

DRAFT BOARD BOOK

State Bar of California

SECTION 1. State Bar of California

Overview

The State Bar of California (hereafter referred to as the State Bar) was created in 1927 as a public corporation and was placed in the Judicial Article of the California Constitution in 1966. It was created to assist the Supreme Court in matters pertaining to the admission, regulation, and discipline of attorneys.

Governing Authority

The governing authority for the State Bar to carry out its role can be found in:

- State Bar Act (Bus. & Prof. Code §§6000 et seq.)
- California Rules of the Court (Cal. Rules of Court, Title 9)
- Rules of the State Bar of California
- Supreme Court Jurisprudence

Mission

The State Bar of California's mission is to protect the public and includes the primary functions of licensing, regulation and discipline of attorneys; the advancement of the ethical and competent practice of law; and support of efforts for greater access to, and inclusion in, the legal system. Diversity and inclusion are an integral part of the State Bar's public protection mission to build, retain, and maintain a diverse legal profession to provide quality and culturally sensitive services to an ever-increasing diverse population.

SECTION 2. Board of Trustees

Composition

The State Bar is governed by its Board of Trustees, which may consist of 19 members, but no fewer than 13 members while it transitions to a 13-member board by October 31, 2020, per Senate Bill 36 (2017). The transition will occur through attrition, upon the expiration of the terms of the elected attorney members.

Five attorney members are appointed by the Supreme Court, one attorney member and one public member are appointed by the Speaker of the Assembly, and one attorney member and one public member are appointed by the Senate Committee on Rules. Four public members are

appointed by the Governor and are subject to Senate confirmation. See Appendix A for Board Membership.

Appointing Authority	Attorney Member	Non-Attorney Member
California Supreme Court	5	None
Speaker of Assembly	1	1
Senate Committee on Rules	1	1
Governor	None	4

(Source: Bus. & Prof. Code §§ 6010, 6011, 6013.1, 6013.3 and 6013.5)

The State Bar Trustees Nominating Committee is responsible for ensuring that individuals nominated for appointment to the Board by the Supreme Court are evaluated objectively.

(Source: Cal. Rule of Court §9.90)

Board Member Terms

Each member is appointed for a term of four years and may be reappointed; however, appointees of the Supreme Court may be reappointed for a single term only.

When a position becomes vacant, it may be filled by the appointing authority with a person who will serve for the remainder of the term.

(Source: Bus. & Prof. Code §§ 6013.1, 6013.3, 6013.5, and 6016)

Officer Selection

The officers of the State Bar are a Chair, a Vice Chair and a Secretary.

The Chair and Vice Chair are appointed by the Supreme Court for one-year terms and may serve up to two terms. Officers assume the duties of their respective offices at the conclusion of the annual meeting following their appointment, typically in September. In the event that an officer is appointed to fill a vacancy for the balance of the term, the remainder of that term does not count against the two-term limit.

Members interested in serving as an officer should submit a letter of interest to the Supreme Court by the Supreme Court's designated timeline and provide an electronic copy of the submission to the Principal Attorney for the Chief Justice.

The Secretary is a staff member and has no voting rights. The Secretary is selected by the the Board annually upon recommendation by the Executive Director.

(Source: Bus. & Prof. Code §§ 6020, 6021, 6022 and 6023)

Resignation of Board Members

A board member may resign at any time by giving written notice to the Secretary. The resignation will be effective upon receipt of that notice or on the date specified in that notice.

(Source: Govt. Code §1750)

Rules of Conduct

- Board members actions shall serve to uphold the statutorily defined responsibilities and mission of the State Bar
- Board members shall act fairly, be nonpartisan, impartial and unbiased in their role of protecting the public
- Board members shall not speak or act for the Board without proper authorization from the Board Chair
- Board members shall maintain the confidentiality of confidential documents and information received
- Board members shall commit the time to prepare for Board responsibilities
- Board members shall recognize the equal role and responsibilities of all Board members
- Board members shall treat all applicants and licensees in a fair and impartial manner
- Board members shall not use their positions on the Board for personal, familial, or fiduciary gain
- Board members shall treat staff with respect and courtesy and address any matter regarding a staff member with the Board Chair or Executive Director

Board Responsibilities

The Board is the State Bar's governing body, responsible for developing the guiding policies and principles underpinning its mission. Among its various other responsibilities, the Board also provides guidance and feedback to the Executive Director to support his or her effective management leadership.

The Board is the State Bar's governing body, responsible for:

- Governing the State Bar through collective policy-making
- Developing the guiding policies and principles underpinning the State Bar's regulatory mission
- Adopting the State Bar's Strategic Plan
- Approving its budget
- Hiring, evaluating and terminating the employment of the Executive Director and the General Counsel
- Appointing a Chief Trial Counsel subject to confirmation by the State Senate
- Assure the adjudicatory independence of the State Bar Court

- Appointing volunteers to sub-entities

Each Board member is responsible for:

- Being familiar with the mission and purpose of the State Bar
- Participating in all Board meetings and meetings of Board committees to which he or she has been assigned, including preparing for meetings in order to make sound decisions on behalf of the State Bar and its stakeholders
- Being familiar with the existing governance structure of the Board so that each member can establish good working relationships with each other and staff
- Participating in the annual budgeting process
- Being knowledgeable about conflict of interest standards and ensuring that reportable conflicts are specifically identified and acknowledged in formal filings and at Board meetings
- Being prepared to represent the State Bar in any setting or forum and being able to explain the State Bar's responsibilities, initiatives, accomplishments and capabilities
- Sharing his or her diverse experience skills and expertise when determining policy
- Attending swearing-in ceremonies

Calendar of Board Events:

The annual calendar for the Board of Trustees is determined in part by statutorily mandated reports that assist the Board in fulfilling its oversight responsibilities and also by strategic planning and Board oversight of the Bar's work to achieve the goals set forth in the strategic plan. The dates when these events occur reports are provided in detail the Appendix. Below is less detailed overview of the Board year.

January	<ul style="list-style-type: none"> • Review and Amend the Strategic Plan • Develop Committee Work Plans • Approve Final Budget
March	<ul style="list-style-type: none"> • Approve Financial Statements and Travel Expense Reports for the 4th Quarter • Receive Annual Discipline Report
July	<ul style="list-style-type: none"> • Applications to Serve as an Officer on the Board • Biennial Performance Audit Update • Mid-Year Budget Adjustments • Statement of Expenditures of Mandatory Membership Fees and Independent Auditor Report

- | | |
|-----------|---|
| September | <ul style="list-style-type: none"> • Last Meeting of Old Board • First Meeting of New Board |
| November | <ul style="list-style-type: none"> • Preliminary Budget |

DUTIES OF THE CHAIR

The Board Chair:

- Presides over Board meetings. See Appendix K, Cheat Sheet for Chairing a Meeting in Lieu of a Script.
- Facilitates decision-making by the Board
- Encourages diverse opinions of board members
- Assures that the Board focuses on the Strategic Plan Goals and Objectives
- Keeps the Board informed and aware of policy issues that may affect the functioning of the State Bar
- Resolves disputes and manages conflict among Board members
- Appoints Board members to serve as liaisons to State Bar standing committees
- Appoints members of the Board to serve as liaisons to functional areas of the agency's operation
- Presides over the Executive Committee and the Governance in the Public Interest Task Force
- Acts as the key spokesperson on behalf of the Board regarding the annual performance evaluation and the hiring and firing of the Executive Director
- Acts as the key spokesperson for the Bar and is accountable for what is officially communicated by the Board and the State Bar to California licensed attorneys, to the public and to the government
- Performs other duties as prescribed by the Board and provided by law

DUTIES OF THE VICE-CHAIR

The Vice-Chair:

- Acts in the absence of the Chair
- Serves as the Vice-Chair of the Executive Committee
- Serves as the Chair of the Regulation and Discipline Committee

Board Liaisons

The Chair may appoint members of the Board to serve as liaisons to State Bar standing committees, sub-entities, and task forces, as well as to State Bar functional areas of operation. Board liaisons are responsible for facilitating the exchange of information between the Board

and those sub-entities, task forces and areas of operation. See Appendix E for a list of current Board Liaisons.

Standing Committees

Standing committees, composed only of Board members, are responsible for State Bar oversight and policy development through the strategic planning process. The Board of Trustees has five (5) standing committees: Regulation and Discipline Committee, Programs Committee, Audit Committee, Finance and Planning Committee, and Board Executive Committee.

Each standing committee must have at least five (5) members. The incoming chair presents and proposes committee chairs and appointments to committees after consulting with the outgoing Board Executive Committee and subject to approval by the Board. See Appendix B for Board Standing Committee Charters.

Regulation and Discipline Committee

The Regulation and Discipline Committee is a performance-monitoring and oversight committee. It oversees both State Bar divisions and sub-entities, including: the Office of the Chief Trial Council, the State Bar Court,¹ the Office of Probation, the Client Security Fund, the Lawyers Assistance Program, Mandatory Fee Arbitration, and the Office of Professional Competence. See the Board Committee Structure Matrix in Appendix D.

Programs Committee

The Programs Committee is a performance-monitoring and oversight committee. It oversees: the Office of Access and Inclusion; the Office of Admissions; and Attorney Regulation and Consumer Resources. See the Board Committee Structure Matrix in Appendix D.

Audit Committee

The Audit Committee is charged with assisting the Board of Trustees in fulfilling its oversight responsibility as related to the integrity of accounting and financial reporting processes, the system of internal controls, and audit processes. In addition, the Audit Committee is charged with overseeing risk management and compliance efforts. The Audit Committee has a goal of including at least one public member of the Board of Trustees.

¹ State Bar Court Judges are not State Bar employees and are not subject to Executive Director or Board administration. They are appointed by the Supreme Court, Legislature, or Governor pursuant to statute for set terms. Their salary rates are established by statute. The Rules & Regulations Pertaining to the Service of State Bar Court Judges otherwise establish their terms and conditions of employment. The State Bar (through its Executive Director) must provide the State Bar Court with “adequate supporting staff and facilities” and conduct itself otherwise to assure the adjudicatory independence of the State Bar Court.

Finance and Planning Committee

The Finance and Planning Committee develops and leads the Board's participation in all State Bar planning, budget preparation, including examination of financials, strategic planning, and governance review.

Executive Committee

The Executive Committee is responsible for the effective functioning of the Board of Trustees, maintenance and development of the Board of Trustees–Executive Director working relationship, and oversight of certain high-level operational matters.

Governance in the Public Interest Task Force

The Governance in the Public Interest Task Force is legally required to prepare and submit a report to the California Supreme Court, governor, and the Assembly and Senate Committees on Judiciary. The report must include its recommendations for enhancing the protection of the public and ensuring that protection of the public is the highest priority in the licensing, regulation, and discipline of attorneys. Beginning in 2011, a report is due every three years on May 15.

(Source: Bus. & Prof. Code § 6001.2)

Commission for the Revision of the Rules of Professional Conduct

The Commission for the Revision of the Rules of Professional Conduct is responsible for the evaluation of the California Rules of Professional Conduct and will consider changes in rules concerning attorneys' professional conduct. Members of this committee are appointed by the Board Chair.

Ad Hoc Committees

Ad hoc committees are established by the Board for the purpose of accomplishing a specific goal within a specified timeframe. The Board reviews the necessity of each ad hoc committee annually. Ad hoc committees can be composed of both Board members and volunteers. See Appendix C for a list of current ad hoc committees.

SECTION 3. MEETING PROCEDURES

Bagley-Keene Open Meeting Act

All meetings of the Board of Trustees and its committees and sub-entities, except for the Commission on Judicial Nominees Evaluation and its Review Committee, and task forces are subject to the Bagley-Keene Open Meeting Act (“Bagley-Keene”). This Act sets forth notice and agenda requirements, provides for public comment, requires that meetings be conducted in open session (except where closed session is expressly authorized), and prohibits discussing or taking action on matters not included on the agenda. The provisions in this Board Book concerning meeting procedures are intended to restate and supplement Bagley-Keene. To the extent any provision in the Board Book may be inconsistent with Bagley-Keene, Bagley-Keene shall control.

(Source: Govt Code §§11120 et seq.; Bus. & Prof. Code §6026.7)

State Bar Meetings

State Bar meetings include meetings of the Board, Board committees, and State Bar sub-entities.

Meeting Frequency

The full Board of Trustees meets at least six times each year. The schedule can be found at www.calbar.ca.gov.

Meeting Location

In-person State Bar meetings must be held at the State Bar offices in San Francisco or Los Angeles, unless a quorum of the board votes to meet elsewhere in California.

Board Member Attendance at Board Meetings

Board members shall, to the extent practicable, attend all Board meetings. Board members unable to attend a meeting should contact the Board Chair, Executive Director or Secretary.

Quorum

A quorum of the board is a majority of the appointed members. In order for the board to take action, there must be a quorum. Assuming there is a quorum, a majority vote of those present at the meeting generally controls.

The same rules apply to Board Committees: a quorum is a majority of the appointed members; the committee must have a quorum present to take action; a majority of the members present controls.

Agenda Items

The Executive Director and Secretary prepare meeting agendas in consultation with the Board Chair. Board members may submit recommended agenda items to the Executive Director as soon as practicable but at least 15 days prior to the scheduled meeting.

Notice of Meetings

Meeting notices are posted on www.calbar.ca.gov at least 10 calendar days in advance of the meeting. The notice will include the time, date and location of the meeting, as well as the name, address, and telephone number of a staff person who can provide further information prior to the meeting. Items may, however, be withdrawn within that 10 day period.

The notice also will include an agenda of business items that will be acted upon or discussed at the meeting. Items may not be added to the agenda after the 10-day notice period except as permitted by the Bagley-Keene Open Meeting Act. Agenda items may, however, be withdrawn at any time prior to the meeting.

(Source: Govt Code §§11120 et seq.)

Closed Session

All matters discussed in closed session are confidential. Members of the public are not allowed in the meeting room during closed session.

Examples of matters that can be considered in closed session are:

- Personnel matters, such as the appointment, evaluation or dismissal of board-appointed staff
- Examination matters, such as the preparation, approval, grading or administration of examinations
- Anticipated and pending litigation
- Collective bargaining

(Source: Govt. Code §11126; Bus. & Prof. Code § 6026.7)

Breach of Confidentiality During Closed Session

All matters discussed during a closed session portion of a State Bar meeting are confidential. An investigation by the board will be conducted to determine whether an alleged breach of

confidentiality has occurred and the board may privately or publicly censure the individual if it is determined that a breach of confidentiality has occurred. The board also will take the necessary steps to preserve the position, resources and assets of the State Bar, should any litigation or other source of liability against the State Bar arise from the breach of confidentiality.

(Source: Bus. & Prof. Code §6044; Board of Governors Resolution August 2000: Governance Principle 7.3.)

Record of Meetings

Minutes of topics discussed and decisions made at State Bar meetings shall be maintained at the State Bar main office in San Francisco, CA.

A designated staff person will attend the closed session to record topics discussed and decisions made. The minutes of a closed session are available only to the State Bar or, if a violation of the open meeting requirements is alleged, to the court having jurisdiction over the dispute.

(Source: Govt. Code § 11126.1)

Voting on Motions

A roll call vote will be taken after each motion. Member's names will be called and each member will state their vote for the motion as follows:

- Support – Yes or Aye
- Oppose – No or Nay
- Abstain (not counted as a vote)
- Recused (not counted as a vote)

At in-person meetings “substitution of the roll” is allowed as long as there has been no change in the composition of the body since the last vote or since the call of roll and all members are in agreement. “Substitution of the roll” allows the board to take action without a roll call vote but, instead, by affirmation of those present without objection.

Substitution of the roll is not permitted at meetings that are held by video- or telephone-conference.

Meeting Rules

The State Bar will use Robert's Rules of Order, to the extent it does not conflict with state law (e.g., Bagley-Keene Open Meeting Act), as a guide when conducting its meetings.

Restriction of Attendance at Board Committee Meetings

Board members who are not committee members may attend committee meetings; however, they may not sit on the dais with the committee nor may they participate in the meeting other than as members of the public.

