

AGENDA ITEM

NOVEMBER 10 – Board of Trustees – October 6, 2017, Open Minutes

Board of Trustees Meeting
Friday, October 6, 2017
Open Minutes
State Bar of California
Conference Call
180 Howard St., 8th Floor, Room 8B, San Francisco, CA 94105
845 S. Figueroa St., 2nd Floor, Room 2A, Los Angeles, CA 90017

The Board of Trustees of The State Bar of California convened in open session at 11:00 a.m. at the State Bar of California, 845 S. Figueroa Street, Room 2A, 2nd Floor, Los Angeles; 180 Howard St., 8th Floor, Room 8B, San Francisco; and by conference call on Friday, October 6, 2017, Michael Colantuono presiding.

The following members of the Board of Trustees were present: Mark Broughton, Hailyn Chen, Renée LaBran, Jason Lee, Joanna Mendoza, Sean SeLegue, Stacie Spector, Brandon Stallings, Alan Steinbrecher and Todd Stevens.

The following member of the Board of Trustees was not present: James Fox

The following members of staff were present: Sarah Cohen, Francisco Gomez, Kevin Harper, Donna Hershkowitz, Steve Mazer, Vanessa Holton, and Leah Wilson.

The roll-call vote was taken.

Mr. Colantuono announced that open session would begin approximately at 12:15 p.m.

The Board went into closed session at 11:10 a.m.

The Board resumed open session at 12:15 p.m.

Mr. Colantuono called for public comment, inquiring as to whether there were persons in attendance who wished to comment on a particular item on the agenda.

There was no public comment.

30 Chair's Report

Mr. Colantuono reported on the Chief Executive Officer / President's call on September 29. He recounted the topics discussed: (1) liability insurance study; (2) licensee fingerprinting; questions regarding pro bono; and the State Bar website.

Mr. Colantuono stated that he was looking forward to the January 2018 Strategic Planning Session and that he would be soliciting ideas. He noted that there would be a preparatory discussion at the December 1 Board meeting.

Mr. Colantuono generally addressed the current labor negotiations stating the State Bar would get through this and that it values its employees.

Mr. Colantuono noted that in September, the State Bar Board of Trustees had provided the Supreme Court with a set of recommendations for the cut score, ranging from doing absolutely nothing to lowering it to 139. He also noted that the Content Validation Study would go before the Committee of Bar Examiners on October 12 and that the Law School Bar Exam Performance Study was working through the Federal Educational and Privacy Rights Act issues.

Mr. Colantuono advised that the 2018 State Bar Preliminary Budget would come before the Board in November and the final Budget would come to the Board at its January meeting.

Mr. Colantuono reported that the San Diego County Bar Association had taken the lead this year to host the annual statewide bar leadership conference in San Diego. He advised that the 2017 California Bar Leadership Conference would be a full-day conference on November 8, with nationally recognized speakers covering a variety of topics including association governance, finances, and crisis communications.

Mr. Colantuono advised that the Senate Judiciary had appointed attorney Joshua Perttula of Los Angeles effective with 2018 annual meeting, but perhaps sooner. Perttula has over 20 years of government experience at the federal, state, and local level and is the founding member and principal of Kirra Consulting.

Lastly, Mr. Colantuono reported that Trustee Hailyn Chen had agreed to serve as Board Liaison for Diversity Policy.

40 Staff Reports

41 Executive Director

Ms. Wilson reported that during the last month she had focused on building a strong leadership team and assessing the organization. Ms. Wilson noted the one-on-one meetings she had held with each Trustee over the last three weeks, where she had asked Trustees about their views on the State Bar.

Ms. Wilson advised that she would submit a detailed report to the BOT at the end of her 90-day transition period. She noted that in addition to meeting with Trustees, she had begun one-on-one meetings with key stakeholders including legislators and their staff, as well as others in the legal community.

Ms. Wilson highlighted several major initiatives which stemmed in large part from Senate Bill 36. These included: transition of the Sections to a new entity; transition of the administration of insurance and affinity programs to the State Bar Foundation; conducting a mandatory malpractice insurance study; assessment of the Client Security Fund and the ability to transfer Lawyer Assistance Program reserves to the Client Security Fund; and a proposed Supreme Court rule for fingerprinting of applicants and active licensed attorneys.

50 Consent Agenda

The following items on the consent agenda are presented to the board, and no objection being raised thereto, are deemed unanimously adopted.

50-1 Approval for Specified Contracts (Board Book Tab 4.3, Article 1, Section 2)

1. Chief Executive Officer/Executive Director Contract

The Board is asked to approve a three-year contract with Leah Wilson, Executive Director, for the period September 7, 2017 to September 7, 2020 as negotiated by personnel liaisons Jim Fox and Mark Broughton and recommended by the Ad Hoc Transition Committee.

RESOLVED, that the Board of Trustees approve a three-year contract with Leah Wilson, Executive Director, for the period September 7, 2017 to September 7, 2020.

2. Ten-Hour New Admittee Continuing Legal Education – E-Learning Vendor Contract

Under Board Policy, Tab 4.3, Article 1, Section 2 of the Board Book, agreements for consulting services, capital equipment, or technology purchases with anticipated expenditures exceeding \$75,000 must be specifically approved by the Board. In accordance with this policy, Board approval is requested for the State Bar's procurement of an e-learning vendor to consult with the State Bar and to develop ten hours of continuing legal education courses that will implement the State Bar's new attorney training program.

RESOLVED, that the Board of Trustees approve the e-learning services agreement with InfoPro Learning, with a cap of \$218,570 for all compensation and expenditures; and it is

FURTHER RESOLVED, that the total cost of the "New Attorney Training Program" is not expected to exceed \$250,000.

