

# AGENDA ITEM

## III.C. JULY 2017

**DATE:** July 13, 2017

**TO:** Members, Planning and Budget Committee

**FROM:** Elizabeth Parker, Executive Director

**SUBJECT:** Changes to Committee Title and Charter

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### EXECUTIVE SUMMARY

At its July 13, 2017, meeting the Executive Committee will consider revisions to the State Bar's Board Book primarily designed to effectuate recommendations of the 2017 Governance in the Public Interest Task Force (Task Force). These changes include modifications to the Planning and Budget Committee's title and charter.

This agenda item presents proposed revisions to the Planning and Budget Committee title and charter and asks the Committee to discuss and define its responsibilities in light of these modifications. Pursuant to this discussion, the Committee may wish to propose additional Board Book revisions to the Executive Committee for consideration at its September meeting.

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### BACKGROUND

The text of proposed Planning and Budget Committee title and charter amendments is provided as Attachment A; key changes are summarized below:

- The Planning and Budget Committee is renamed the Finance and Planning Committee; and
- The Finance and Planning Committee's (enhanced or new) responsibilities will include:
  - *Financial Review: Ensure that the financials are thoroughly examined on a quarterly basis so that the Board, through the Finance and Planning Committee, may develop a functional and detailed understanding of the fiscal conditions and issues of the State Bar in order to be engaged proactively in the budget preparation, development, and planning processes.*
  - *Governance Review: Review Board and Board committee functioning; make recommendations to the Board for changes in governance to ensure that the Board and Board committees are appropriately structured to align with State Bar program operations, administrative policy and mission; and ensure incorporation of approved governance recommendations into the State Bar Strategic Plan.*

Committee discussion and input is needed to define the specific role that the Committee will play with respect to both of these expanded responsibilities.

## **DISCUSSION**

The articulated Task Force purpose for the Committee name change was to ensure that the Committee is focused on providing ongoing scrutiny and oversight of the Bar's *finances* overall, as opposed to simply the budget development process.

In that vein, the Financial Review responsibility was developed, outlining a role for the Committee in ongoing oversight of all aspects of the Bar's finances, and beyond those areas directly implicated by the annual budget development process.

With respect to the planning aspect of the Committee's name, the charter has been modified to place responsibility for ongoing assessment of Board governance issues with the Committee. The Task Force believed that this type of review and recommendation development might ultimately replace a distinct Governance in the Public Interest Task Force, and would be best incorporated into the Board's existing structure as part of Finance and Planning, given its existing responsibility for the Board's strategic planning efforts.

## **FISCAL/PERSONNEL IMPACT**

None

## **RULE AMENDMENTS**

None

## **BOARD BOOK IMPACT**

None

## **BOARD GOALS & OBJECTIVES**

Implement and pursue governance, composition, and operations reforms needed to ensure that the Board's structure and processes optimally align with the State Bar's public protection mission.

## **BOARD COMMITTEE RECOMMENDATIONS**

None

## **ATTACHMENT(S) LIST**

- A. Proposed Amendments, Finance and Planning Committee Charter

## Article 3

CHARTER FOR ~~PLANNING AND BUDGET~~FINANCE AND PLANNING COMMITTEE

The ~~is Committee's~~ charter of the Finance and Planning Committee is to develop and lead the Board's participation in all State Bar planning and budget processes, including examination of financials, budget preparation, strategic planning, governance review and program implementation. ~~The Treasurer of the State Bar shall serve as Chair or Vice Chair of the Planning and Budget Committee and shall report to the Board regarding matters involving the budget and internal financial controls through the Planning Committee.~~ This charter is to be accomplished as follows:

- Budget and Planning: ~~C~~In consultation with the President, Vice President and Executive Director on the detailed design of the State Bar's planning and budget development cycle -- with special attention to the Board's role in planning -- and on the annual planning calendar; and ensuring that the Board participates fully and proactively in the planning process.
- Financial Review: Ensure that the financials are thoroughly examined on a quarterly basis so that the Board, through the Finance and Planning Committee, may develop a functional and detailed understanding of the fiscal conditions and issues of the State Bar in order to be engaged proactively in the budget preparation, development and planning processes.
- Strategic Planning Session: Coordinate~~ing~~ with the President and Vice President ~~the on~~ overseeing ~~and prepar~~ation for, and hosting, the annual strategic ~~planning~~work session.
- ~~— Recommending to the full Board the strategic issues that will be added annually to the State Bar's Strategic Plan, updated values, vision, and mission statements, operational planning priorities, the annual budget, and other strategic and policy-level products that merit full Board attention.~~
- Governance Review: Review Board and Board committee functioning; make recommendations to the Board for changes in governance to ensure that the Board and Board committees are appropriately structured to align with State Bar program operations, administrative policy and mission; and ensure incorporation of approved governance recommendations into the State Bar Strategic Plan.
- Oversight: Ensuring as part of the annual operational planning/budget preparation process that ~~all program plans include both financial and programmatic performance targets that the Performance Oversight Committees can use in monitoring the programmatic and financial performance of all State Bar programs and operating units~~a department-by-department fiscal review is performed to evaluate budget projections.
- ~~— Designing appropriate input and participation of State Bar non-governing standing committees (e.g., Committee on Administration of Justice) in the State Bar planning process.~~

- Perform such other functions relevant to the [Finance and Planning Committee's](#) subject area as the Board of Trustees may from time to time assign.

(Source: Board of Governors' Resolution approving Planning, Program Development and Budget Committee Charter, January 2002; Board of Governors' Resolutions, July 11, 2008, July 2009, September 2010; Board of Trustees Resolution approving Planning and Budget Committee Charter, July 2014; [Board of Trustees Resolution, adopting recommendations of the 2017 Governance in the Public Interest Task Force, July 2017.](#))

#### **Historical Note**

~~At its July 2014, the Board of Trustees adopted a revised charter for the Planning and Budget Committee that maintains the existing functions of the Planning, Program Development and Budget Committee and assumes the fiscal functions of MOC and Stakeholders. The charge of the Planning and Budget Committee was modified to incorporate the functions of the Treasurer, previously approved by the Board: the Treasurer will serve as Chair or Vice-Chair of Planning; and the Treasurer will make required fiscal reports to the Board through the Planning Committee.~~