(Source: Govt Code § 11122.5 (c)(6))

Audio/Visual Recording or Webcast

Meetings of the State Bar may be audio or audio and video recorded and/or broadcast live via the Internet (webcast).

Public Attendance at Board Meetings

Except for Closed Session, as documented above, State Bar meetings are open for public attendance.

(Source: Govt Code § 11120 et.seq.)

Public Comment

Members of the public are provided with the opportunity to address the board or board committee on each agenda item, either prior to or during discussion of the item. The Chair has the discretion to limit the time for public comment. The Bar will provide twice the time allotted to a non-English speaker who utilizes a translator.

(Source: Govt. Code §11125.7)

Teleconference Meetings

State Bar meetings may be held by teleconference, which means that members will be located at different locations, connected by electronic means, through audio or audio and video. All locations must be noticed, accessible to the public, and have a board member physically present. When a committee member participates in a meeting from a remote location, the location must be posted on the agenda 10-days prior to the meeting and that location must be accessible to the public. Votes taken during a teleconference must be by roll call.

(Source: Govt Code § 11123)

Special Meetings

A special meeting with a 48-hour notice period may be called when compliance with the 10-day notice would impose a substantial hardship on the Board or where immediate action is required

to protect the public interest. The special meeting may be called by the Board Chair, a Committee Chair, or by a majority of the board or a board committee.

Examples of special meeting justification:

- Pending litigation
- Proposed legislation
- License applications and examinations
- Appointment of an interim executive director

(Source: Govt Code § 11125.4; Bus. & Prof. Code § 6027)

Emergency Meetings

An emergency meeting with a one-hour notice period may be held under two very limited situations:

1. Work stoppage or other activity that severely impairs public health or safety, or both;
2. Crippling disaster that severely impairs public health or safety, or both.

(Source: Govt Code § 11125.5)

SECTION 4. SUBENTITIES, TASK FORCES, COMMITTEES OF THE SUPREME COURT AND EXTERNAL ENTITIES

[The entire section on subentities has been removed and will be revised to take into account changes that are currently being considered by the Board of Trustees. This Section will be added back to the Board Book after implementation plans for Board recommendations related to Appendix I are finalized.]

SECTION 5. BOARD PLANNING AND FISCAL OVERSIGHT

Strategic Planning

The State Bar develops and adopts a five-year strategic plan. The current plan covers 2017-2022. The plan is updated every two years. Each year in January, the State Bar conducts a planning session to review its progress and propose other measures to enhance its mission of public protection. A progress report to the Supreme Court, the Governor, and the Senate and Assembly Committees on Judiciary is due by February 15 each year. See Appendix G for the current Strategic Plan.

(Source: Bus. & Prof. Code § 6140.2)

FISCAL OVERSIGHT

Budget

The budget is the primary instrument of fiscal control and contains all income and expenses of the State Bar. The State Bar's strategic plan provides the framework for the annual budget formulation and process. The budget that will be presented to the Board for approval is for the following year and is prepared by the Office of Finance under the direction of the Chief Financial Officer. Each proposed budget includes the estimated revenues, expenditures, and staffing levels for all of the offices and funds administered by the State Bar.

Following is a brief summary of the budget process:

- August – Preliminary revenue and expense projections are prepared
- September – Budget instructions are provided on the preparation of budget requests and offices prepare budget requests
- October – Budget requests are submitted to the Office of Finance to review, compare against projected revenues and prepare the budget document
- November – The Executive Director and Chief Financial Officer present the State Bar's preliminary budget
- January – Final budget is presented and adopted by the board
- February 15 – Final budget is submitted to the legislature

During the year, quarterly financial reports, mid-year forecasting and budget-to-actual variance reports are required to be presented to the Board. An explanation of budgeted line item variance greater than \$100,000 of the budgeted line item shall be included in the report.

The Board may, by resolution, amend any adopted budget, upon the recommendation of the Finance and Planning Committee. All budget transfers of \$250,000 or more, all transfers between funds, and all increases of budgeted expenditures must be approved by the board except in the case of an emergency approved by the executive director after consultation with the chair and vice chair.

Revenue

The State Bar receives its revenue from mandatory fees, voluntary fees, exam fees, grants and other revenue. The majority of the State Bar's revenue comes from mandatory fees which includes the attorney licensing fee. Exam fees include revenues from the First-Year Law Students' Examination and the California Bar Examination. Grants include revenues received by the State Bar from a variety of granting agencies and other sources. The Bar also generates revenue through voluntary fees from licensees and donations.

Investment Policy

It is the policy of the State Bar to invest public funds in a manner which will provide the maximum security with best investment return, while meeting the daily cash flow demands of the State Bar and conforming to all California statutes governing the investment of public funds, and all Resolutions of the Board of Trustees.

This policy is reviewed at least annually for the purpose of recommending needed changes and modifications. The chair of the Finance and Planning Committee is responsible for initiating the review.

The State of California establishes standards for investment instruments and the State Bar utilizes these standards by diversifying its investment portfolio to minimize the risk of loss.

The Chief Financial Officer will provide quarterly reports to the Board on the status of the State Bar's investment portfolio.

Audits

The Board is subject to the following types of audits:

- Annual financial audit by independent auditors
- Bi-annual audit by the California State Auditor
- Internal Control Review by independent auditors every five years

The audit by the California State Auditor is a financial compliance and performance audit that focuses on the finances, discipline system, and other issues (varying from year to year) determined by the auditor. In addition, the audit follows up on concerns and problems highlighted from previous audits. There are no management practices that are outside of the State Auditor's purview. The State Auditor may audit any function including the confidential and non-public files, including the Office of the Chief Trial Counsel and the Office of General Counsel.

(Source: Bus. & Prof. Code § 6145)

A financial audit is conducted by external independent auditors annually and reviews management and governance practices to ensure their compliance with the Governmental Accounting Standard Board (GASB), Financial Accounting Standards Board (FASB) and other accounting standards.

(Source: Bus. & Prof. Code § 6145)

The five-year internal control review of the State Bar's budget and fiscal policies and procedures is conducted by an independent consultant under the oversight of the Board Audit Committee.

Contracts

The Board must approve any contract for goods, services, or both, for an aggregate amount greater than \$50,000 or for information technology goods, services, or both, for an aggregate amount greater than \$100,000. The Executive Director may approve these contracts between board meetings due to necessity provided that the contract is also approved by the Executive Committee and the Board is notified at the next regularly scheduled Board meeting.

(Source: *Bus. & Prof. Code § 6008.6*)

Settlement of Claims Against the State Bar

The Board must approve settlements in amounts exceeding \$50,000 or in any matter which implicates a material policy issue for the Bar, upon recommendation of the Board Executive Committee or the committee designated by the Board to review legal matters. A "material policy issue" is one with important political or operational consequences in the future for the Bar.

(Source: *Govt. Code §§ 900 et. seq.*)

SECTION 6. LEGISLATION AND RULEMAKING

Legislation

The purpose of the legislative program is to monitor legislative activity and represent and advocate for the State Bar on legislative, policy and budget matters before the Legislature and Governor. The State Bar seeks to ensure that laws are in place that enhance the ethical and competent practice of law, the ability to effectively license and regulate lawyers, and provide fair, just and appropriate discipline of attorneys. The State Bar seeks to promote laws that identify effective new tools for, or eliminate unnecessary obstacles to, the carrying out of the Bar's public protection mission. The State Bar generally takes no position on bills involving substantive law. However, it may take a position on an apparent issue of substantive law if issues of procedure and substance are so inextricably intertwined that they directly affect the Bar's core mission.

Rulemaking

The Board may promulgate rules and regulations to define and carry out statutes contained in the State Bar Act.

SECTION 7. STAFFING

Overview

The Board has authority to hire and fire only the Executive Director, Chief Trial Counsel and General Counsel. The Executive Director has final authority to hire or fire all other staff, subject to applicable memoranda of understanding. Because of this organizational structure the Board and its members should not become involved in personnel transactions or any other matters involving any staff member other than those stated above. Concerns regarding Board staff should be directed to the Board Chair and Executive Director.

Executive Director

The Executive Director is responsible for the leadership and management of the State Bar according to the strategic direction set by the Board, including:

- Playing an active role in supporting the Board
- Speaking on behalf of the State Bar in public forums
- Maintaining key external relationships
- Advancing the State Bar's Strategic Plan
- Providing appropriate direction to staff regarding internal operations and systems development
- Administering State Bar personnel matters
- Managing the financial affairs of the State Bar in an ethical and prudent fashion

An annual performance evaluation of the Executive Director will be conducted by the Executive Committee and presented to the Board for review and approval not more than 90 days after the anniversary date of the Executive Director's appointment. The Executive Committee's evaluation will be based on a performance plan for the Executive Director to be developed in conjunction with the Office of Human Resources and provided to the Executive Director not more than 90 days after appointment. The Bar may meet in closed session to discuss the annual performance evaluation of the Chief Trial Counsel.

Chief Trial Counsel

The Chief Trial Counsel is the designated legal counsel responsible for the enforcement/prosecutorial arm of the disciplinary system. The Executive Director selects the Chief Trial Counsel, the selection is appointed by the Board, and the candidate is subject to Senate confirmation. The candidate may begin to perform the duties of Chief Trial Counsel upon appointment by the board, but if the candidate is not confirmed by the Senate within 365 days after beginning to perform those duties, the position will be deemed vacant.

The Chief Trial Counsel is appointed for a term of four years and may be reappointed for additional terms. The Chief Trial Counsel serves at the pleasure of the board. The Chief Trial Counsel reports to the Regulation and Discipline Committee in connection with the exercise of prosecutorial direction.

(Source: Gov. Code § 1774 and Bus. & Prof. Code § 6079.5)

An annual performance evaluation of the Chief Trial Counsel will be conducted by the Regulation and Discipline Committee and Executive Committee not more than 90 days after the anniversary date of the Chief Trial Counsel's appointment. The evaluation will be based on a performance plan for the Chief Trial Counsel to be developed by the Regulation and Discipline Committee in conjunction with the Office of Human Resources and provided to the Chief Trial Counsel not more than 90 days after appointment. The Bar may meet in closed session to discuss the annual performance evaluation of the Chief Trial Counsel.

General Counsel

The Office of General Counsel is the designated legal counsel to the Bar as an entity, including the Bar's sub-entities, subject to the direction of the Board and its Executive Committee or the committee designated by the Board to review legal matters.

An annual performance evaluation of the General Counsel will be conducted by the Executive Committee and Executive Director. The evaluation will be presented to the Board for review and approval not more than 90 days after the anniversary date of the General Counsel's appointment. The Executive Committee and Executive Director's evaluation will be based on a performance plan for the General Counsel to be developed in conjunction with the Office of Human Resources and provided to the General Counsel not more than 90 days after appointment. The Board may meet in closed session to discuss the annual performance evaluation of the General Counsel.

SECTION 8. COMMUNICATION

Board Contact for State Bar Inquiries

The prevalence of social media and the media in general requires that consumers, applicants, licensees, and other stakeholders be provided with as much information as possible, in a manner that is consistent and both objective and factual. A written or verbal statement made by an individual board, committee, task force, ad hoc or sub-entity member could be misconstrued to be a statement, policy or decision on behalf of the Board as a whole.

Therefore, it is important that there be one point of contact for inquiries made to the Board; that contact is the Executive Director or his or her designee.

Use of State Bar Stationery

State Bar letterhead is maintained at the office of the State Bar to assure that it is used only for official use. Only correspondence that is transmitted directly by the State Bar office may be printed or written on State Bar letterhead.

Responding to Inquiries from the Public or Media

All technical, license or disciplinary inquiries to a board, task force, ad hoc, or sub-entity member from applicants, licensees or members of the public should be referred to the Executive Director or his or her designee. Also, any inquiry or contact from the media should be referred to the Executive Director or his or her designee.

Speaking Engagements and Public Outreach

Any request for a board, committee, ad hoc committee, task force, or sub-entity member to make a presentation must be submitted to and approved by the Chair or Executive Director. A written list of topics that the speaker intends to present also must be submitted and approved prior to the presentation.

SECTION 9. EXPENSE REIMBURSEMENT

Board Member Travel

Board members will be reimbursed for expenses incurred when conducting required State Bar business as provided for in the Travel and Business-Related Expense Policy for Volunteers and Contractors (Appendix H). To seek reimbursement, Members must submit a completed Expense Report on the current electronic version of the Expense Report form to the Secretary of the Board, and include the required supporting documentation. Members should employ expense discipline to minimize travel expenses.

Travel Arrangements

Board members are responsible for coordinating their own travel arrangements to and from State Bar meetings and events, except for lodging when the Bar has contracted for a room block for a group meeting. The State Bar participates in the California Statewide Travel Program managed exclusively by the TravelStore, and coordinated by Meeting & Travel staff in the State Bar's Office of General Services. Board members may, if they wish, set up a TravelStore profile and make air, car rental and hotel reservations by phone or by using the TravelStore's online reservation system.

Lodging for Bar Meetings

The State Bar reserves a block of rooms for most group meetings and events. Staff will send an email prior to the meeting or event to determine those members needing a room, and will advise the hotel of the attendees. Attendees of that meeting or event should stay at the contracted hotel to ensure that the minimum number of contracted rooms is met. Board members that choose not to stay at the contracted hotel will not be reimbursed for lodging expenses.

When the State Bar has not reserved a block of hotel rooms for a group meeting or event, Board members should make their own arrangements, but should check to see if government rates or other discounted rates are available. Reimbursement for lodging expenses will be made for the actual cost of a standard hotel room, up to the maximum authorized lodging rate as noted in the travel policy.

Meal Per Diems

Meal costs will be reimbursed at the authorized per diem meal rate as noted in the travel policy. The meal per diem may not be claimed when a meal is otherwise provided (e.g. a State Bar catered lunch).

Statutory Compensation

Public members are entitled to receive \$50 per day and may not exceed \$500 per month. Members must complete and return the Public Member Request for Statutory Compensation form in order to receive this compensation.

Attorney members do not receive any compensation other than travel reimbursement and the per diem when on travel status for meals and incidentals.

(Source: Bus. & Prof. Code § 6028.)

SECTION 10. BOARD MEMBER TRAINING

Board Member and Sub-Entity Volunteer Orientation

A mandatory Trustee orientation and training meeting will be conducted in conjunction with the September meeting. All State Bar volunteers must attend a formal orientation which includes, among other State Bar related topics, training on implicit bias and diversity. Members unable to attend the meeting will be offered the opportunity to set up a substitute meeting to comply with this requirement and may also watch it on an archived webcast.

Annual Board Member Training

Select topics of Board operations will be conducted in conjunction with Board meetings throughout the year. Topics will include the Bagley-Keene Act, admissions, the disciplinary process, budget process, access to justice, labor relations, anti-trust policy, and the California Public Records Act.

SECTION 11. GUIDELINES AND PROCEDURES

Conflict of Interest

Members of the Board of Trustees must act ethically and prudently in exercising their duties, recognizing that their role is that of a fiduciary.

- Board Members are subject to conflict of interest statutes and policies:
 - Business & Professions Code §§ 6035 – 6038
 - Portions of the Political Reform Act of 1974 (Gov. Code § 81000, et seq.)
 - Conflict of Interest Code for the Board of Trustees of the State Bar of California
- Violations can carry serious penalties:
 - Personal fines
 - Removal from the Board of Trustees
 - Disqualification from holding public office
 - Criminal sanctions

Financial Disclosures

The rules regarding financial and personal conflicts for Board Members and the effect and applicability of such rules are governed by the Board of Trustees' "Conflict of Interest Code" as adopted by the Supreme Court of California. See Appendix I for relevant statutory authority, board resolutions and historical notes regarding the adoption of conflict of interest guidelines. The definitions set forth in Government Code section 82000, et seq., apply to all Board Members.

Board Members must file disclosure statements on the Form 700 prescribed by the Fair Political Practices Commission ("FPPC") under certain circumstances as set forth in Government Code sections 87206 and 87207. Board Members shall disclose an investment, interest in real property, and income if, during a reporting period, the Board of Trustees has made a decision that materially affects the investment, interest in real property, or income.