50-2 Financial Resolution to Update Authorized Bank Account Signatories

The Board of Trustees periodically adopts a financial resolution identifying the State Bar's various bank accounts and delegating authority to certain State Bar employees to initiate cash transfers, sign checks, and buy and sell securities. This resolution must be amended to remove authorized signers who are retired or terminated and add new signatories for business continuity.

RESOLVED, that authority heretofore granted to persons to sign transfer orders and checks upon the various State Bar accounts and to have access to the State Bar safe deposit box is hereby revoked; and it is

FURTHER RESOLVED, that each bank in which the State Bar maintains an account or safe deposit box shall be furnished a copy of this resolution and be notified that the Executive Director, Chief Financial Officer, Director of Finance, Chief Administrative Officer and Director of Human Resources, who are now so authorized to purchase and sell securities, sign withdrawal orders, transfer orders and checks, to order the deposit or withdrawal of monies in the Local Agency Investment Fund, and authorize transfer of funds from one State Bar account to another State Bar account, are as follows:

Leah Wilson	Executive Director
Steve Mazer	Chief Administrative Officer
Kevin Harper	Interim Chief Financial Officer
Christine Wong	Director of Finance
Gilda Munoz	Director of Human Resources

For checks drawn on a commercial account:

- (a) Any single check of \$75,000 or more requires the manual signature of any two of the authorized persons.
- (b) Any single check less than \$75,000 may be processed through a check signing machine utilizing a signature plate engraved with the name of the Executive Director.
- (c) Transfer of funds from one State Bar bank account to another State Bar account may be approved by any two of the authorized persons.
- (d) Wire transfers to non-State Bar accounts must be processed on-line and require approval of any two of the authorized persons. Manual wire transfers, requested in person at a bank branch, are prohibited.

Authority is hereby granted to any two of the above persons to open cash accounts for the State Bar of California at securities brokerage firms and to place orders in such accounts to purchase and sell securities.

Transfer of funds from one State Bar account to another State Bar account, whether requested by telephone, internet, fax, orally or in writing requires the signature of any two of the authorized persons.

In addition, for checks drawn on the Los Angeles commercial account

- a) Any single check less than \$3,000 requires the signature of one of the following:

Steve Mazer, Chief Administrative Officer
Donna Hershkowitz, Chief Mission Officer
Gilda Munoz, Director of Human Resources
Greg Shin, Director of Operations and Management, Admissions

- b) Any single check of \$3,000 or more requires the signature of any two of the above listed persons.

700 Miscellaneous

701 Appointment of Secretary

This item seeks Board of Trustees action appointing Sarah Cohen as Secretary to the Board of Trustees.

Upon motion made, seconded and unanimously adopted, it was

RESOLVED, that the Board of Trustees appoints Sarah Cohen to serve as Secretary replacing Elizabeth Parker effective with this action.

All members listed on the slip voted yes.

702 Fund 89 Clean-Up

On January 12, 2017, the Board Executive Committee approved staff's recommendation to transfer approximately \$2.34 million from Fund 88, housed within the Sections group of funds, to various other funds and close Fund 88. This agenda item continues the fund clean-up process in preparation for the separation of the State Bar Sections. Fund 89, which had been used to capture costs associated with the Winter Sections Education event (last held in 2013), carries a negative fund balance of \$152,542 as of August 31, 2017. Staff recommends transferring \$152,542 from Fund 70, which is used to record the Sections' overhead costs, to cover the negative fund balance in Fund 89.

Upon motion made, seconded and unanimously adopted, it was

RESOLVED, that the Board of Trustees that the Board of Trustees, upon the recommendation of staff, approve a transfer of \$152,542 from Sections' Overhead Fund 70 to cover the negative fund balance in Sections' Fund 89.

All members listed on the slip voted yes.

703 Approval of 2018 Schedule of Fees, Penalties, Charges and Deadlines

WITHDRAWN

704 Delegation of Authority to Committee of Bar Examiners to Release Bar Examination Content Proposal for Public Comment and Content Validation Study for Publication

During its October 13 and 14, 2017 meeting, the Committee of Bar Examiners (CBE) will be considering the California Bar Examination Content Validation Study, which has been prepared by the State Bar's psychometric consultant, and whether to propose revisions to the scope of subjects tested on the California Bar Examination (CBX) that could be circulated for public comment. The Content Validation Study assesses the alignment between the 2016 CBX and the National Conference of Bar Examiners' (NCBE) 2012 job analysis study, and involved a workshop during which a panel of subject matter experts evaluated the content of the examination, discussed their judgments, summarized these judgments, and how the content was represented on the examination. If the CBE takes action proposing to circulate revisions to the scope for public comment and accepts the Content Validation Study, it would be appropriate for the proposed action to be immediately circulated for public comment and to authorize publication of the report, which could be done by delegation of the Board of Trustees. The accelerated timeline is necessary in order to meet the Supreme Court's directive to report back to it on the California Bar Examination by December 1, 2017.

Upon motion made, seconded and unanimously adopted, it was

RESOLVED, that the Board of Trustees delegates to the Committee of Bar Examiners the authority to circulate proposed revisions to the scope of subjects tested on the California Bar Examination for public comment in preparation for submission of the Committee's recommendations to the Board for consideration during its November 2017 meeting; and it is

FURTHER RESOLVED, the Board delegates to the Committee of Bar Examiners the authority to authorize the publication of the California Bar Examination Content Validation Study.

All members listed on the slip voted yes.

The Board adjourned its meeting at 12:45 p.m.

The Board may meet again at the call of the President at any time prior to the next regularly scheduled meeting of the Board, or, if no such meeting be called, at the State Bar, 180 Howard Street, Board Room, 4th Floor, San Francisco, CA 94105, on Friday, November 3, 2017, at a time to be determined.