

OPEN SESSION AGENDA ITEM

FINANCE AND PLANNING COMMITTEE ITEM III.A

DATE: September 13, 2018

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

FROM: Leah T. Wilson, Executive Director

SUBJECT: Update on 2017-2022 Strategic Plan Implementation Activities and Proposed Plan Modifications

EXECUTIVE SUMMARY

Pursuant to the Finance & Planning Committee's (committee) revised charter, adopted in January 2018, the committee has responsibility for the State Bar's planning efforts. This item serves to provide the committee with an update on the Bar's strategic planning implementation activities accordingly.

DISCUSSION

An update on the implementation status of each 2017-2022 Strategic Plan objective is provided as Attachment A. Highlights of progress to date include:

- Completion of the "Appendix I" (sub-entity review) process ;
- Concrete steps taken to increase diversity of the Board of Trustees and Bar sub-entities;
- Development of a new case management system (CMS) for the Office of the Chief Trial Counsel, State Bar Court, and the Office of Probation Completion of workload study for the Office of the Chief Trial Counsel, State Bar Court, and the Office of Probation;
- Development of new discipline system metrics;
- Implementation of new attorney MCLE requirements;
- Implementation of a number of recommendations from the March 2018 CSF report which resulted in increased CSF funding in the current year;
- Establishment of relationships with legal services providers to facilitate dissemination of fraud alerts and posters targeting immigrant and other vulnerable populations;.
- Began development of a new Admissions Management System which is scheduled to deploy on time later this year;
- Progress on the California Job Analysis including securing grant funding to support the work;

- Proposed revisions to special admissions and Lawyer Referral Services rules, including a new military spouse rule, that are designed to increase access to justice;
- Institution of a Training & Development program giving new opportunities to State Bar staff;
- Launch of an internal newsletter to enhance staff communication;
- Lease of one of two leasable vacant floors at 180 Howard Street
- Progress on the legal+tech initiative through development of proposed working group composition and charter;
- Completion of a Communications Strategy Plan

In the coming weeks staff, particularly members of the Leadership Team, will need to turn their attention to the audits that will be conducted by the California State Auditor and the Legislative Analyst's Office as contemplated by the 2019 fee bill. In light of the anticipated workload impact of these audits, their significance as related to the fee increase that the Bar must secure for 2020, and their imminent launch, I will ask the Board to make the following modifications to the Strategic Plan at its October meeting:

Objectives Recommended for Elimination

Goal 2b. Evaluate the impact of Workforce Planning reforms.

Workforce planning recommendations have been implemented and extensive work has been done to document related changes to organizational structure and business processes. Additional evaluation is not expected to yield new information.

Goal 2d. Implement new-attorney MCLE requirements and evaluate their impact and effectiveness by July 1, 2021.

The new requirements have been implemented. Recommended elimination of this objective relates specifically to the evaluation component. Evaluation would be difficult and time-consuming to conduct.

Goal 2o. After the results of the February 2019 Bar Exam are published, evaluate the results of the two-day exam on pass rates and costs.

Routine analyses of pass rates and costs occur after each administration of the bar examination. Recommended elimination of this objective will not impact these routine analyses but instead means that no enhanced or special report will be prepared.

Goal 3c. Implement a Training and Development Program and evaluate the implementation and related outcomes by January 31, 2019.

A Training & Development Program has been implemented. Recommended elimination of this objective relates specifically to the evaluation component. Although such an evaluation would be valuable workload considerations outweigh anticipated benefits.

Goal 3f. No later than November 30, 2018, determine whether reallocation of funds to support the discipline system continues to be possible in the light of the fact the Bar has not received a fee increase in 20 years. As part of this effort, reassess the Bar's current Fund classification structure and determine if any changes are needed.

This objective is no longer relevant given the Bar's financial position; elimination will be recommended accordingly.

Objectives Recommended for Due Date Extension

Goal 2e. Begin auditing attorney compliance with MCLE requirements in the most cost effective and efficient manner no later than December 31, 2019.

Although the project is underway, issues that have been raised by providers who conduct multi-session in-person trainings have increased the needed complexity of the technology solution that the Bar will need to develop. I will recommend extension of this objective's due date to December 31, 2020, accordingly.

Goal 2g. No later than January 31, 2019, evaluate current collection efforts and determine what might be necessary to improve the Bar's ability to collect discipline and CSF costs.

I will recommend extending the due date on this effort by one year to address near-term workload considerations.

Goal 2h. No later than July 1, 2020, create a fully articulated preventative education approach to include a self-assessment component as well as client trust accounting modules which may be mandatory for some attorneys.