Government Code section 87207(b)(2) provides for certain exceptions to disclosure and the applicable procedures if a Board Member believes that disclosure of the name of a person who paid fees or made payments to a business entity would violate a legally recognized privilege under California law.

In addition to Conflict of Interest Code requirements, Board Members are subject to the following Business and Professions Code sections regarding disclosures of financial and personal nonfinancial conflicts: Business and Professions Code sections 6035, 6036, 6037 and 6038.

Disqualification

Each Board Member must disqualify himself or herself from making or influencing decisions of the Board or a committee of the Board, in which he or she has a financial interest or a personal nonfinancial interest which will prevent them from applying disinterested skill and undivided loyalty to the State Bar. However, when legally required in a matter, a Board Member's participation is permitted even when there is a conflict. (E.g., Breaking a tie vote is *not* considered a legal requirement; however, if no alternative source of decision exists that would be consistent with the purposes and terms of the statute authorizing the decision, then participation is considered to be legally required. This exception is typically applied when a quorum of a legislative body cannot be convened due to the disqualifying conflicts of interests of its members.)

Whether a Board Member has a "financial interest" in a decision is defined by Government Code section 87103 and includes matters where it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally, on the official, or on a member of his or her immediate family. In addition, section 87103 contains other enumerated "interests" involving management control or monetary investments in business entities, interest in real property, or other sources of income.

The question whether a nonfinancial interest exists is highly fact-specific. Examples include decisions affecting friends or family members of Board Members. Board Members should contact the Office of General Counsel if they have any concern that they may have an interest in any matter before the Board. (See Appendix 1 for further references.)

A Board Member required to disqualify himself or herself in a matter must immediately disclose that he or she has a personal or financial interest, and must refrain from participating in the matter, influencing others, and voting.

Any Board Member who intentionally violates the conflict of interest disqualification rules is subject to criminal prosecution, fines, and termination from his or her position as Board Member. No action or decision of the Board shall be invalid, however, if such a violation is discovered.

Conflict Rules Regarding State Bar Contracts

Strict conflict of interest rules also apply to State Bar contracts. (Gov. Code § 1090 ("section 1090") ["(Covered individuals) shall not be financially interested in any contract made by them in their official capacity, or by any body or board of which they are members."])

- For purposes of the statute, a contract includes, but is not limited to, purchase orders, payments for good and services, leases and grants.
- If one Board Member has a “financial interest,” the State Bar cannot enter into the contract.
- Exceptions to section 1090 include “remote interests” and “noninterests.” See Appendix I, Gov. Code §§ 1091, 1091.5.

Policy Restricting Former Business with the State Bar after Leaving Office

Members of the Board of Trustees and Senior Managers designated by the Executive Director, for a period of twelve months following expiration of their term of office or termination of employment, shall not:

Seek to do, or do, business with the State Bar for monetary gain, or Act as agent or attorney for, or otherwise represent any person, for compensation by making any formal or informal appearance, or any oral or written communication before the State Bar, or any officer or employee or agent thereof, if the appearance or communication is for the purpose of influencing official State Bar action, including the awarding or revocation of services, contracts, or the sale or purchase of goods or property.

The Board, or its designee, may waive the requirements of this policy for good cause.

Participation as an Amicus Curiae

The State Bar is a judicial branch state agency and should not ordinarily take a partisan position in another's lawsuit. Therefore, State Bar amicus curiae participation is extremely limited and only involves issues basic to the State Bar. Examples might include validity and interpretation of the State Bar Act or State Bar rules; validity and interpretation of State Bar-sponsored legislation; or the validity and interpretation of legislation or acts of court that can seriously affect the administration of justice and attorney-client relationships. It is also recognized that the State Bar amicus curiae participation will have greater impact on the courts if used sparingly.

Any person or entity, including any component part of the State Bar, requesting State Bar participation as an amicus curiae in litigation must obtain prior approval from the Board.

APPENDIX

APPENDIX A – BOARD MEMBERSHIP

APPENDIX B – STANDING COMMITTEE CHARTERS

APPENDIX C – AD HOC COMMITTEES

APPENDIX D – BOARD COMMITTEE STRUCTURE MATRIX

APPENDIX E– BOARD LIAISONS

APPENDIX F– SUB-ENTITY CHARTERS

APPENDIX G – STRATEGIC PLAN

APPENDIX H– TRAVEL AND BUSINESS RELATED EXPENSE POLICY

APPENDIX I - CONFLICT OF INTEREST POLICY

APPENDIX J – GLOSSARY OF COMMON ACRONYMS

APPENDIX K – CHEAT SHEET FOR CHAIRING A MEETING IN LIEU OF A SCRIPT

APPENDIX L – CALENDAR OF ANNUAL BOARD ISSUES

APPENDIX A

BOARD MEMBERSHIP

2018 – 19 BOARD OF TRUSTEES

OFFICERS

Jason P. Lee, Chair

(Supreme Court appointee)

Alan Steinbrecher, Vice-Chair

(Supreme Court appointee)

Trustees

Mark Broughton

(Supreme Court appointee)

Sonia T. Delen

(Governor appointee, public member)

Renée LaBran

(Governor appointee, public member)

Joanna Mendoza

(Elected member)

Sean SeLegue

(Elected member)

Hailyn Chen

(Supreme Court appointee)

Ruben Duran

(Assembly appointee)

Debbie Y. Manning

(Senate appointee, public member)

Joshua Perttula

(Senate appointee)

Brandon N. Stallings

(Supreme Court appointee)

APPENDIX B

STANDING COMMITTEE CHARTERS

CHARTER FOR BOARD EXECUTIVE COMMITTEE

The Chair of the Board of Trustees shall serve as the Chair of the Board Executive Committee and the Vice Chair of the Board of Trustees shall serve as its Vice Chair. The Board Executive Committee shall include at least one Board member appointed by each of the following appointing authorities: (1) The Supreme Court; (2) The Governor; (3) The Speaker of the Assembly; and (4) The Senate Committee on Rules. In addition, the Board Executive Committee shall include the chairs of each standing committee. An individual Trustee may fill more than one position on the Board Executive Committee, e.g., positions assigned to standing committee chair and Supreme Court appointee may be filled by the same Trustee. The Executive Director shall be a member of the Board Executive Committee, but shall have no vote and shall not be counted towards a quorum of the Board Executive Committee. The Board Executive Committee shall be responsible for the effective functioning of the Board of Trustees, the maintenance and development of Board of Trustees–Executive Director working relationship, and the oversight of certain high–level internal operational matters.

The Board Executive Committee shall:

- Board of Trustees Functioning: Oversee the functioning of the Board of Trustees by coordinating the work of the other Board committees and approving Board Committee work plans; keep the State Bar Mission Statement updated; set Board Member performance standards; monitor Board Member performance; perform the annual Board Assessment; and maintain and update the Trustee Skills Matrix to assist the Board and appointing authorities in Trustee and officer selection and development.
- Board Book: Approve amendments to the Board of Trustees Policy Manual, also referred to as the Board Book, subject to Board ratification.
- Volunteer Management/Coordination: Nominate volunteer applicants to serve on State Bar sub-entities and external entities; provide adequate public notice of appointment opportunities to ensure a well-qualified and diverse field of applicants; be responsible for any substantive changes to the appointments process; and ensure that all volunteers appointed to serve on State Bar sub-entities are provided uniform orientation on the State Bar mission, program areas, structure and fiscal/administrative policies as well as specific training on the role and responsibilities of the sub-entity on which the volunteer has been appointed to serve.
- Board of Trustees Recruitment: Inform the legal community about the work of the Board and fashion and execute strategies that encourage qualified and diverse candidates to join the Board.
- Trustee Orientation and Development: Develop and oversee execution of a formal

Board member capacity building program to ensure that each incoming group of Trustees receives timely training on all significant aspects of the State Bar, the elements of which may include:

- On-boarding orientation about the State Bar, its governance structure and Trustee roles and responsibilities.
- Training on Admissions and the Discipline System.
- Ongoing continuing education and training pursuant to a cyclical training calendar.
- A mentoring program pairing new Board members with senior Board members.

Secretary Oversight: Oversee the Board Secretary function.

Executive Director Evaluation:

An annual performance evaluation of the Executive Director will be conducted by the Executive Committee and presented to the Board for review and approval within 90 days of the anniversary date of the Executive Director's appointment. The Executive Committee will conduct its evaluation using a performance plan established in conjunction with the Office of Human Resources and Executive Director. The performance plan will be provided to the Executive Director within 90 days of appointment. The Bar may meet in closed session to discuss the annual performance evaluation of the Executive Director.

General Counsel Evaluation:

The Office of General Counsel is the designated legal counsel to the Bar as an entity, including the Bar's sub-entities, subject to the direction of the Board and its Executive Committee or the committee designated by the Board to review legal matters.

An annual performance evaluation of the General Counsel will be conducted by the Executive Committee and Executive Director and will be presented to the Board for review within 90 days of the anniversary date of the General Counsel's appointment. The Executive Committee will conduct its evaluation using a performance plan established in conjunction with the Office of Human Resources and the Executive Director. The performance plan will be provided to the General Counsel within 90 days of appointment. The Bar may meet in closed session to discuss the annual performance evaluation of the General Counsel.

Chief Trial Counsel Evaluation:

The Chief Trial Counsel is the designated legal counsel responsible for the enforcement/prosecutorial arm of the disciplinary system. The Executive Director selects the Chief Trial Counsel, the selection is appointed by the Board, and the candidate is subject to Senate confirmation. The Chief Trial Counsel is appointed for a term of four years and may be reappointed for additional terms. The Chief Trial Counsel

reports to the Regulation and Discipline Committee in connection with the exercise of prosecutorial direction.

(Source: Bus & Prof. Code § 6079.5.)

An annual performance evaluation of the Chief Trial Counsel will be conducted by the Regulation and Discipline Committee and Executive Committee and will be presented to the Board for review within 90 days of the anniversary date of the Chief Trial Counsel's appointment. The Regulation and Discipline Committee will conduct its evaluation using a performance plan established in conjunction with the Office of Human Resources and Executive Director. The performance plan will be provided to the Chief Trial Counsel within 90 days of appointment. The Bar may meet in closed session to discuss the annual performance evaluation of the Chief Trial Counsel

Senior Executive Oversight: Receives reports from the Executive Director regarding any material changes to terms and conditions of employment or performance of any senior executive.

Litigation Oversight: Address legal issues and recommend Board action as appropriate; and provide oversight of litigation involving the State Bar.

Settlement Authority Oversight: Receives reports from General Counsel on all non-material policy settlements up to \$25,000. Authorizes non-material policy settlements between \$25,001 and \$50,000 and reports about the settlements to the Board on a quarterly basis. Makes recommendations to the Board for all settlements more than \$50,000.

Operational Responsibilities: Address internal operational issues not falling within the purview of other Board committees and non-delegable to staff (e.g. ratifying union/management Memoranda of Understanding, recommending changes to internal rules and regulations such as conflict in interest policies, responding to governmental inquiries and other matters such as fee bill negotiations), recommending Board action as appropriate.

Delegation of Authority: Take action on behalf of the Board when obtaining a quorum of the full Board would not be feasible before it is necessary to take action.

- Decisions of the Board Executive Committee under this delegation of authority shall be consistent with the goals, values and direction of the Board.
- The Executive Director, or an authorized staff member, shall report on any action taken under this delegation of authority promptly and in no event later than the next regularly scheduled Board meeting.

Perform such other functions relevant to the Board Executive Committee's

subject area as the Board of Trustees may from time to time assign.

CHARTER FOR FINANCE AND PLANNING COMMITTEE

The Finance and Planning Committee shall develop and lead the Board's participation in all State Bar planning and budget preparation, including examination of financials, strategic planning and governance review.

The Finance and Planning Committee shall:

- Budget and Planning: Consult with the Chair, Vice Chair 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; ensure that the Board participates fully and proactively in the planning process on an ongoing basis; and work with the Executive Director and Chief Financial Officer to vet the proposed budget, as well as any mid-year updates or proposed changes to the budget, before presentation and recommendation to the Board of Trustees.
- Budget Process: Recommend to the Board any amendment to the adopted budget.
- Financial Review: Ensure that the financials are thoroughly examined on a quarterly basis; develop a functional and detailed understanding of the State Bar's revenue streams, expenditures, and overall fiscal conditions and issues in order to be engaged proactively in the budget preparation, development and planning process on an ongoing basis; monitor the State Bar's performance relative to the budget; and ensure that appropriate actions are taken to address any material variances to the budget.
- Strategic Planning Session: Coordinate with the Chair and Vice Chair the overseeing, preparing for, and hosting the annual strategic planning session.
- Governance Review: Review Board and Board committee functioning; make recommendations to the Board for changes in governance structure to ensure appropriate alignment with State Bar program operations, administrative policy and mission; and ensure incorporation of approved governance recommendations into the State Bar Strategic Plan.
- Oversight: Ensure as part of the annual operational planning/budget preparation process that a department-by-department fiscal review is performed to evaluate budget projections.
- Work Plan: Develop and adopt a Finance and Planning Committee Work Plan for approval by the Board Executive Committee; for each Finance and Planning Committee project, the Work Plan shall include a description of the project, the Strategic Plan Goal(s) and Objective(s) that are furthered by the project, and an estimated timeline for completion and presentation to the Finance and Planning Committee and/or the Board.

- 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.

CHARTER FOR REGULATION AND DISCIPLINE COMMITTEE

The Regulation and Discipline Committee is a performance-monitoring and oversight committee. It is accountable for monitoring the operational performance of the State Bar Program Areas identified on the Board Committee Structure Matrix in Appendix E. Pursuant to California Rule of Court 9.11(a)(2) any Board member appointed and serving on the Supreme Court's Applicant and Nomination Committee may not sit on this committee

The Regulation and Discipline Committee shall:

- Establish the key elements of a programmatic reporting process, including the content, format, and frequency of performance reports to the Board, and oversee implementation of the process.
- Oversee (as directed by Bus. & Prof. Code, § 6079.5), the work of the Chief Trial Counsel, who reports to and serves under the Regulation and Discipline Committee.
- Chief Trial Counsel Evaluation: Ensure that the Chief Trial Counsel position description is updated as necessary to reflect changing State Bar needs, priorities and conduct the annual performance evaluation with the Board Executive Committee. An annual performance evaluation of the Chief Trial Counsel will be conducted by the Regulation and Discipline Committee and Executive Committee and will be presented to the Board for review within 90 days of the anniversary date of the Chief Trial Counsel's appointment. The Regulation and Discipline Committee will conduct its evaluation using a performance plan established in conjunction with the Office of Human Resources and Executive Director. The performance plan will be provided to the Chief Trial Counsel within 90 days of appointment. The Bar may meet in closed session to discuss the annual performance evaluation of the Chief Trial Counsel
- Approve changes to high-level quality-control policies that apply to the functioning of the State Bar Program Areas under the Regulation and Discipline Committee's performance-monitoring and oversight authority.
- Review performance reports in Regulation and Discipline Committee meetings and report program performance to the full Board.
- Identify and oversee the implementation of needed corrective actions.
- Oversee the preparation of in-depth assessments of program/function effectiveness for presentation at the annual strategic planning session.
- Review internal and external audit reports as they relate to the functions of the State Bar under the Regulation and Discipline Committee's performance- monitoring and oversight authority and oversee implementation of recommendations identified therein.

- Oversee the Annual Discipline Report process and underlying discipline statistics.
- Develop and adopt a Regulation and Discipline Committee Work Plan for approval by the Board Executive Committee; for each Regulation and Discipline Committee project listed on the Work Plan, the Work Plan shall include a description of the project, the Strategic Plan Goal(s) and Objective(s) that are furthered by the project, and an estimated timeline for completion and presentation to the Regulation and Discipline Committee and/or the Board.
- Perform such other functions relevant to the Regulation and Discipline Committee's subject area as the Board of Trustees may from time to time assign.

CHARTER FOR PROGRAMS COMMITTEE

The Programs Committee is a performance-monitoring and oversight committee. It is accountable of monitoring the operational performance of the State Bar Program Areas identified on the Board Committee Structure Matrix in Appendix E.

