the cost of the lunch.

A goal of the Trust is to establish an event at the Meeting that in perpetuity would reflect well on the State Bar and would provide a feature of substance for the consumption of the lawyers who attended the Meeting. The Trust called for the support of "Lecturers, eminent in scholarship, [who] shall . . . deliver the lectures, for which only subjects of a special importance shall be selected." The Chair and the Vice Chair do not recommend the Morrison Lecture be a part of a reconstituted Meeting due to concerns about declining attendance and the viability of this event being self-sustaining on an ongoing basis. .

## **President's Pro Bono Service Awards**

The Board created the President's Pro Bono Service Awards in 1983. The awards recognize California attorneys, law firms and associations of California lawyers who have provided or enabled the direct provision of legal services to poor persons or organizations whose primary purpose is to provide legal services to the poor, free of charge. In November 2009, the Board expanded the list of award recipients to include California law schools accredited by the American Bar Association or The State Bar of California and law students currently enrolled in those law schools. A combined total of up to nine awards are given annually in all award categories. Recommendations for the President's Pro Bono Service Awards are made by the Standing Committee on the Delivery of Legal Services (SCDLS) to the Board, which reviews and approves the recommendations. The Chair and the Vice Chair do not recommend the President's Pro Bono Service Awards continue as part of a reconstituted Meeting due to concerns about facility and catering requirements.

## **Loren Miller Legal Services Award**

The Loren Miller Legal Services Award, named after the late Loren Miller, an African American lawyer and judge who was a leader in the civil rights movement, was established in 1977 to commemorate the 50th Anniversary of the State Bar of California. It is considered a lifetime achievement award and is given annually to a lawyer admitted to practice in California who has demonstrated long-term commitment to legal services and who has personally done significant work in extending legal services to the poor. Previous award recipients include the staff of legal services organizations such as directors of litigation, executive directors and private bar attorneys. The State Bar Standing Committee on the Delivery of Legal Services (SCDLS) reviews the nominations and submit its recommendation to the Board in July for final review and approval. The Chair and the Vice Chair do not recommend the Loren Miller Legal Services Awards continue as part of a reconstituted Meeting due to concerns about facility and catering requirements.

## **Education Pipeline Award**

The State Bar of California Board established the Education Pipeline Award in 2008 to recognize outstanding efforts of law-related educational programs that train and support students who are interested in the judicial system and careers in the law. The recipient is honored during a presentation at the Education Pipeline Award reception at the Meeting. The State Bar Council on Access and Fairness reviews nominations and submits its recommendation to the Board in July for a final review and approval. The Chair and the Vice Chair do not recommend the Education Pipeline Awards continue as part of a reconstituted Meeting due to concerns about facility and catering requirements.

## **Diversity Awards**

The State Bar of California Diversity Awards were established by the Board to recognize outstanding efforts made by a bar association, law firm, organization or attorney to promote diversity in the legal profession, in their organization or among their peers. The awards are given each year at a reception held during the Meeting. The State Bar Council on Access and Fairness reviews nominations and submits its recommendation to the Board in July for a final review and approval. The Chair and the Vice Chair do not recommend the Diversity Awards continue as part of a reconstituted Meeting due to concerns about facility and catering requirements.

## **Continuing Legal Education (CLE)**

The majority of the CLE programs offered at the Meeting are provided by the Sections. Other State Bar offices also provide CLE programs in areas outside of the substantive areas the Sections represent, such as ethics and professional responsibility, substance abuse and mental health, and elimination of bias and diversity. Sections will continue to provide education outside of the Meeting both in-person and online. The Chair and Vice Chair do not recommend providing CLE as part of a reconstituted 2017 Meeting due to concerns about facility requirements. The Chair and Vice Chair do recommend that the issue of CLE at future Meetings be further vetted by the Committee.

## **Other Outside Stakeholder Events**

While there are a number of key stakeholders that may be impacted by any significant change to the Meeting format, of particular note are the California Conference of Bar Associations (CCBA) and the California Women Lawyers. The California Women Lawyers hold a dinner at the Meeting every year. The dinner is a ticketed event featuring a high-profile speaker but does not impose any cost on the State Bar.