I will recommend extending the due date for this effort by one year to address near-term workload considerations.

Goal 2p. No later than June 30, 2019, conduct a California specific job analysis to determine the knowledge, skills, and abilities for entry level attorneys. Upon completion, conduct a new content validation study.

I will recommend extending the due date for this objective to December 2019. A contractor has recently been selected to conduct the Job Analysis and approved project timeframe contemplates work through November of next year.

Goal 3g. No later than January 31, 2019, evaluate current collection efforts and determine what might be necessary to improve the Bar's ability to collect discipline and CSF costs.

I will recommended extending the due date for this objective to December 1, 2019, to address near-term workload considerations.

FISCAL/PERSONNEL IMPACT

None at this time. The Board's approval of identified Strategic Plan modifications will enable staffing resources to be effectively redeployed to focus on the 2019 audits by the California State Auditor and the Legislative Analyst's Office.

RULE AMENDMENTS

None

BOARD BOOK AMENDMENTS

None

STRATEGIC PLAN GOALS & OBJECTIVES

All

RECOMMENDATION

None

ATTACHMENT(S) LIST

- A. Detailed Update, 2017-2022 Strategic Plan Implementation

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Goal 1: Successfully transition to the “new State Bar”—an agency focused on public protection, regulating the legal profession, and promoting access to justice.	September 2018 Status
a. Determine whether additional functional areas will transition to the Sections entity, other organizations, or to new standalone entities and develop an action plan for those transitions.	On Track. See Appendix I report and recommendations on the Board’s September 13 agenda.
b. 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.	<p>Staff has identified three specific goals in this area for completion by December 31, 2018:</p> <p><u>Board Book revamp.</u> Working with a consultant who has extensive Department of Consumer Affairs experience and Board liaisons, staff is “zero-basing” the Board Book to ensure that it is a useful, accurate, and relevant document, supporting Board members in carrying out their oversight duties.</p> <p><u>Recruitment to diversify the Board of Trustees and sub-entity applicants.</u> Staff is developing an outreach plan that will encourage applications from diverse public and attorney members.</p> <p><u>Standardization of sub-entity meeting agendas and templates.</u> Staff is standardizing processes and materials used by all sub-entities to ensure a ONEStateBar approach.</p>
c. No later than September 30, 2018, determine the appropriate role of, and Board responsibility for, State Bar Standing Committees, Special Committees, Boards, and Commissions in the new State Bar.	Same as above.
Goal 2: Ensure a timely, fair, and appropriately resourced admissions, discipline, and regulatory system for the	September 2018 Status

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more than 250,000 lawyers licensed in California.	
Goal 2: Attorney Discipline Objectives	
a. For greater transparency, accountability, efficiency, and access, develop and deploy a new case management system for the Office of Chief Trial Counsel, State Bar Court, and the Office of Probation by October 31, 2018.	Configuration completed and deployment being planned; full deployment may be postponed to February 2019. Staff to provide an update at the September 13 RAD meeting.
b. Evaluate the impact of Workforce Planning reforms by January 31, 2019.	ED will recommend that this objective be deleted given other workload considerations.
c. Develop and implement transparent and accurate reporting and tracking of the health and efficacy of the discipline system, to include: (a) completion of a workload study for OCTC and SBC; (b) identification of staffing and resource needs based on the results of that study; and (c) development of new metrics for measuring the effectiveness of the discipline system including any needed revisions to the statutory backlog metric.	Workload Study completed; see report on September 14 Board agenda. New discipline system metrics identified; see report on September 14 ^h Board agenda.
d. Implement new-attorney MCLE requirements and evaluate their impact and effectiveness by July 1, 2021.	New attorney MCLE requirements have been implemented and State Bar mandated training deployed. ED recommending that this objective, particularly as related to the evaluation component, be deleted given other workload considerations.
e. Begin auditing attorney compliance with MCLE requirements in the most cost effective and efficient manner no later than December 31, 2019.	This project is underway. Initial requirements have been drafted and an MCLE provider group has been convened to give input regarding those requirements. Additional work is needed to finalize before development of the technology solution. ED recommends that the timeline be extended for this objective to December 31, 2020, given other workload considerations.
f. Support adequate funding of the Client	The Board has taken a number of steps to increase funding to the CSF pursuant to recommendations