The Programs Committee shall:

- Establish the key elements of a programmatic reporting process, including the content, format, and frequency of performance reports to the Board, and oversee implementation of the process.
- Approve changes to high-level quality-control policies that apply to the functioning of the State Bar Program Areas under the Programs Committee's performance-monitoring and oversight authority.
- Review performance reports in Programs Committee meetings and report program performance to the full Board.
- Identify and oversee the implementation of needed corrective actions.
- Oversee the preparation of in-depth assessments of program/function effectiveness for presentation at the annual strategic planning session.
- Review internal and external audit reports as they relate to the functions of the State Bar under the Programs Committee's performance-monitoring and oversight authority and oversee implementation of recommendations identified therein.
- Develop and adopt a Programs Committee Work Plan for approval by the Board Executive Committee; for each Programs Committee project listed on the Work Plan, the Work Plan shall include a description of the project, the Strategic Plan Goal(s) and Objective(s) that are furthered by the project and an estimated timeline for completion and presentation to the Programs Committee and/or the Board.
- Perform such other functions relevant to the Programs Committee's subject area as the Board of Trustees may from time to time assign.

CHARTER FOR AUDIT COMMITTEE

The Audit Committee is charged with assisting the Board of Trustees in fulfilling its oversight responsibility as related to the integrity of accounting and financial reporting processes, the system of internal controls, and audit processes. In addition, the Audit Committee is charged with overseeing risk management and compliance efforts. The Audit Committee has a goal of including at least one public member of the Board of Trustees.

The Audit Committee shall:

- Undertake the following responsibilities relating to the annual financial statement audit:
 - o Recommend appointment of the external auditors, taking into account the recommendation of the Executive Director and Chief Financial Officer, for approval by the full Board of Trustees.
 - o Evaluate the independence of the external auditors, including their recent or planned future engagement by the State Bar for non-audit services.
 - o Review and approve the annual audit scope and the fees of the external auditors.
 - o Monitor the progress of the financial statement audit.
 - o Evaluate the results, findings and recommendations of the financial statement audit.
 - o Ensure that the State Bar's responses to control weaknesses and compliance issues identified in the course of the financial statement audit are appropriate and timely.
 - o Serve as a direct communications link between the Board of Trustees and the independent auditor.
 - o Monitor the State Bar's implementation of the financial statement audit recommendations, working with staff to identify other compliance initiatives that should be undertaken.
 - o Review with the Chief Financial Officer or his or her designee and the independent auditor the financial statement audit's results, findings and recommendations, including any difficulties encountered; review with the Chief Financial Officer or his or her designee and the independent auditor all matters required to be communicated to the Audit Committee under generally accepted auditing standards.
- Undertake the following responsibilities relating to financial statements:
 - o Review significant accounting and reporting issues, including complex or unusual transactions, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
 - o Review the annual financial statements, and consider whether they are complete, consistent with information known to the Audit Committee members, employ appropriate accounting principles, and appropriately reflect the financial condition of the State Bar.

- Review other sections of the annual report and related regulatory filings before release and consider the accuracy and completeness of the information.
 - Understand how staff develops interim financial information, and the nature and extent of external auditor involvement.
- Undertake the following responsibilities relating to cybersecurity:
 - Recommend commission of a biennial cybersecurity report, taking into account the recommendation of the Executive Director and the Director of Information Technology, to the full Board of Trustees for approval.
 - Review and approve the biennial cybersecurity report scope and fees.
 - Evaluate the results, findings and recommendations of the biennial cybersecurity report.
 - Ensure that the State Bar's responses to control weaknesses and compliance issues identified in the course of the biennial cybersecurity report process are appropriate and timely.
 - Serve as a direct communications link between the Board of Trustees and cybersecurity experts.
 - Monitor the State Bar's implementation of the cybersecurity report recommendations, working with staff to identify other cybersecurity initiatives that should be undertaken.
 - Review with the Executive Director or his or her designee and cybersecurity experts the results, findings and recommendations in the cybersecurity report, including any difficulties encountered, to ensure the State Bar's vigilance in identifying, analyzing and addressing any and all cybersecurity vulnerabilities on an ongoing and continuous basis.
 - In the interim year between the biennial reports, review with the Director of Information Technology the status of cybersecurity including progress in implementation of corrective measures and identification of any new risks or concerns; ensure that the Director of Information Technology's responses to any new risks or concerns are appropriate and timely.
- Review the results of the biennial performance audit conducted by the State Bureau of Audits; and monitor the State Bar's implementation of the financial-related recommendations of the biennial performance audit, working with staff to identify other fiscal and operational initiatives and best practices that should be undertaken.
- Monitor, review and evaluate the effectiveness and adequacy of the State Bar's internal control structure on an ongoing basis:
 - Ensure that the State Bar performs its duties pursuant to Tab 4.1, Section 10 of the Board Book, which requires that a review of the State Bar's budget and fiscal control policies and procedures be undertaken every five years by an independent consultant.
 - Review and approve the independent consultant review scope and fees.
 - Evaluate the results, findings and recommendations of the independent

consultant.

- Ensure that the State Bar's responses to control weaknesses and compliance issues identified in the course of the independent consultant review, the annual financial statement audit, the State Auditor's biennial review or any other audit or review are appropriate and timely.
 - Serve as a direct communications link between the Board of Trustees and the independent consultant.
 - Monitor the implementation of the recommendations, working with staff to identify other internal control initiatives that should be undertaken.
 - Meet with the Chief Financial Officer and other members of Bar leadership staff, or their designees, on a biennial basis to:
 - Review and discuss the State Bar's internal control structure, including progress on implementation of the recommendations of the independent consultant and other initiatives undertaken to improve the State Bar's internal control structure.
 - Ensure the State Bar's vigilance in identifying, analyzing and addressing significant internal control structure vulnerabilities on an ongoing and continuous basis.
 - Seek assurances from Bar leadership staff on the effectiveness of risk management practices and controls.
 - Reassess whether the policies and procedures provide for the effective identification, assessment, reporting, monitoring and control of the State Bar's principal risks; if they do not, require that the policies and procedures be updated to address any deficiencies.
- Perform such specific oversight functions as expressly requested by the Board of Trustees.
 - Review, on a quarterly basis, reports prepared by the Office of Finance regarding Executives' and Board Members' travel and expense reimbursements.
 - Develop and adopt an Audit Committee Work Plan for approval by the Board Executive Committee; for each Audit Committee project listed on the Work Plan, the Work Plan shall include a description of the project, the Strategic Plan Goal(s) and Objective(s) that are furthered by the project and an estimated timeline for completion and presentation to the Audit Committee and/or the Board.

Access to the Chief Financial Officer: The Chief Financial Officer shall have direct access to the Board of Trustees on all financial matters, and is authorized to meet with the Committee, or if more expedient with the Audit Committee Chair, on the Chief Financial Officer's own initiative or at the request of the Audit Committee Chair, outside the presence of other State Bar leadership staff at Audit Committee meetings; in addition, the Audit Committee shall meet independently with the Chief Financial Officer on a quarterly basis.

Access to Information: The State Bar Audit Committee may request any independent auditor, expert, officer; trustee, agent or employee of the State Bar to appear before it to report on the financial condition of the State Bar and answer any questions the Audit Committee might have, relating to the accomplishment of its responsibilities enumerated in this charter.

Limitations on the Role and Responsibility of the Audit Committee:

Oversight Scope Defined: The role and responsibility of the Audit Committee is oversight, not preparation of reports or statements or operation.

- The Executive Director and Chief Financial Officer and their designees are responsible for preparing the financial statements; responding to governmental and other reports relating to the State Bar; operating the State Bar, including its financial and accounting systems; and assuring compliance with applicable laws and with policies and procedures established by the Board.
- The external auditors are responsible for auditing the financial statements and such other functions as they are specifically engaged to perform.

Reliance on Advisory Information Provided by State Bar Leadership staff, Auditors and Others: In carrying out its oversight function, the Audit Committee is not expected to provide expert or special assurance as to the State Bar's financial statements or professional certification as to the work of the State Bar's staff or of the external auditors. In discharging their duties, the members of the Audit Committee may rely on information, opinions, reports or statements, including financial statements or other financial data, prepared or presented by officers, employees, internal or external counsel, public accountants, committees of the Board duly designated with authority in particular areas, or other persons whom the member believes are reliable and competent in the matters presented, provided that in so relying the member is acting in good faith and with that degree of diligence, care and skill which ordinarily prudent the State Bar Audit Committee members would exercise under similar circumstances.

APPENDIX C

AD HOC COMMITTEES

AD HOC CHARTERS

Malpractice Insurance Working Group

The Malpractice Insurance Working Group is an Ad Hoc Committee is composed of members appointed by the board and produces a legally required report regarding errors and omissions insurance for attorneys. The report is due to the Supreme Court and Legislature by March 31, 2019 and must include the following:

- (1) The adequacy, availability, and affordability of errors and omissions insurance;
- (2) Proposed measures for encouraging attorneys to obtain and maintain errors and omissions insurance;
- (3) Recommended ranges of errors and omissions insurance limits to protect the public;
- (4) The adequacy and efficacy of the disclosure rule regarding errors and omissions insurance, currently embodied in Rule 3-410 of the Rules of Professional Conduct;
- (5) The advisability of mandating errors and omissions insurance for attorneys and attendant considerations; and
- (6) Other proposed measures relating to errors and omissions insurance that will further the goal of public protection.

(Source: Business and Professions Code section 6069.5)

Task Force on Access Through Innovation of Legal Services

The Task Force on Access Through Innovation of Legal Services is composed of 15 members, including a chair and vice-chair, appointed by the Board and the majority should be public members. The members are judges, lawyers and public members who are non-lawyers. The public members may include, but are not limited to, consumer protection advocates; artificial intelligence/technology experts; economic entrepreneurs; public interest and legal services stakeholders; and law students.

The Task Force will produce a report to the Board by December 31, 2019 and will make recommendations that identify possible regulatory changes to enhance the delivery of, and access to, legal services through the use of technology, including artificial intelligence and online legal service delivery models.

In carrying out this assignment, the Task Force will:

- (1) Review the current consumer protection purposes of the prohibitions against unauthorized practice of law (UPL) as well as the impact of those prohibitions on access to legal services with the goal of identifying potential changes that might increase access while also protecting the public. In addition, assess the impact of the current definition of the practice of law on the use of artificial intelligence and other technology driven delivery systems, including online consumer self-help legal research and information services, matching services, document production and dispute resolution;
- (2) Evaluate existing rules, statutes and ethics opinions on lawyer advertising and solicitation, partnerships with non-lawyers, fee splitting (including compensation for client referrals) and other relevant rules in light of their longstanding public protection function with the goal of articulating a recommendation on whether and how changes in these laws might improve public protection while also fostering innovation in, and expansion of, the delivery of legal services and law related services especially in those areas of service where there is the greatest unmet need; and
- (3) With a focus on preserving the client protection afforded by the legal profession's core values of confidentiality, loyalty and independence of professional judgment, prepare a recommendation addressing the extent to which, if any, the State Bar should consider increasing access to legal services by individual consumers by implementing some form of entity regulation or other options for permitting non-lawyer ownership or investment in businesses engaged in the practice of law, including consideration of multidisciplinary practice models and alternative business structures.

APPENDIX D
BOARD COMMITTEE STRUCTURE MATRIX



Board Committee Structure

Board Oversight	Programs Committee			Regulation and Discipline Committee		
Program Area	Admissions/Licensing Legal Specialization	Access to Justice Diversity and Inclusion	Attorney Regulation and Consumer Resources	Discipline	Prevention and Remediation	Ethics
Principal Functions	Pre-Admissions <ul style="list-style-type: none">• First Year Law Student Examination• Bar Examination• Moral Character	Grants to Legal Services Providers	Maintenance of Attorney Roll <ul style="list-style-type: none">• Administrative Suspensions	<ul style="list-style-type: none">• Discipline-Related Attorney Investigation and Prosecution• Unauthorized Practice of Law Prosecution• Involuntary Inactive Enrollment, Special and Regulatory Proceedings	Client Security Fund	Formulation of Rules of Professional Conduct
	Certifying Applicants for Admission	Access to Justice Policy and Initiatives	MCLE Provider Certification and Attorney Compliance/Tracking	Ethics School Client Trust Account School		
	Special Admissions			Probation Monitoring	Lawyer Assistance Program	Ethics Hotline
	Certification of Legal Specialists/ Approval of Other Entities to Certify Specialists	Diversity and Elimination of Bias	Certification of Law Corporations and Limited Liability Partnerships	State Bar Court* Hearing and Appellate Review		Ethics Opinions
	Law School Regulation				Mandatory Fee Arbitration	Ethics Symposium
Sub-Entities	Committee of Bar Examiners Board of Legal Specialization	Commission on Access to Justice Legal Services Trust Fund Commission Council on Access and Fairness Commission on Judicial Nominees Evaluation and Review Committee			Client Security Fund Commission Lawyer Assistance Program Oversight Committee	Commission for Revision of the Rules of Professional Conduct Committee on Professional Responsibility and Conduct
Infrastructure	Executive Director, Finance, General Counsel, General Services, Governmental Affairs, Human Resources, Information Technology, Research, Staff Training and Development					

*The State Bar Court is not subject to direct oversight by the Board of Trustees with respect to its quasi-judicial functions.

APPENDIX E

BOARD LIAISONS

**BOARD OF TRUSTEES LIAISON ASSIGNMENTS
2018-2019
(Effective as of 09.14.2018)**

ASSIGNMENT

BOARD LIAISON

**California Commission on Access to
Justice & Other Access to Justice Efforts**

Mark Broughton / Debbie Manning

California Judges Association

Mark Broughton / Brandon Stallings

Committee of Bar Examiners

Joanna Mendoza / Brandon Stallings

Diversity Policy Making / COAF

Hailyn Chen / Debbie Manning

Legislature / Communications

Joshua Perttula / Debbie Manning

Litigation / OGC Oversight

Sean SeLegue / Alan Steinbrecher

Administrative / Labor Relations

Renée LaBran / Alan Steinbrecher

Information Technology

Joanna Mendoza / Brandon Stallings

SPECIAL ASSIGNMENT

DESIGNATED TRUSTEES

**Review Committee, Commission on Judicial
Nominees Evaluation (RJNE)**

Sean SeLegue / Debbie Manning

**Applicant Evaluation and Nomination
Committee (AENC)**

Hailyn Chen / Debbie Manning

APPENDIX F
SUB-ENTITY CHARTERS
(NOT INCLUDED IN THIS UPDATE)

APPENDIX G

STRATEGIC PLAN



The State Bar *of California*

2017–2022 Strategic Plan

Updated March 2018



MISSION STATEMENT

The State Bar of California’s mission is to protect the public and includes the primary functions of licensing, regulation and discipline of attorneys; the advancement of the ethical and competent practice of law; and support of efforts for greater access to, and inclusion in, the legal system.

GOAL

1

Successfully transition to the “new State Bar”—an agency focused on public protection, regulating the legal profession, and promoting access to justice.

OBJECTIVES

- a. Determine whether additional State Bar functional areas will transition to the Sections entity, other organizations, or to new standalone entities and develop an action plan for those transitions.
- 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.
- 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.

Ensure a timely, fair, and appropriately resourced admissions, discipline, and regulatory system for the more than 250,000 lawyers licensed in California.

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.
- b. Evaluate the impact of Workforce Planning reforms by January 31, 2019.
- 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.
- d. Implement new-attorney MCLE requirements and evaluate their impact and effectiveness by July 1, 2021.
- e. Begin auditing attorney compliance with MCLE requirements in the most cost effective and efficient manner no later than December 31, 2019.
- f. Support adequate funding of the Client Security Fund.
- g. No later than December 31, 2019, evaluate attorney self-assessment models and determine which model will be implemented in California.
- 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.
- 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.

UNAUTHORIZED PRACTICE OF LAW 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.
- k. Partner with law enforcement agencies to create a coordinated regional response to the unauthorized practice of law.
- l. Identify funding sources, including grant or state funding, to support the Bar's UPL efforts.
- m. Use communications strategies to support UPL enforcement objectives.

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.
- 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.
- 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.
- 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.

Improve the fiscal and operational management of the State Bar, emphasizing integrity, transparency, accountability, and excellence.