CCBA was formed as an independent 501(c)(6) non-profit corporation in 2002. It is the successor organization to the State Bar Conference of Delegates. Participation is open to all local, minority, statewide and specialty voluntary bar associations in California. CCBA employs a lobbyist in Sacramento to implement its legislative program. CCBA is funded entirely by voluntary contributions. No State Bar mandatory dues are used in its operations. CCBA usually meets in conjunction with the Meeting. The conference assembles up to 500 authorized delegates from participating bar associations. The delegates draft, analyze, lobby and vote on approximately 100 resolutions. Those are then debated on the floor of the conference during the Meeting.

Both of these entities were contacted regarding the possibility of a revamped Meeting in future years, including formats which would not provide them with any opportunity to partner or co-locate. Although they expressed interest in the possibility of collaboration in future years, they indicated their organizations would move forward with plans to hold events independent of the Meeting.

In addition to those two groups, the California Judges Association (CJA) usually co-locates with the Meeting. However, in 2017 CJA was already holding their meeting in a different location than the previously scheduled Meeting location. Staff met by phone with CJA representatives and discussed a modified Meeting. CJA indicated that this decision would have no impact on their 2017 meeting and that they would likely continue to locate at the venues for 2018 and 2019 for which the State Bar had cancelled contracts. They were interested in a continued relationship with the Bar if possible, but are prepared to continue on their own if necessary.

### LOCATIONS

Given the desire to scale back the various components of the Meeting, staff first investigated the possibility of holding the Meeting onsite at the State Bar Los Angeles or San Francisco locations. Staff also reached out to the Judicial Council of California about the possibility of the Bar using its San Francisco conference center space. The Council Operations Manager responded that their location would not likely be appropriate for the Bar's use: the rental would be limited to 2 days, and could not be guaranteed earlier than 30 days prior to the event. Staff also considered contracting with a hotel to hold a scaled down Meeting. Because all hotels have food, beverage and lodging minimums, this option was not considered ideal. Lastly, the possibility of holding the Meeting at a law school was discussed.

### ANNUAL MEETING STRUCTURE OPTIONS

After taking into account the desired components of a revised Meeting and the location possibilities outlined above, four options for consideration were developed; a matrix regarding these options is provided in Attachment B.

#### **Option 1**

Designate a regular Board meeting as the Meeting and have a swearing in ceremony at that time. The benefit of this option is that the Meeting could occur at Bar offices and therefore would incur minimal costs.

#### **Option 2**

Designate a regular Board meeting as the Meeting and have a swearing-in ceremony. In addition, hold the Morrison Lecture and all of the awards ceremonies at the Meeting. The benefits of this option are that it allows the Bar to continue to hold the Morrison lecture and distribute awards in a group (and thus more visible) setting. The primary drawback of this option is that it would require the procurement of offsite space.

### **Option 3**

Designate a regular Board meeting as the Meeting and have a swearing-in ceremony. In addition, hold the Morrison Lecture, awards ceremonies and 6 hours of CLE in mandatory fields created by the Bar. This option would result in the Meeting continuing to be a venue for live MCLE in the mandatory fields, which tend to be the more popularly attended CLE at previous Meetings. This option would likely require the Bar to contract with a hotel and be subject to the risk associated with doing so.

### **Option 4**

Designate a regular Board meeting as the Meeting and have a swearing-in ceremony. In addition, hold the Morrison Lecture, different awards ceremonies and 12 hours of CLE put on by the Bar and other entities. This option expands the amount of CLE offered to attendees and may increase the likelihood of attendance. There is no guarantee that the Sections or other entities will participate in this option. This option would also require the Bar to contract with a hotel and be subject to the risks associated with doing so.

### **RECOMMENDATION**

The Chair and the Vice Chair recommend Option 1 for 2017. They further recommend that the Committee consider the possibility of an enhanced Meeting, to include the potential of integrating back some of the components discussed above, for 2018 and beyond, as part of the Committee's 2017 workplan.

### **FISCAL/PERSONNEL IMPACT**

The fiscal impact varies depending on the scenario that the Board chooses to select.

### **RULE AMENDMENTS**

None.

### **BOARD BOOK IMPACT**

None.

### **BOARD COMMITTEE RECOMMENDATIONS**

The Admissions and Education Committee recommends that the Board approve the following resolution:

**RESOLVED**, that the Board of Trustees approve the 2017 Annual Meeting be held at the offices of the State Bar of California; and it is

**FURTHER RESOLVED**, the 2017 Annual Meeting contains a meeting of the Board of Trustees and a swearing-in ceremony.

### **ATTACHMENT(S) LIST**

- A. Business and Profession Code Section 6010-6034

**B. Annual Meeting Option Matrix**