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Security Fund.	from the March 2018 CSF report including: transferring funding from the LAP fund; revising the methodology for calculation of CSF reserves; and addition of a CSF assessment to various special admission fees.
g. No later than December 31, 2019, evaluate attorney self-assessment models and determine which model will be implemented in California.	ED will recommend that the timeline for this objective be extended to December 31, 2020, given other workload considerations.
h. No later than July 1, 2020, create a fully articulated preventative education approach to include a self-assessment component as well as client trust accounting modules which may be mandatory for some attorneys.	ED will recommend that the timeline for this objective be extended to July 1, 2021, given other workload considerations.
i. No later than January 1, 2019, require all attorneys to report firm size and practice type to the State Bar and to maintain and update that information.	The original reporting requirement was designed to support implementation of the Bar's preventative self-assessment/education approach once established. Additional reporting may be useful to support the Bar's diversity and inclusion work. Staff will work with a small group of affinity bar volunteers to identify additional questions to be included in this effort. The addition of new reporting elements may cause a delay in implementation.
Goal 2: UPL Objectives	
j. Monitor improvements in the response to complaints regarding the unauthorized practice of law through tracking and reporting on complaints received, investigation timelines, civil filings, and law enforcement referrals.	Additional work needed. This process is underway manually but additional staffing to track law enforcement referrals and a focused effort led by ORIA is needed.
k. Partner with law enforcement agencies to create a coordinated regional response to the unauthorized practice of law.	OCTC is identifying agencies appropriate for partnership s and is beginning to meet with these agencies on a regular basis. A more robust, systemic effort is needed.
l. Identify funding sources, including grant or state funding, to support the Bar's UPL efforts.	Completed. The State Bar has entered into a contract with eCivis, an aggregator of public, private, and foundation funding sources. One staff person has been identified as appropriate for assuming grant-writing responsibilities. This staff person will monitor the eCivis database and will be responsible for submitting one grant application per quarter.

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m. Use communications strategies to support UPL enforcement objectives.	Ongoing. Fraud alerts issued; press releases regarding high profile UPL enforcement cases issued; news stories placed in mainstream English and Spanish language media; 5,000 UPL flyers distributed to legal aid organizations and community groups serving immigrants; and a monthly meeting between OCTC and the Office of Communications and Stakeholder Engagement designed to proactively identify messaging opportunities instituted.
Goal 2: Admissions Objectives	
n. For greater transparency, accountability, efficiency, and access, develop and deploy a new case management system for the Office of Admissions by June 30, 2019.	On track.
o. After the results of the February 2019 Bar Exam are published, evaluate the results of the two-day exam on pass rates and costs.	ED will recommend that this objective be deleted given other workload considerations. Note that routine analyses of pass rates and costs occur after each bar exam; these would continue.
p. No later than June 30, 2019, conduct a California specific job analysis to determine the knowledge, skills, and abilities for entry level attorneys. Upon completion, conduct a new content validation study.	ED will recommend modification of timeline to extend due date to December 30, 2019, based on anticipated contractor start date. A vendor has been selected and project plan drafted and posted to <i>Smartsheet</i> . The State Bar will solicit interest in Job Analysis working group participation for appointment by the Board at its October meeting.
q. No later than December 31, 2018, review special admissions rules to determine whether changes are needed to support the goal of increased access to legal services or for other reasons, and implement needed changes.	On track. See item on the September 13 Programs Committee agenda.
Goal 3: Improve the fiscal and operational management of the State	September 2018 Status

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Bar, emphasizing integrity, transparency, accountability, and excellence.	
Goal 3: Employee Engagement Objectives	
a. Improve productivity through performance accountability, training, and professional development.	Ongoing. Training calendar developed and implemented; self-service training platform launched; focus groups scheduled to explore expressed staff concerns regarding lack of performance accountability.
b. Improve staff morale and career satisfaction through recognition of performance, career path development, transparent and collaborative communication, and recognition and encouragement of innovation, efficiencies, and money saving ideas.	Insufficient progress has been made on this objective to date, specifically as related to the development of innovative ways to recognize staff.
c. Implement a Training and Development Program and evaluate the implementation and related outcomes by January 31, 2019.	Training & Development program implemented. This program gives staff the opportunity to gain experiences in positions for which they may not qualify based on standard MQ's. ED will recommend modification of the objective to eliminate evaluation component based on workload considerations.
d. Conduct an annual employee engagement survey, evaluate changes from prior years, and implement an action plan to address areas needing improvement.	Survey to be issued in December 2018.
e. No later than July 1, 2018, develop and implement a Communications Strategy Plan for timely and effective internal communication.	Communications Strategy Plan developed. Regular staff newsletter launched.
Goal 3: Financial Management Objectives	
f. No later than November 30, 2018, determine whether reallocation of funds to support the discipline system continues to be possible in the light of the fact the Bar has not received a fee	ED will recommend elimination of this objective. Given the Bar's current financial condition it is no longer applicable.