EMPLOYEE ENGAGEMENT OBJECTIVES

- a. Improve productivity through performance accountability, training, and professional development.
- 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.
- c. Implement a Training and Development Program and evaluate the implementation and related outcomes by January 31, 2019.
- d. Conduct an annual employee engagement survey, evaluate changes from prior years, and implement an action plan to address areas needing improvement.
- e. No later than July 1, 2018, develop and implement a Communications Strategy Plan for timely and effective internal communication.

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 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.
- 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.

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.
- j. Implement a new Licensee Information Management System (LIMS), replacing AS400, by the end of 2021.
- k. Implement a phased upgrade to the Bar's Information Technology infrastructure (networks, servers, desktops, telecommunications and audio/visual), for enhanced capacity, functionality and security throughout 2018 and 2019.

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.
- 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.
- n. Pursue a two-year fee bill to ensure a balance between accountability and meaningful implementation of important reforms.

GOAL

4

Support access to justice for all California residents and improvements to the state's justice system.

OBJECTIVES

- a. Support increased funding and enhanced outcome measures for Legal Services.
- b. Study and implement improved 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.
- 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.
- 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.
- f. No later than December 31, 2020, explore options to increase access through licensing of paraprofessionals, limited license legal technicians, and other paraprofessionals.

GOAL

5

Proactively inform and educate all stakeholders, but particularly the public, about the State Bar's responsibilities, initiatives, and resources.

OBJECTIVES

- 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.
- 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.
- c. Maintain and enhance relationships with courts and other regulatory and enforcement agencies that share a mission of public protection.
- 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.

APPENDIX H
TRAVEL AND BUSINESS RELATED EXPENSE POLICY

The State Bar of California

2018 Travel and Business-Related Expense Policy: Volunteers and Contractors

The State Bar greatly appreciates the service of its many volunteers, and is able to reimburse reasonable, documented travel expenses incurred for State Bar business, pursuant to this policy. We do have a limited travel budget, so if your employer or other source is able to cover the cost of your travel expenses, that will allow us to stretch our budget and devote additional resources to the important work of the State Bar.

I. POLICY STATEMENT

This policy document sets forth the standards and procedures used to identify and reimburse legitimate travel and business-related expenses incurred while conducting necessary, authorized business of the State Bar.

II. SCOPE

This policy covers all non-employees, including but not limited to, the Board of Trustees, committee members, speakers, invited guests, other volunteers, and contractors, who incur or seek reimbursement for out-of-pocket expenses incurred while conducting State Bar business. Authorization from the Executive Director or Chief Administrative Officer is required to make exceptions to these policies.

III. GENERAL GUIDELINES

- A. This document addresses the most common scenarios and issues for travel and business-related expenses, but it is not necessarily exhaustive. For any scenario or issue not specifically addressed, the State Bar's Office of General Services or Office of Finance will interpret and apply this policy and any other applicable State Bar policies. In addition to the specific policy guidelines described here, travel and other business-related expenses must be reasonable, as compared to other similar travelers' expenses or other historical travel benchmarks. General Services and Finance reserve the right to reduce or deny a request for reimbursement or payment for any expense that is deemed either not in compliance with policy or otherwise unreasonable.
- B. Travelers should travel economically, taking into account both monetary and time costs.
- C. Each traveler is responsible for his/her own expenses and should not pay, or seek reimbursement, for the expenses of other employees, volunteers or contractors. There will be no reimbursement for the expenses of a spouse, guest or pet who accompanies a traveler on State Bar business.
- D. An individual is on "Travel Status" when, in the course of conducting business for the State Bar, he/she travels to a destination that is at least 30 miles away from his/her primary workplace, including transportation between home residence and workplace. Absent specified exceptions described in this policy, airfare, lodging and meal per diem expenses can only be incurred when an individual is on Travel Status. Other travel-related expenses, and selected communication and miscellaneous expenses, may be allowable whether or not the 30-mile requirement for Travel Status has been met, as described herein.
- E. Business-related travel for any out of state destination requires express prior written approval from the Executive Director or the Chief Administrative Officer. Additionally, Assembly Bill 1887 (enacted September 27, 2016), added section 11139.8 to the Government Code, prohibiting state-funded or state-sponsored travel to states with discriminatory laws. The following states are currently subject to the ban on state-funded and state-sponsored travel: Kansas, Mississippi, North Carolina and Tennessee. The California Attorney General's Office maintains a current list of prohibited states [here](#).

- F. Requests for reimbursement should be made after the actual travel has occurred and include all out-of-pocket expenses, regardless of when tickets were purchased or transactions occurred.
- G. Claims for payment or reimbursement must be truthful and accurate, and include only allowable expenses. Intentional misrepresentation on a payment request or reimbursement claim shall be subject to those consequences permitted by law.
- H. Volunteers may incur expenses for their own travel in accordance with this policy. Volunteers are not allowed to make other purchases or render or engage services for the State Bar. All purchases or services must be initiated by State Bar employees through the Office of General Services, Procurement Unit.
- I. The State Bar participates in the California Statewide Travel Program managed exclusively by the TravelStore. Employees and volunteers can make air, car rental and hotel reservations by calling 877-454-8785 or using the TravelStore's "Concur" online reservation system. Travelers must set up a travel profile with the TravelStore before using the system; Meeting & Travel staff in the Office of General Services have provided instructions for setting up a travel profile to designated department, committee and section liaisons; travelers should contact their designated liaison for assistance setting up a travel profile. Travelers are not required to book through the TravelStore; direct bookings and bookings through other travel agencies are permitted, but booking fees in excess of those charged by the TravelStore (\$7 for online booking, \$12 for live agent assistance) will not be reimbursed. Under some circumstances, as noted below, comparison rates from the TravelStore or Southwest Airlines site must be provided for reservations booked by other means or with other airlines.

IV. REPORTING GUIDELINES

A. EXPENSE REPORT

- 1. Policy Compliance: Expense reports are reviewed for accuracy, completeness and policy compliance by the Office of General Services, Procurement Unit, before they are sent to the Office of Finance for processing and payment. General Services and Finance reserve the right to reduce or deny a request for reimbursement for any expense that is deemed either not in compliance with policy or otherwise unreasonable.
- 2. Responsibilities: It is the responsibility of travelers to submit to their State Bar liaison a completed, legible Expense Report with supporting documentation for approval. Any additional explanation or justification memos required must be initialed by the traveler's liaison, unless noted otherwise. It is the responsibility of approvers to assure that Expense Reports submitted for approval are complete and accurate, comply with this policy, and are timely forwarded to Procurement.
- 3. Expense Reporting: The [Expense Report](#) form (example: [Appendix A](#)) is used to reimburse individuals for out-of-pocket travel expenses while conducting business for the State Bar. Reimbursement payable to a firm or company rather than an individual requires a Check Request form with supporting documentation, to be completed by the State Bar liaison. Independent contractors with allowances for travel expense reimbursements should follow the terms of their specific contracts.
- 4. Travel Dates: Travelers can use the Expense Report for a maximum of two trips conducted within any seven consecutive calendar days. If a single trip goes over seven consecutive calendar days, a separate Expense Report is required.
- 5. Expense Report Receipts: Original issued receipts for expenses other than per diem meals should be attached to the Expense Report. Where receipts for ground and public transportation are not provided by the carrier, or contain no itemized trip detail, expenses are reimbursable if the amount claimed is deemed reasonable as compared to other similar travelers' expenses. Reimbursement for any items claimed under "Other Claims" will not be approved without a supporting itemized receipt. Receipts for air, rail, lodging and car rental expenses must contain

itemized pricing and reflect appropriate travel detail (e.g., departure/arrival times, travel dates and location, service class, upgrades, additional fees, etc.). Statement summaries and non-itemized credit card receipts are not acceptable substitutes for receipts but can serve as additional, supporting documentation for original receipts that naturally lack the required detail. If booking through third party vendors such as Travelocity, Orbitz, etc., and no receipt is provided by the vendor, the traveler should include booking confirmations with equivalent detail. Electronically issued receipts for online purchases are considered original issued receipts. To substantiate a claim for reimbursement, receipts for lodging and transportation must be in the name of the traveler.

6. **Deadlines:** The deadline for submitting an Expense Report to the State Bar liaison is 30 calendar days from the end of the week the trip concludes. Late Expense Reports may not be paid. Incomplete, incorrect, or illegible reports may be returned to the requestor for correction, or held for a second level review which may result in delay or non-reimbursement of a specific item.
7. **Signature:** All Expense Reports must be signed by the traveler seeking reimbursement. Facsimile signatures, digital signatures and digital scans are acceptable, a typed "/s" is not. Approval signatures by State Bar liaisons must be original and not delegated via signature stamp.
8. **Revisions:** All modifications to a handwritten Expense Report must be individually initialed by the person making the correction. Any revisions necessary to correct or add to a previously submitted Expense Report must be clearly labeled as "revised" at the top of the form.
9. **Credits:** Previously paid credits issued for canceled air flights can be used to reduce the cost of other future airfare for State Bar business (unused tickets appear on the traveler's TravelStore profile and should be used towards future travel prior to expiration). However, gift-certificates, vouchers, coupons, points or other promotional "credits" should not be used to purchase or be used to increase traveler reimbursements.
10. **Gifts, tokens of appreciation and other non-travel-related or non-business-related expenses** are not reimbursed under this policy.
11. Travelers must use the current 2018 electronic [Expense Report](#) form to ensure policy compliance. Non-standard forms or forms from prior years will not be accepted.

B. PURCHASING CARD REPORTING

1. Purchasing Cards are not issued to volunteers.

V. ALLOWABLE EXPENSES

A. TRANSPORTATION

1. Personal Automobile

- a) Travelers required to use a personal automobile to conduct State Bar business will be reimbursed for mileage at the Internal Revenue Service approved rate as follows:
 - i) Reimbursable mileage is incurred when a traveler leaves the location of his/her workplace on State Bar business and returns to that same location.
 - ii) Reimbursable mileage is incurred when a traveler does not report to his/her primary workplace during the workday because of State Bar business.
 - iii) Reimbursable mileage is incurred while conducting State Bar business while on the way to or from home or the primary workplace. Reimbursement will be for that mileage in excess of normal commute round trip mileage between home and the primary workplace.

- iv) A printout from Google Maps or comparable source should be included with the Expense Report to substantiate mileage claimed.
- v) Travelers who elect to drive rather than fly to conduct State Bar business will not be reimbursed in excess of the cost of the most economical form of transportation. Travelers must attach to Expense Reports dated documentation from the TravelStore site or the Southwest Airlines site to substantiate comparable travel expense (lodging, airfare, rental car). If comparable documentation is missing, Procurement reserves the right to adjust the requested amount that is not deemed reasonable as compared to other similar travelers' expenses, or other historical travel benchmarks. Mileage in excess of what comparable airfare would have cost is not reimbursable. Exceptions may be permitted when travelers are required to drive in order to economically deliver materials that would otherwise be shipped at additional cost, or special medical accommodations are required. Fuel that is put into a private vehicle is not reimbursable and cannot be charged to a Pcard. The mileage rate is intended to reimburse fuel costs maintenance and other depreciation for private auto use.
- vi) Damage to personal autos while being used on State Bar business is not covered.

2. Car Rental

- a) Rental cars may be used to conduct State Bar business when necessary and economically practical compared to other modes of transportation. All associated rental costs should be considered and compared to the equivalent taxi or other ground services available, including the taxes, surcharges, fuel expense, hotel parking and highway tolls. Approvers are responsible for verifying that modes of ground transportation used to attend offsite meetings are consistent for their group and that any deviations or special circumstances are noted.
- b) As a general rule, rental cars should be limited to economy models, including sub-compact and compact size. Exceptions may be permitted when travelers are required to drive a larger vehicle in order to economically deliver materials, to accommodate a physical limitation, or when multiple travelers are driving together and need the additional space for passengers, luggage and other meeting materials. Exceptions may also be permitted for a 4-wheel-drive vehicle to provide safe transportation during inclement weather.
- c) The California Statewide Travel Program has a master contract with Enterprise and National; depending on location and dates of travel, the California contract rates are sometimes cheaper than standard rates or rates offered by other car rental agencies. Where Enterprise and National are available and cheaper than other agencies, travelers should book with these agencies via the TravelStore, or directly using Account Number XZCA999 (company name "CAL," if requested).
- d) The State Bar carries insurance that covers travelers (both employees and volunteers) when renting a vehicle while on State Bar business. Thus, travelers should not elect to carry the additional collision and liability coverage offered by rental agencies when traveling on State Bar business. Any additional insurance elections will be deemed a personal expense and will not be reimbursed.
- e) Personal and business purposes should not be combined on a single rental car reservation. In the event of sequential business and personal travel, a car used for business purposes should be returned at the conclusion of business, and a personal rental then initiated.
- f) Cars should be returned with a full tank of gas; pre-paid tank options should be incurred only when the employee is sure that he/she will exhaust close to a full tank of gas.
- g) Fuel costs incurred for rental cars while on State Bar business are reimbursable, and may also be charged to a Pcard. Fuel should be charged to the same Pcard account that was used to reserve the automobile rental. Compliance with the rental car agency agreement is

the responsibility of the traveler who signs the rental agreement. Please be aware of provisions in the rental agreement that prohibit any other person from driving the car.

h) In the event of an accident, follow these steps:

- Attend to any medical issues.
- Report to appropriate law enforcement agencies immediately.
- Consult the rental contract and follow its instructions.
- Promptly submit an accident report to the State Bar's Risk Management Unit.

3. Air Travel

- a) Reimbursement for air travel will be limited to the cost of a refundable coach/ economy fare, subject to the further restrictions below, plus the cost of checking up to two pieces of luggage per traveler, if required. Lower cost non-refundable fares should be purchased if it is practical to do so. First Class, Business Class or Southwest Business Select fares are not permitted; if purchased, the difference between the economy and higher class fare will be considered a personal expense and will not be reimbursed. The cost of airline memberships, preferential seating, pre-boarding or any other accommodation upgrade will be considered a personal expense and will not be reimbursed. Charges incurred from a change of flight schedule for personal convenience are not reimbursable, but may be permitted for business purposes or other extenuating circumstances if the reason accompanies the Expense Report.
- b) Travelers may book air travel using the TravelStore, another travel agency or directly through the airline. For round-trip flights over \$500 (inclusive of taxes and fees) on routes not serviced by Southwest Airlines, travelers may book tickets directly with other airlines or another travel agency only if the fare is equal to or less than the fare available from the TravelStore. In such a case, the comparison fare from the TravelStore's site must be attached to the Expense Report or Pcard statement. On routes serviced by Southwest Airlines, travelers may book on a different airline only if the rate is equal to or less than the rate available from Southwest. In such a case, the comparison rate from Southwest must be attached to the Expense Report or Pcard statement.
- c) Travelers who incur excessively high fares due to a personal choice to use an airline other than Southwest, or to use a non-standard route when a more reasonable route exists, will be reimbursed only for the portion of the fare equal to the comparable Southwest fare and/or the fare for the more reasonable route.

4. Rail Service

- a) Coach rail service may be used when necessary and economically practical compared to air and/or ground transportation. Reimbursement will be made based on the most economical, reservable service class available. Preferential or other luxury upgrades are not reimbursable. Note that on Amtrak, all reservable seats are called "business class" and are permitted.

5. Shuttle/Taxi/Car Service/Rideshare Service

- a) Shuttles, taxis, car services and rideshare services required to conduct State Bar business are allowable expenses.
- b) Tipping is optional, but should not exceed 15 percent except in the case of an extremely low fare value.
- c) Airport trips may be covered by a fixed flat fee, and the metered fare or flat fee fare can be selected by the traveler at the payment point, whichever is more economical. Reimbursements should be capped at the fixed flat rate plus gratuity if less than the metered fare. (In Los Angeles, the taxi rate between LAX and downtown, including the Bar's office at

845 S. Figueroa, is a flat fare, plus a surcharge for trips originating at LAX; travelers should not pay the metered fare between LAX and the LA office.)

- d) Travelers may also use rideshare options such as Uber and Lyft, as these services may be cheaper than traditional taxis. Any premium service offered (i.e. Uber Black or Uber SUV) will be considered a town car equivalent and subject to the limitations below. If tipping is included in the fare, any additional tipping is not permitted. If tipping is not included in the fare, it is permitted consistent with section (b) above. Insurance coverage limits and exclusions may differ from provider to provider.
- e) A higher-cost limousine, town car, or black-car service is not reimbursable unless a less-expensive service is unavailable.
- f) Travelers going to the same destination are encouraged to share ground transportation whenever it is practical to do so.

6. Transit, Tolls, Parking and Fines

- a) Public transit fares, bridge tolls and parking fees incurred by travelers on State Bar business are allowable expenses.
- b) Airport parking reimbursement will be limited to the onsite economy or daily rates available. Short-term, hourly or premium parking expenses are not allowable.
- c) Parking tickets and traffic fines incurred by travelers will not be reimbursed.

B. LODGING

- 1. When lodging away from home is required to conduct State Bar business, reimbursement for lodging expenses will be made for the actual cost of a standard single accommodation hotel room, up to the maximum authorized lodging rate ([Appendix B](#)) or the contracted group rate pre-negotiated by State Bar staff for specific group meetings.
- 2. Individuals engaged as speakers for State Bar programs may be reimbursed for the actual cost of a standard single accommodation hotel room per their individual contract terms, if applicable.
- 3. When the State Bar has not contracted for a block of hotel rooms for a group meeting or event, individual lodging accommodations can be reserved through the TravelStore, directly with a hotel, or with the assistance of Meeting & Travel staff in the Office of General Services. If booking directly, travelers should check to see if government rates or other discounted rates are available.
- 4. When the State Bar has contracted for a block of hotel rooms for a group meeting or event, attendees of that meeting or event must stay at the contracted hotel to ensure that State Bar meets its contracted minimum number of rooms and does not incur fees for unused rooms. Travelers who choose, as a matter of personal preference, to stay at a different hotel, will not be reimbursed for lodging costs, and will be required to make their own reservations without the assistance of State Bar Meeting & Travel staff.
- 5. [Intentionally Blank].
- 6. Lodging must be provided by a commercial establishment in the travel accommodation industry (e.g., hotel, motel, executive leased apartments). No reimbursement will be made for stays at personal residences, home-sharing services, or other barter or in-kind arrangements.
- 7. Lodging expenses in excess of the current authorized lodging rates will not be reimbursed unless a prior contracted group rate has been negotiated with the hotel, or unless expressly authorized for some other business purpose. This must be confirmed by the submission of a Hotel Authorization form listing the room rate, taxes and dates of stay. The Hotel Authorization form should be prepared by the State Bar liaison

8. If an Expense Report is submitted without the necessary Hotel Authorization and the lodging rate is in excess of the authorized rate, the Expense Report will be returned to the traveler for correction, or reimbursement will be made for only the authorized maximum hotel rate.
9. The State Bar covers the cost of the hotel room and necessary business-related telephone calls, parking, non-premium internet charges and business center expenses. These expenses should be itemized on the Expense Report and not included with the lodging rate. Travelers should use their own wireless devices wherever feasible if more economical than using the hotels' services. Travelers are responsible for covering their personal incidental expenses including personal telephone calls, room service and other in-room self-service items. All hotel guests are asked to provide a personal credit card at the time of check in to cover the cost of personal incidentals. See section V.D., Communications & Incidentals.
10. Any charges resulting from failure to cancel lodging reservations are not the responsibility of the State Bar unless the reason for failure to cancel in time is related to State Bar business or due to an unavoidable personal emergency.
11. Gratuities for items such as luggage assistance, valet service or maid service are not allowable expenses. The incidental per diem of \$6.00 should be claimed when these types of otherwise non-reimbursable gratuity expenses are incurred.
12. For individuals not on Travel Status, lodging may be reimbursed only if there is a specific business need for the hotel stay, such as staffing the Bar exam or an offsite meeting at the hotel.

C. MEALS

1. Per Diem Reimbursed Meals for Individuals

- a) [Intentionally Blank]
- b) Per diem meal costs will be reimbursed at the authorized per diem meal rate (Appendix B).
- c) Per diem meal costs will be reimbursed based on the following travel status guidelines:
 - Breakfast: Traveling before 7:00 a.m.
 - Lunch: Traveling at 12:30 p.m.
 - Dinner: Traveling after 7:00 p.m.
- d) The meal per diem may not be claimed when a meal is otherwise provided (e.g. a State Bar catered lunch, conference meals, etc.).
- e) Tips for restaurant service are considered to be part of the per diem rate and are not reimbursable beyond the per diem rate.
- f) For individuals not on Travel Status, meal costs may be reimbursed at the authorized per diem meal rate if the meal was work-related and in conditions beyond the individual's control, such as required attendance at an offsite meeting.

2. Catered Meals

- a) Refreshments and/or meals may be catered at State Bar expense at State Bar meetings and events provided that the attendees are not exclusively State Bar employees and the subject matter of the event is not routine internal State Bar business or staff meetings. Individuals (including members of the Board of Trustees, committee members, and State Bar employees) attending such activities as part of their duties are entitled to partake of the catered meal, regardless of whether they are on Travel Status.

- b) The cost of catering for onsite meetings and events may not exceed the authorized onsite catering rates (Appendix B). Onsite catering must be arranged through the Meeting & Travel staff in the Office of General Services to ensure compliance with policies related to cost, insurance and building access. Catering for offsite meetings and events is addressed in Section VII below.

3. Alcoholic Beverages

- a) Alcoholic beverages and corkage fees are not reimbursable expenses and may not be charged to Pcards.

D. COMMUNICATIONS, MISCELLANEOUS EXPENSES & INCIDENTALS

1. Reimbursement is provided for reasonable expenses incurred in making business-related telephone calls and limited calls to the individual's home resulting from the requirements of business; and for expenses such as offsite photocopying, faxing or hotel business center charges. These expenses are reimbursable whether or not Travel Status requirements are met.
2. Any additional roaming services needed to accommodate State Bar communications while an employee is not on Travel Status (e.g., office communications while on vacation) must be approved and arranged through Procurement in advance of travel.
3. Incidental expenses may be claimed up to a maximum of \$6.00 per day to cover the cost of gratuities and other minor expenses incurred while on Travel Status.

VI. EXPENSE ADVANCES

- A. Volunteers and contractors are not eligible for travel advances.

VII. OFFSITE MEETINGS AND WEEKEND/EVENING MEETINGS

- A. Meetings and events should be held onsite at the Bar's offices in San Francisco and Los Angeles, in order to avoid the cost of offsite meeting room rental fees and, in particular, hotel catering, which is usually significantly more expensive than onsite catering. Meetings should only be held offsite if there is a significant business need to use another venue. Factors to be considered include: the availability of State Bar conference center space; the size of the meeting; unique logistical requirements of the meeting; the cost of offsite meeting space and catering; and the proximity of the proposed offsite location to economical transportation and lodging options. Except as specified in (B) and (C) below, meetings anticipated in offsite venues require approval of the Executive Director or Chief Administrative Officer before the meetings are scheduled and before any outside venues are secured. Offsite catering costs may require separate approval even if approval for an offsite venue is initially granted by the Executive Director or Chief Administrative Officer.
- B. Contracts for offsite meeting venues must be initiated by the Office of General Services. This requirement does not apply to the Office of Admissions for Bar exam testing sites; subject to the provisions above, Admissions may initiate site contracts per their established procedures.
- C. Onsite meetings should be scheduled for business hours whenever possible, to avoid extra charges that may be incurred to provide building services or staff services on evenings and weekends.

The State Bar of California EXPENSE REPORT

2018

☒ STAFF ☐ OTHER

Due to Procurement SF within 60 days of travel.

TRAVELER NAME	John Smith	TRAVEL WEEK OF	1/1/2018
WORK ADDRESS	180 Howard St, San Francisco		
DEPARTMENT	Office of Chief Trial Counsel	EXT	2999
Any other lodging or airfare not shown provided directly by the State Bar?		<input type="checkbox"/> Lodging <input checked="" type="checkbox"/> Airfare	enter DB under date(s) below

TRIP 1 PURPOSE	Training in LA Office	TRIP 2 PURPOSE	
LOCATION FROM	San Francisco	LOCATION FROM	
TRAVEL TO	Los Angeles	TRAVEL TO	
RETURN TO	San Francisco	RETURN TO	

Enter amounts paid by traveler. Indicate all other travel payments by entering DB for direct bill or PC for Pcard charges. Circle any missing receipts.

Travel Expense	MON 1/1	TUE 1/2	WED 1/3	THU 1/4	FRI 1/5	SAT 1/6	SUN 1/7	LODGING & INCIDENTALS
LODGING			120.00	120.00				
INCIDENTALS			2.00	6.00				\$ 248.00
TAXI / SHUTTLE / RIDESHARE 1			57.00	29.00				TRANSPORT
TAXI / SHUTTLE / RIDESHARE 2								
PUBLIC TRANSIT (BUS/RAIL)			8.95	10.50				
PARKING (HOTEL/LOT/METER)								
TOLLS (BRIDGE)								
OTHER <i>select from list if needed</i>								
AIR TRAVEL			PC					
AUTO (PERSONAL) miles/54.5¢		-	15 8.18	15 8.18	-	-	-	
AUTO (RENTAL)								
AUTO (RENTAL GASOLINE)								\$ 121.80
BREAKFAST (travel before 7:00a)				7.00				MEALS
LUNCH (travel at 12:30p)			11.00	11.00				
DINNER (travel after 7:00p)			23.00					
								\$ 52.00

Notes

Explain any missing receipts circled above.

Other Claims

Volunteers are not authorized to make purchases or render / engage services for the State Bar.

DATE	Description of claim (only enter items not accounted for above, will add to total).	AMOUNT

[Employee Travel Policy](#)

[Volunteer Travel Policy](#)

TOTAL MISC:

Accounting Distribution

Reimbursement Totals

10310	40510	\$ 421.80	TOTAL EXPENSE	\$ 421.80
			LESS CASH ADVANCE	
			BALANCE DUE REQUESTOR	\$ 421.80
			BALANCE DUE STATE BAR (Check Attached)	
Requestor's Signature: (Print Name & Sign)		Date:	Authorized Signature: (Print Name & Sign)	
John Smith		1/5/2017		

For reimbursement, submit to Procurement SF with approval signature and original receipts. Hold all PC receipts for Purchasing Card statement. Keep a copy for your records.

Appendix B
Authorized Travel and Catering Rates

Mileage Reimbursement

Effective January 1, 2018 the personal auto mileage reimbursement rate is 54.5¢ per mile driven. The mileage reimbursement rate will be adjusted to mirror the reimbursement rate established by the U.S. Internal Revenue Service for business-related reimbursement. These rates are imbedded in the formulas of the online Expense Report and will be adjusted on the effective date of any rate change.

Lodging Reimbursement (excluding all taxes)

The lodging reimbursement rate will be adjusted to mirror the reimbursement rate established by the State of California Department of Human Resources.

<u>County</u>	<u>Reimbursement Rate</u>
NORTHERN CALIFORNIA	
San Francisco	\$250
Alameda, San Mateo, Santa Clara	\$140
Marin	\$110
Napa, Sacramento	\$95
SOUTHERN CALIFORNIA	
Los Angeles, Orange, Ventura	\$120 (excluding City of Santa Monica)
City of Santa Monica	\$150
San Diego, Monterey	\$125
Riverside	\$95
ALL OTHER COUNTIES	\$90

Individual Employee Travel Meal Reimbursement

Breakfast:	\$7.00
Lunch:	\$11.00
Dinner:	\$23.00

Maximum Onsite Catering Cost Per Meal*

Breakfast	\$7.00
Lunch	\$11.00
Dinner	\$23.00

*New catering rates were implemented on July 10, 2017.

APPENDIX I
CONFLICT OF INTEREST POLICY

Financial and Other Conflicts – Authority

Conflict of interest rules regarding financial and personal conflicts for members of the Board of Trustees, and the effect and applicability of such rules, are governed by the Conflict of Interest Code for the Board of Trustees of the State Bar of California, as adopted by the Supreme Court of California pursuant to Government Code §§ 82011(e) and 87303, the Political Reform Act of 1974 (Government Code §§ 81000 et seq.), and Business and Professions Code Article 2.5, sections 6035, 6036, 6037 and 6038.

In addition, Title 2, Division 6, Chapter 7, section 18700, et seq., of the California Code of Regulations (CCR) contains definitions of and controlling standards for interpreting the key language in the above-referenced Government Code sections. These definitions and standards are useful in interpreting the key language in section 6036(a), (c) and (d) of the Business and Professions Code.

Relevant Business and Professions Code sections:

§ 6035. Definitions

Unless the contrary is stated or clearly appears from the context, the definitions set forth in Chapter 2 (commencing with Section 82000) of Title 9 of the Government Code shall govern the interpretation of this article.

Credits (Added by Stats.1978, c. 752, p. 2352, § 1, eff. Sept. 14, 1978.)

§ 6036. Disqualification of member for financial or personal interest; exceptions; disclosure

(a) Any member of the board of trustees shall disqualify himself or herself from making, participating in the making of, or attempting to influence any decisions of the board or a committee of the board in which he or she has a financial interest, as that term is defined in Section 87103 of the Government Code, that it is reasonably foreseeable may be affected materially by the decision.

(b) Any member of the board of trustees shall likewise disqualify himself or herself when there exists a personal nonfinancial interest that will prevent the member from applying disinterested skill and undivided loyalty to the State Bar in making or participating in the making of decisions.

(c) Notwithstanding subdivisions (a) and (b), no member shall be prevented from making or participating in the making of any decision to the extent his or her participation is legally required for the action or decision to be made. The fact that a member's vote is needed to break a tie does not make his or her participation legally required for the purposes of this section.

(d) A member required to disqualify himself or herself because of a conflict of interest shall (1) immediately disclose the interest, (2) withdraw from any participation in the matter, (3) refrain from attempting to influence another member, and (4) refrain from voting. It is

sufficient for the purpose of this section that the member indicate only that he or she has a disqualifying financial or personal interest.

(e) For purposes of this article and unless otherwise specified, “member” means any appointed or elected member of the board of trustees.

Credits (Added by Stats.1978, c. 752, p. 2352, § 1, eff. Sept. 14, 1978. Amended by Stats.2005, c. 341 (A.B.1529), § 1; Stats.2011, c. 417 (S.B.163), § 30.)

§ 6037. Violations by members; validity of action or decision of board; misdemeanor; termination of member; civil and criminal penalties

No action or decision of the board or committee of the board shall be invalid because of the participation therein by a member or members in violation of Section 6036. However, any member who intentionally violates the provisions of subdivision (a) of Section 6036 is guilty of a misdemeanor, punishable by imprisonment in the county jail not exceeding five days, or by a fine not exceeding one thousand dollars (\$1,000), or by both, and, if the member is an attorney member of the board, a certified copy of the record of conviction shall be transmitted to the Supreme Court for disposition as provided in Sections 6101 and 6102. Upon entry of final judgment of conviction, the member’s term of office on the board of trustees, and duties and authority incidental thereto, shall automatically terminate. Any member who intentionally violates the provisions of subdivision (b) of Section 6036 shall be liable for a civil penalty not to exceed five hundred dollars (\$500) for each violation, which shall be assessed and recovered in a civil action in a court of competent jurisdiction brought in the name of the state only by a district attorney of a county in which the member resides or maintains offices and the penalty collected shall be paid to the treasurer of that county.

Credits (Added by Stats.1978, c. 752, p. 2352, § 1, eff. Sept. 14, 1978. Amended by Stats.1981, c. 714, p. 2578, § 21; Stats.1983, c. 1092, § 23, eff. Sept. 27, 1983, operative Jan. 1, 1984; Stats.2011, c. 417 (S.B.163), § 31.)

§ 6038. Governmental decisions of specified state agencies; applicability of article to bar members thereof

Attorney members of the Judicial Council, members of the Commission on Judicial Performance who are not judges, and employees designated in the Conflict of Interest Code of the State Bar of California are subject to provisions of this article with respect to making, participating in the making, or attempting to influence, governmental decisions of their respective state agencies other than decisions of a judicial or quasi-judicial nature.