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increase in 20 years. As part of this effort, reassess the Bar's current Fund classification structure and determine if any changes are needed.	
g. No later than January 31, 2019, evaluate current collection efforts and determine what might be necessary to improve the Bar's ability to collect discipline and CSF costs.	ED will recommend extension of the timeline for this objective to December 1, 2019, due to workload considerations.
h. As part of the annual budget development process, determine, consistent with Business and Professions Code section 6140.9, whether there are excess funds in the LAP Fund which can be transferred to support the CSF.	This will occur as part of the 2019 budget development process.
Goal 3: Information Technology Objectives	
i. Implement a new Enterprise Resource Planning System (the Oracle Fusion suite of applications), beginning with the Human Capital Management module by the end of 2018 and continuing with the Finance and Procurement modules by the end of 2019.	On track.
j. Implement a new Licensee Information Management System (LIMS), replacing AS400, by the end of 2021.	Not started pending identification of a funding source.
k. Implement a phased upgrade to the Bar's Information Technology infrastructure (networks, servers,	On track.

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desktops, telecommunications and audio/visual), for enhanced capacity, functionality and security throughout 2018 and 2019.	
Goal 3: Management of Other Assets Objectives	
l. No later than November 30, 2018, develop goals and objectives for each functional area of the Bar and use those to develop organizational performance metrics.	This work is underway. Initial goals and objectives have been drafted for all but two functional areas of the Bar. Work will be completed by due date and reflected in the Bar's November budget submission.
m. In conjunction with annual budgets, ensure maintenance and use of the Bar's Los Angeles and San Francisco buildings to maximize benefit to the Bar and the people of California.	One of two available floors have been leased; negotiations are underway for the other available.
n. Pursue a two-year fee bill to ensure a balance between accountability and meaningful implementation of important reforms.	Delayed.
Goal 4: Support access to justice for all California residents and improvements to the state's justice system.	September 2018 Status
Goal 4: Support access to justice for all California residents and improvements to the state's Justice System	
a. Support increased funding and enhanced outcome measures for Legal Services.	Ongoing. Direct outreach to banks has resulted in sizeable increases in interest rates on these accounts across a number of financial institutions; IOLTA revenue has increased significantly accordingly.
b. Study and implement improved	Not started. Will follow the Legal+Tech initiative and California Justice Gap Study.

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programmatic approaches to increasing access to justice.	
c. By December 31, 2018, review Lawyer Referral Services certification rules with a goal of increasing access to justice.	On track. See September 13 Programs Committee agenda.
d. Commencing in 2018 and concluding no later than December 31, 2019, study online legal service delivery models and determine if any regulatory changes are needed to better support and/or regulate the expansion of access through the use of technology in a manner that balances the dual goals of public protection and increased access to justice.	On track. See September 13 Board of Trustees meeting agenda.
e. No later than December 31, 2019, complete a California Justice Gap Study. The Justice Gap Study will be modeled on the 2017 Legal Services Corporation Justice Gap Study but will also include an evaluation of the costs of legal education in California and the impact of those costs on access to justice, as well as possible approaches to addressing the costs of legal education including loan forgiveness programs or other means.	On track. At its September 13 meeting the Board will be asked to approve a contract with the National Opinion Research Center (NORC) to conduct a California version of the Justice Gap Study that NORC completed for the Legal Services Corporation last year.
f. No later than December 31, 2020, explore options to increase access through licensing of paraprofessionals, limited license legal technicians, and other paraprofessionals.	Not started.

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Goal 5: Proactively inform and educate all stakeholders, but particularly the public, about the State Bar's responsibilities, initiatives, and resources	September 2018 Status
a. No later than July 1, 2018, develop and implement a Communication Strategy Plan for timely and effective communication about public protection goals, objectives, and accomplishments. to external audiences including the public, oversight bodies, regulated parties, and other bars.	Plan has been developed.
b. Develop metrics to measure both the quality and effectiveness of the Bar's communication and stakeholder engagement strategies and use those metrics to inform modifications to strategy.	Metrics not yet developed.
c. Maintain and enhance relationships with courts and other regulatory and enforcement agencies that share a mission of public protection.	OCTC has enhanced outreach to courts; additional work on this objective needed.
d. Improve transparency, accountability, accessibility, and governance by increasing the availability of meeting materials and public access to meetings and records and reporting these efforts to stakeholders and the general public.	Ongoing. Work to standardize sub-entity agenda preparation and posting, as well as material distribution, will advance this objective.