Credits (Added by Stats.1984, c. 727, § 1, operative July 1, 1985.)

Relevant Government Code sections:

§ 1090. Conflicts of interest contracts, sales and purchases

(a) Members of the Legislature, state, county, district, judicial district, and city officers or employees shall not be financially interested in any contract made by them in their official capacity, or by any body or board of which they are members. Nor shall state, county, district, judicial district, and city officers or employees be purchasers at any sale or vendors at any purchase made by them in their official capacity.

(b) An individual shall not aid or abet a Member of the Legislature or a state, county, district, judicial district, or city officer or employee in violating subdivision (a).

(c) As used in this article, “district” means any agency of the state formed pursuant to general law or special act, for the local performance of governmental or proprietary functions within limited boundaries.

Credits (Stats.1943, c. 134, p. 956, § 1090. Amended by Stats.1951, c. 1553, p. 3535, § 2; Stats.1953, c. 1081, p. 2572, § 1; Stats.1961, c. 381, p. 1435, § 1; Stats.1963, c. 2172, p. 4559, § 1; Stats.1970, c. 447, p. 895, § 1; Stats.2014, c. 483 (S.B.952), § 1, eff. Jan. 1, 2015.)

§ 1091. Remote interest of officer or member

(a) An officer shall not be deemed to be interested in a contract entered into by a body or board of which the officer is a member within the meaning of this article if the officer has only a remote interest in the contract and if the fact of that interest is disclosed to the body or board of which the officer is a member and noted in its official records, and thereafter the body or board authorizes, approves, or ratifies the contract in good faith by a vote of its membership sufficient for the purpose without counting the vote or votes of the officer or member with the remote interest.

(b) As used in this article, “remote interest” means any of the following:

(1) That of an officer or employee of a nonprofit entity exempt from taxation pursuant to Section 501(c)(3) of the Internal Revenue Code (26 U.S.C. Sec. 501(c)(3)), pursuant to Section 501(c)(5) of the Internal Revenue Code (26 U.S.C. Sec. 501(c)(5)), or a nonprofit corporation, except as provided in paragraph (8) of subdivision (a) of Section 1091.5.

(2) That of an employee or agent of the contracting party, if the contracting party has 10 or more other employees and if the officer was an employee or agent of that contracting party for at least three years prior to the officer initially accepting his or her office and the officer owns less than 3 percent of the shares of stock of the contracting party; and the employee or agent is not an officer or director of the contracting party and did not directly participate in formulating the bid of the contracting party.

For purposes of this paragraph, time of employment with the contracting party by the officer shall be counted in computing the three-year period specified in this paragraph even though the contracting party has been converted from one form of business organization to a different form of business organization within three years of the initial taking of office by the officer.

Time of employment in that case shall be counted only if, after the transfer or change in organization, the real or ultimate ownership of the contracting party is the same or substantially similar to that which existed before the transfer or change in organization. For purposes of this paragraph, stockholders, bondholders, partners, or other persons holding

an interest in the contracting party are regarded as having the “real or ultimate ownership” of the contracting party.

(3) That of an employee or agent of the contracting party, if all of the following conditions are met:

(A) The agency of which the person is an officer is a local public agency located in a county with a population of less than 4,000,000.

(B) The contract is competitively bid and is not for personal services.

(C) The employee or agent is not in a primary management capacity with the contracting party, is not an officer or director of the contracting party, and holds no ownership interest in the contracting party.

(D) The contracting party has 10 or more other employees.

(E) The employee or agent did not directly participate in formulating the bid of the contracting party.

(F) The contracting party is the lowest responsible bidder.

(4) That of a parent in the earnings of his or her minor child for personal services.

(5) That of a landlord or tenant of the contracting party.

(6) That of an attorney of the contracting party or that of an owner, officer, employee, or agent of a firm that renders, or has rendered, service to the contracting party in the capacity of stockbroker, insurance agent, insurance broker, real estate agent, or real estate broker, if these individuals have not received and will not receive remuneration, consideration, or a commission as a result of the contract and if these individuals have an ownership interest of 10 percent or more in the law practice or firm, stock brokerage firm, insurance firm, or real estate firm.

(7) That of a member of a nonprofit corporation formed under the Food and Agricultural Code or a nonprofit corporation formed under the Corporations Code for the sole purpose of engaging in the merchandising of agricultural products or the supplying of water.

(8) That of a supplier of goods or services when those goods or services have been supplied to the contracting party by the officer for at least five years prior to his or her election or appointment to office.

(9) That of a person subject to the provisions of Section 1090 in any contract or agreement entered into pursuant to the provisions of the California Land Conservation Act of 1965.

(10) Except as provided in subdivision (b) of Section 1091.5, that of a director of, or a person having an ownership interest of, 10 percent or more in a bank, bank holding company, or savings and loan association with which a party to the contract has a relationship of borrower or depositor, debtor or creditor.

(11) That of an engineer, geologist, architect, or planner employed by a consulting engineering, architectural, or planning firm. This paragraph applies only to an employee of a consulting firm who does not serve in a primary management capacity, and does not apply to an officer or director of a consulting firm.

(12) That of an elected officer otherwise subject to Section 1090, in any housing assistance payment contract entered into pursuant to Section 8 of the United States Housing Act of 1937 (42 U.S.C. Sec. 1437f) as amended, provided that the housing assistance payment contract was in existence before Section 1090 became applicable to the officer and will be renewed or extended only as to the existing tenant, or, in a jurisdiction in which the rental vacancy rate is

less than 5 percent, as to new tenants in a unit previously under a Section 8 contract. This section applies to any person who became a public official on or after November 1, 1986.

(13) That of a person receiving salary, per diem, or reimbursement for expenses from a government entity.

(14) That of a person owning less than 3 percent of the shares of a contracting party that is a for-profit corporation, provided that the ownership of the shares derived from the person's employment with that corporation.

(15) That of a party to litigation involving the body or board of which the officer is a member in connection with an agreement in which all of the following apply:

(A) The agreement is entered into as part of a settlement of litigation in which the body or board is represented by legal counsel.

(B) After a review of the merits of the agreement and other relevant facts and circumstances, a court of competent jurisdiction finds that the agreement serves the public interest.

(C) The interested member has recused himself or herself from all participation, direct or indirect, in the making of the agreement on behalf of the body or board.

(16) That of a person who is an officer or employee of an investor-owned utility that is regulated by the Public Utilities Commission with respect to a contract between the investor-owned utility and a state, county, district, judicial district, or city body or board of which the person is a member, if the contract requires the investor-owned utility to provide energy efficiency rebates or other type of program to encourage energy efficiency that benefits the public when all of the following apply:

(A) The contract is funded by utility consumers pursuant to regulations of the Public Utilities Commission.

(B) The contract provides no individual benefit to the person that is not also provided to the public, and the investor-owned utility receives no direct financial profit from the contract.

(C) The person has recused himself or herself from all participation in making the contract on behalf of the state, county, district, judicial district, or city body or board of which he or she is a member.

(D) The contract implements a program authorized by the Public Utilities Commission.

(17) That of an owner or partner of a firm serving as an appointed member of an unelected board or commission of the contracting agency if the owner or partner recuses himself or herself from providing any advice to the contracting agency regarding the contract between the firm and the contracting agency and from all participation in reviewing a project that results from that contract.

(c) This section is not applicable to any officer interested in a contract who influences or attempts to influence another member of the body or board of which he or she is a member to enter into the contract.

(d) The willful failure of an officer to disclose the fact of his or her interest in a contract pursuant to this section is punishable as provided in Section 1097. That violation does not void the contract unless the contracting party had knowledge of the fact of the remote interest of the officer at the time the contract was executed.

Credits (Stats.1943, c. 134, p. 956, § 1091. Amended by Stats.1951, c. 1553, p. 3535, § 3; Stats.1953, c. 1081, p. 2572, § 2; Stats.1955, c. 1325, p. 2406, § 1; Stats.1957, c. 1499, p. 2825, §

1; Stats.1959, c. 427, p. 2366, § 1; Stats.1963, c. 906, p. 2151, § 1; Stats.1963, c. 1950, p. 4015, § 1; Stats.1968, c. 525, p. 1171, § 1; Stats.1969, c. 825, p. 1653, § 1; Stats.1970, c. 226, p. 476, § 2, eff. June 22, 1970; Stats.1973, c. 459, p. 928, § 1; Stats.1977, c. 706, p. 2264, § 1; Stats.1980, c. 110, § 1, eff. May 20, 1980; Stats.1982, c. 451, p. 1821, § 1; Stats.1984, c. 113, § 1, eff. May 10, 1984; Stats.1987, c. 847, § 1; Stats.1990, c. 565 (A.B.66), § 1; Stats.1990, c. 1593 (S.B.1963), § 1, eff. Sept. 30, 1990; Stats.1991, c. 341 (S.B.1110), § 1, eff. Aug. 5, 1991; Stats.1991, c. 1176 (A.B.2231), § 1; Stats.1996, c. 1133 (S.B.1412), § 1; Stats.1998, c. 687 (S.B.281), § 1, eff. Sept. 22, 1998; Stats.1999, c. 349 (S.B.689), § 1; Stats.2003, c. 701 (S.B.155), § 1; Stats.2004, c. 16 (S.B.1086), § 1, eff. Feb. 23, 2004; Stats.2008, c. 163 (A.B.2801), § 1; Stats.2009, c. 488 (A.B.906), § 1, eff. Oct. 11, 2009; Stats.2013, c. 360 (S.B.100), § 1, eff. Sept. 26, 2013; Stats.2015, c. 495 (S.B.704), § 1, eff. Jan. 1, 2016.)

§ 1091.5. Interests not constituting an interest in a contract

(a) An officer or employee shall not be deemed to be interested in a contract if his or her interest is any of the following:

(1) The ownership of less than 3 percent of the shares of a corporation for profit, provided that the total annual income to him or her from dividends, including the value of stock dividends, from the corporation does not exceed 5 percent of his or her total annual income, and any other payments made to him or her by the corporation do not exceed 5 percent of his or her total annual income.

(2) That of an officer in being reimbursed for his or her actual and necessary expenses incurred in the performance of official duties.

(3) That of a recipient of public services generally provided by the public body or board of which he or she is a member, on the same terms and conditions as if he or she were not a member of the body or board.

(4) That of a landlord or tenant of the contracting party if the contracting party is the federal government or any federal department or agency, this state or an adjoining state, any department or agency of this state or an adjoining state, any county or city of this state or an adjoining state, or any public corporation or special, judicial, or other public district of this state or an adjoining state unless the subject matter of the contract is the property in which the officer or employee has the interest as landlord or tenant in which event his or her interest shall be deemed a remote interest within the meaning of, and subject to, the provisions of Section 1091.

(5) That of a tenant in a public housing authority created pursuant to Part 2 (commencing with Section 34200) of Division 24 of the Health and Safety Code in which he or she serves as a member of the board of commissioners of the authority or of a community development commission created pursuant to Part 1.7 (commencing with Section 34100) of Division 24 of the Health and Safety Code.

(6) That of a spouse of an officer or employee of a public agency in his or her spouse's employment or officeholding if his or her spouse's employment or officeholding has existed for at least one year prior to his or her election or appointment.

(7) That of a nonsalaried member of a nonprofit corporation, provided that this interest is disclosed to the body or board at the time of the first consideration of the contract, and provided further that this interest is noted in its official records.

(8) That of a noncompensated officer of a nonprofit, tax-exempt corporation, which, as one of its primary purposes, supports the functions of the body or board or to which the body or board has a legal obligation to give particular consideration, and provided further that this interest is noted in its official records.

For purposes of this paragraph, an officer is “noncompensated” even though he or she receives reimbursement from the nonprofit, tax-exempt corporation for necessary travel and other actual expenses incurred in performing the duties of his or her office.

(9) That of a person receiving salary, per diem, or reimbursement for expenses from a government entity, unless the contract directly involves the department of the government entity that employs the officer or employee, provided that the interest is disclosed to the body or board at the time of consideration of the contract, and provided further that the interest is noted in its official record.

(10) That of an attorney of the contracting party or that of an owner, officer, employee, or agent of a firm which renders, or has rendered, service to the contracting party in the capacity of stockbroker, insurance agent, insurance broker, real estate agent, or real estate broker, if these individuals have not received and will not receive remuneration, consideration, or a commission as a result of the contract and if these individuals have an ownership interest of less than 10 percent in the law practice or firm, stock brokerage firm, insurance firm, or real estate firm.

(11) Except as provided in subdivision (b), that of an officer or employee of, or a person having less than a 10-percent ownership interest in, a bank, bank holding company, or savings and loan association with which a party to the contract has a relationship of borrower, depositor, debtor, or creditor.

(12) That of (A) a bona fide nonprofit, tax-exempt corporation having among its primary purposes the conservation, preservation, or restoration of park and natural lands or historical resources for public benefit, which corporation enters into an agreement with a public agency to provide services related to park and natural lands or historical resources and which services are found by the public agency, prior to entering into the agreement or as part of the agreement, to be necessary to the public interest to plan for, acquire, protect, conserve, improve, or restore park and natural lands or historical resources for public purposes and (B) any officer, director, or employee acting pursuant to the agreement on behalf of the nonprofit corporation. For purposes of this paragraph, “agreement” includes contracts and grants, and “park,” “natural lands,” and “historical resources” shall have the meanings set forth in subdivisions (d), (g), and (i) of Section 5902 of the Public Resources Code. Services to be provided to the public agency may include those studies and related services, acquisitions of property and property interests, and any activities related to those studies and acquisitions necessary for the conservation, preservation, improvement, or restoration of park and natural lands or historical resources.

(13) That of an officer, employee, or member of the Board of Directors of the California Housing Finance Agency with respect to a loan product or programs if the officer, employee, or member

participated in the planning, discussions, development, or approval of the loan product or program and both of the following two conditions exist:

(A) The loan product or program is or may be originated by any lender approved by the agency.

(B) The loan product or program is generally available to qualifying borrowers on terms and conditions that are substantially the same for all qualifying borrowers at the time the loan is made.

(14) That of a party to a contract for public services entered into by a special district that requires a person to be a landowner or a representative of a landowner to serve on the board of which the officer or employee is a member, on the same terms and conditions as if he or she were not a member of the body or board. For purposes of this paragraph, "public services" includes the powers and purposes generally provided pursuant to provisions of the Water Code relating to irrigation districts, California water districts, water storage districts, or reclamation districts.

(b) An officer or employee shall not be deemed to be interested in a contract made pursuant to competitive bidding under a procedure established by law if his or her sole interest is that of an officer, director, or employee of a bank or savings and loan association with which a party to the contract has the relationship of borrower or depositor, debtor or creditor.

Credits (Added by Stats.1959, c. 427, p. 2367, § 2. Amended by Stats.1961, c. 381, p. 1435, § 2; Stats.1963, c. 1950, p. 4016, § 2; Stats.1968, c. 1276, p. 2401, § 1; Stats.1971, c. 1054, p. 2009, § 1; Stats.1973, c. 414, p. 879, § 1; Stats.1975, c. 611, p. 1334, § 1; Stats.1977, c. 706, p. 2266, § 2; Stats.1980, c. 110, § 2, eff. May 20, 1980; Stats.1991, c. 382 (A.B.1402), § 1; Stats.1996, c. 1133 (S.B.1412), § 2; Stats.1999, c. 349 (S.B.689), § 2; Stats.2000, c. 87 (S.B.1679), § 4, eff. July 5, 2000; Stats.2005, c. 348 (A.B.1754), § 2; Stats.2013, c. 650 (A.B.1090), § 1.)

§ 82011. Code reviewing body

"Code reviewing body" means all of the following:

....

(e) The Chief Justice of California or his or her designee, with respect to the conflict-of-interest code of the members of the Judicial Council, Commission on Judicial Performance, and Board of Governors of the State Bar of California.

(f) The Board of Governors of the State Bar of California with respect to the conflict-of-interest code of the State Bar of California.

Credits (Added by Initiative Measure approved by the electors June 4, 1974, eff. Jan. 7, 1975. Amended by Stats.1980, c. 779, p. 2372, § 1; Stats.1984, c. 727, § 2, operative July 1, 1985; Stats.1985, c. 775, § 2.5; Stats.1995, c. 587 (A.B.1769), § 1; Stats.2002, c. 784 (S.B.1316), § 508; Stats.2003, c. 62 (S.B.600), § 176.)

§ 87303. Proposed code; submission; approval; time

No conflict of interest code shall be effective until it has been approved by the code reviewing body. Each agency shall submit a proposed conflict of interest code to the code reviewing body by the deadline established for the agency by the code reviewing body. The

deadline for a new agency shall be not later than six months after it comes into existence. Within 90 days after receiving the proposed code or receiving any proposed amendments or revisions, the code reviewing body shall do one of the following:

(a) Approve the proposed code as submitted.

(b) Revise the proposed code and approve it as revised.

(c) Return the proposed code to the agency for revision and resubmission within 60 days. The code reviewing body shall either approve the revised code or revise it and approve it. When a proposed conflict of interest code or amendment is approved by the code reviewing body, it shall be deemed adopted and shall be promulgated by the agency.

Credits (Added by Initiative Measure approved by the electors June 4, 1974, eff. Jan. 7, 1975. Amended by Stats.1975, c. 915, § 7, eff. Sept. 20, 1975, operative Jan. 7, 1975; Stats.1979, c. 686, p. 2154, § 4; Stats.1997, c. 455 (S.B.946), § 4, eff. Sept. 24, 1997.)

§ 87100. Public officials; state and local; financial interest

No public official at any level of state or local government shall make, participate in making or in any way attempt to use his official position to influence a governmental decision in which he knows or has reason to know he has a financial interest.

Credits (Added by Initiative Measure approved by the electors June 4, 1974, eff. Jan. 7, 1975.)

§ 87101. Participation in legal governmental action or decision

Section 87100 does not prevent any public official from making or participating in the making of a governmental decision to the extent his participation is legally required for the action or decision to be made. The fact that an official's vote is needed to break a tie does not make his participation legally required for purposes of this section.

Credits (Added by Initiative Measure approved by the electors June 4, 1974, eff. Jan. 7, 1975.)

§ 87103. Financial interest in decision by public official

A public official has a financial interest in a decision within the meaning of Section 87100 if it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally, on the official, a member of his or her immediate family, or on any of the following:

(a) Any business entity in which the public official has a direct or indirect investment worth two thousand dollars (\$2,000) or more.

(b) Any real property in which the public official has a direct or indirect interest worth two thousand dollars (\$2,000) or more.

(c) Any source of income, except gifts or loans by a commercial lending institution made in the regular course of business on terms available to the public without regard to official status, aggregating five hundred dollars (\$500) or more in value provided or promised to, received by, the public official within 12 months prior to the time when the decision is made.

(d) Any business entity in which the public official is a director, officer, partner, trustee, employee, or holds any position of management.

(e) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating two hundred fifty dollars (\$250) or more in value provided to, received by, or promised to the public official within 12 months prior to the time when the decision is made. The amount of the value of gifts specified by this subdivision shall be adjusted biennially by the commission to equal the same amount determined by the commission pursuant to subdivision (f) of Section 89503.

For purposes of this section, indirect investment or interest means any investment or interest owned by the spouse or dependent child of a public official, by an agent on behalf of a public official, or by a business entity or trust in which the official, the official's agents, spouse, and dependent children own directly, indirectly, or beneficially a 10-percent interest or greater.

Credits (Added by Initiative Measure approved by the electors June 4, 1974, eff. Jan. 7, 1975. Amended by Stats.1979, c. 686, p. 2152, § 2; Stats.1980, c. 183, p. 405, § 2; Stats.1984, c. 931, § 4; Stats.1985, c. 611, § 1.5; Stats.1994, c. 386 (S.B.1602), § 1; Stats.1997, c. 455 (S.B.946), § 2, eff. Sept. 24, 1997; Stats.2000, c. 130 (A.B.974), § 7.)

Board of Trustees Conflict of Interest Code

(Source: Board of Governors' Resolution April 1986, adopted by the Supreme Court, effective June 30, 1986.)

Reportable Financial Interests

(Source: Board of Governors' Resolution April 1986, adopted by the Supreme Court, effective June 30, 1986; Bus. And Prof. Code § 6010, amended January 1, 2012.)

Gov. Code § 87206. Investment or interest in real property; statement; contents

If an investment or an interest in real property is required to be disclosed under this article, the statement shall contain:

- (a) A statement of the nature of the investment or interest.
- (b) The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged.
- (c) The address or other precise location of the real property.
- (d) A statement whether the fair market value of the investment or interest in real property equals or exceeds two thousand dollars (\$2,000) but does not exceed ten thousand dollars (\$10,000), whether it exceeds ten thousand dollars (\$10,000) but does not exceed one hundred thousand dollars (\$100,000), whether it exceeds one hundred thousand dollars (\$100,000) but does not exceed one million dollars (\$1,000,000), or whether it exceeds one million dollars (\$1,000,000).

(e) In the case of a statement filed under Sections 87203 or 87204, if the investment or interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the date of acquisition or disposal.

(f) For purposes of disclosure under this article, "interest in real property" does not include the principal residence of the filer or any other property which the filer utilizes exclusively as the personal residence of the filer.

Credits (Added by Initiative Measure approved by the electors June 4, 1974, eff. Jan. 7, 1975. Amended by Stats.1980, c. 183, p. 405, § 3; Stats.1980, c. 1000, p. 3188, § 4.5; Stats.1984, c. 931, § 7; Stats.2000, c. 130 (A.B.974), § 8.)

Gov. Code § 87207. Income; statement; contents

(a) If income is required to be reported under this article, the statement shall contain, except as provided in subdivision (b):

(1) The name and address of each source of income aggregating five hundred dollars (\$500) or more in value, or fifty dollars (\$50) or more in value if the income was a gift, and a general description of the business activity, if any, of each source.

(2) A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was at least five hundred dollars (\$500) but did not exceed one thousand dollars (\$1,000), whether it was in excess of one thousand dollars (\$1,000) but was not greater than ten thousand dollars (\$10,000), whether it was greater than ten thousand dollars (\$10,000) but not greater than one hundred thousand dollars (\$100,000), or whether it was greater than one hundred thousand dollars (\$100,000).

(3) A description of the consideration, if any, for which the income was received.

(4) In the case of a gift, the amount and the date on which the gift was received, and the travel destination for purposes of a gift that is a travel payment, advance, or reimbursement.

(5) In the case of a loan, the annual interest rate, the security, if any, given for the loan, and the term of the loan.

(b) If the filer's pro rata share of income to a business entity, including income to a sole proprietorship, is required to be reported under this article, the statement shall contain:

(1) The name, address, and a general description of the business activity of the business entity.

(2) The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from that person was equal to or greater than ten thousand dollars (\$10,000) during a calendar year.

(c) If a payment, including an advance or reimbursement, for travel is required to be reported pursuant to this section, it may be reported on a separate travel reimbursement schedule which shall be included in the filer's statement of economic interests. A filer who chooses not to use the travel schedule shall disclose payments for travel as a gift, unless it is clear from all surrounding circumstances that the services provided were equal to or greater in value than the payments for the travel, in which case the travel may be reported as income.

Credits (Added by Initiative Measure approved by the electors June 4, 1974, eff. Jan. 7, 1975. Amended by Stats.1975, c. 915, § 6, eff. Sept. 20, 1975, operative Jan. 7, 1975; Stats.1979, c. 674, p. 2075, § 4; Stats.1979, c. 686, p. 2153, § 3; Stats.1980, c. 1000, p. 3188, § 6; Stats.1982, c. 29, p. 53, § 2; Stats.1984, c. 931, § 8; Stats.1990, c. 1075 (A.B.4143), § 4; Stats.1997, c. 638 (A.B.627), § 1; Stats.2000, c. 130 (A.B.974), § 9; Stats.2015, c. 757 (S.B.21), § 1, eff. Jan. 1, 2016; Stats.2016, c. 86 (S.B.1171), § 168, eff. Jan. 1, 2017.)

Common Law Doctrine against Conflicts of Interest:

The common law prohibition extends to noneconomic interests and “prohibits public officials from placing themselves in a position where their private, personal interests may conflict with their official duties.” (90 Ops.Cal.Atty.Gen. 19 (2009).)

“A public officer is impliedly bound to exercise the powers conferred on him with disinterested skill, zeal, and diligence and primarily for the benefit of the public. . . . [¶] [¶] Actual injury is not the principle the law proceeds on. Fidelity in the agent is what is aimed at, and as a means of securing it the law will not permit him to place himself in a position in which he may be tempted by his own private interests to disregard those of his principal.” (*Noble v. City of Palo Alto* (1928) 89 Cal. App. 47, 51 (citations omitted).)

For other examples of nonfinancial interests see:

Clark v. City of Hermosa Beach (1996) 48 Cal. App. 4th 1152, 1171 (“*Clark*”). In *Clark*, a city council denied permits to a development project based on the size/height of the project. The Court found that under the common law, one of the councilmembers had a conflict of interest in voting on the project because the councilmember lived/leased property one block inland from the project and stood to benefit personally by voting against the project. The Court found that it was irrelevant that the councilmember did not own his residence; an interest in preserving his ocean view was of such importance to him that it could have influenced his judgment. (*Clark, supra*, 48 Cal.App.4th at p. 1172.) “A finding of self-interest sufficient to set aside municipal action need not be based upon actual proof of dishonesty, but may be warranted whenever a public official, by reason of personal interest in a matter, is placed in a situation of temptation to serve his or her own purposes, to the prejudice of those for whom the law authorizes that official to act...” (*Clark, supra*, at p. 1171.)

92 Ops.Cal.Atty.Gen. 19 (2009). [The recipient of a proposed commercial property improvement loan from a city redevelopment agency was a corporation solely owned by the adult, non-dependent son of one of the redevelopment agency’s board members. The board member resides with her son in the same rented apartment. This does not, by itself, preclude the agency from entering into an agreement to make the loan; however, in order for the agency board member to avoid a conflict between her official and personal interests, she should abstain from any official action with regard to the proposed loan agreement and make no attempt to influence the discussion, negotiations, or vote concerning the agreement.]

APPENDIX J

GLOSSARY OF COMMON ACRONYMS

Glossary of Common Acronyms

Advisory Committee on California Accredited Law School Rules (RAC)

Attorney Discipline Report (ADR)

Board Executive Committee (Ex Com)

California Board of Legal Specialization (CBLS)

California Commission on Access to Justice (CCAJ)

Client Security Fund Commission (CSFC)

Commission for the Revision of the Rules of Professional Conduct (CRRPC)

Committee of Bar Examiners (CBE)

Committee on Mandatory Fee Arbitration (CMFA)

Committee on Professional Responsibility and Conduct (COPRAC)

Council on Access and Fairness (COAF)

Governance in the Public Interest Task Force (GPITF)

Interest on Lawyers' Trust Accounts (IOLTA)

Judicial Nominees Evaluation Commission (JNE)

Lawyer Assistance Program (LAP)

Legal Services Trust Fund Commission (LSTFC)

Legal Specialization Advisory Law Commissions (LSALC)

Malpractice Insurance Working Group (MIWG)

Memorandum of Understanding (MOU)

Minimum Continuing Legal Education (MCLE)

Multijurisdictional Practice (MJP)

NA/UPL Non-Attorney Unlicensed Practice of Law

Office of the Chief Trial Counsel (OCTC)

Office of the General Counsel (OGC)

Programs Committee (Programs)

Regulation and Discipline Committee (RAD)

Senate Judiciary Committee (SJUD)

State Bar Court (SBC)

Strategic Communications & Stakeholder Engagement (SCSE)

Unauthorized Practice of Law (UPL)

APPENDIX K
CHEAT SHEET FOR CHAIRING A MEETING IN LIEU OF A SCRIPT

Cheat Sheet for Chairing a Meeting (in lieu of a script)

1. Advisories
 - a. Webcasting: “As a reminder, please be aware that we are webcasting our meeting. In order to assure the audio and closed captioning are clear and accurate, when you are ready to speak remember to turn your microphone on, speak into the microphone and identify yourself. Also, please restate any question before answering and remember to turn off the microphone when you are done.”
 - b. Members Leaving the Meeting: Remind members that when they leave the meeting they should announce whether they will be returning to the meeting, or leaving the meeting permanently. If they will be returning to the meeting, their temporary absence does not affect the quorum. If they are leaving the meeting permanently, verify that a quorum still exists.
2. Note the time the meeting is commenced and is adjourned.
3. Voting
 - a. For the meeting record, identify which member made the motion and which member seconded the motion.
 - b. As long as there is a quorum, only a majority of those present at the meeting is needed to pass a motion.
 - c. Substitution of roll call:
 - i. In Person Meetings: Substitution of the roll call is allowed only where all members present at the meeting are in favor of passage and there has been no change in composition since the last vote.
 - ii. Teleconference Meetings: Substitution of the roll call is never allowed.
4. Components of the Agenda
 - a. Public Comment
 - i. Chair has discretion to limit the duration of public comment.
 - ii. Ask the public commenter to identify himself/herself by name.
 - b. Consent
 - i. Ask whether any member wishes to pull an item off the consent calendar.
 - ii. As to items remaining on the consent calendar, state that they are “deemed approved.”
 - c. Minutes
 - i. Identify date of meeting.
 - ii. State that you are dispensing with the reading of the minutes.
 - iii. State that the minutes are “deemed approved.”
 - d. Board Committee Reports by member of Board Committee

- i. The member presenter is presumed to be the “mover” of the recommended action.
 - ii. No second is required because the motion is brought by the committee.
- e. Closed Session
 - i. Before going into closed, Chair must announce, by reference to properly noticed items on the agenda:
 - 1. Disciplinary action to be discussed, unless it would jeopardize the disciplinary action contemplated;
 - 2. Litigation matters to be discussed, unless it would impair the ability to serve unserved parties or to conclude settlement negotiations; and
 - 3. The property and negotiators involved in any real property purchase, sale, exchange or lease to be negotiated.
 - ii. After Closed Session is concluded, Chair must “report out” in Open Session:
 - 1. Terrorist or criminal threat – must report out action taken;
 - 2. Personnel action – must report out any action taken and any rollcall vote taken to appoint, employ or dismiss an employee.

APPENDIX L
CALENDAR OF ANNUAL BOARD EVENTS

Calendar of Annual Board Events:

January	<ul style="list-style-type: none">• Review and Amend the Strategic Plan• Develop Committee Work Plans• Approve Final Budget
March	<ul style="list-style-type: none">• Receive Lawyers Assistance Project Annual Report• Approve Financial Statements and Travel Expense Reports for the 4th Quarter• Receive Annual Discipline Report
May	<ul style="list-style-type: none">• Board Executive Committee Appointments #1• Board of Legal Specialization Annual Report• Financial Statements and Travel Expense Reports for the 1st Quarter• Independent Auditor Financial Statements Report (Receipt)• Annual Recommendation to the Supreme Court for Suspension of Members Delinquent in Payment of License Fees, Penalties, and Charges
July	<ul style="list-style-type: none">• Board Executive Committee Appointments #2• Board Officer Applications• Judicial Nominees Evaluation Commission Activities and Statistical Report• Biennial Performance Audit Update• Mid-Year Budget Adjustments• Statement of Expenditures of Mandatory Membership Fees and Independent Auditor Report
September	<ul style="list-style-type: none">• Last Meeting of Old Board• First Meeting of New Board• Swearing in of New Board• Approval of Secretary• Appointment of Trustees to Committees and Liaisons Positions• Reappointment of Ad Hoc committees• Multi-Year Meeting Scheduling
November	<ul style="list-style-type: none">• Preliminary Budget• Financial Statements and Travel Expense Reports for 3rd Quarter• Approval of Schedule of License Fees (per Fee Bill)• Annual Recommendation to the Supreme Court for Expungement of Suspensions for Non-Payment of Fees• Annual Recommendation for Expungement of Administrative Inactive Status for MCLE Non-Compliance• Annual Recommendation Regarding Members in Non-Compliance with MCLE Audit