

OPEN SESSION AGENDA ITEM

41 NOVEMBER 2018

DATE: November 16, 2018

TO: **Members, Board of Trustees**

FROM: Leah T. Wilson, Executive Director

SUBJECT: Executive Director's Report

Since we last met both the 2019 State Audit and the Legislative Analyst's review have begun, we have launched stakeholder engagement processes designed to assist staff in finalizing Board recommendations as related to law school accreditation and engagement and the Access and Legal Services Trust Fund Commissions, and have initiated a robust stakeholder engagement agenda designed to increase understanding of and support for the important work of the State Bar. In addition, we have worked to advance our goals of meaningfully effectuating the State Bar's core public protection mission and implementing the State Bar's 2017-2022 Strategic Plan. The November agenda reflects continued progress with respect to both of these goals. Key agenda item annotations are provided below.

2019 Budget and Five Year Projection

The November meeting represents the first time that the Board of Trustees will consider the Five Year Projection (Projection) which serves as the foundation for the licensing fee increase that the State Bar will seek next year. The Projection, which reflects staff's analysis of the Bar's funding needs for the period 2019-2024, includes the following key elements:

- the provision of equitable and fair retiree health benefits for non-executive staff;
- new positions for the Office of the Chief Trial Counsel to support public protection and the ability to meet statutory case processing timelines;
- funding to support implementation of the State Bar's 2017-2022 Strategic Plan, including important access to justice initiatives – the California Justice Gap and Legal +Tech Studies;
- funding to support maximization of the State Bar's 180 Howard Street location;
- funding for information technology investments needed to increase efficiency and public access; and
- Increasing revenue at a rate reflecting historical average growth in the licensee population.

The proposed budget for 2019 which the Board will also consider at its meeting next week is aligned with the first year of the five-year Projection. Due to our deteriorating fiscal position and the fact that the budget reflects actual need, significant deficit spending is contemplated. In determining whether or not to approve the 2019 budget as prepared by staff the Board will need to weigh factors including the State Bar's critical needs and ability to execute the Board-adopted Strategic Plan, the ongoing structural deficit and declining fund balance, and the imperative for a licensing fee increase under any circumstance.

Appendix I Implementation Plans

The Board will be asked to approve plans implementing Board action taken in September in response to the final Appendix I sub-entity report regarding both specific sub-entities and global sub-entity recommendations. These plans provide the Board with a concrete road map of the work needed to translate Board action into actual implementation, and vary in complexity and duration. Importantly, once the identified activities are completed the Board will conclude a two-plus year period of transformative governance review, demonstrating the State Bar's ability to meaningfully and comprehensively institute self-reform.

Joint Planning Session, COAF

A special joint session of members of the Council on Access and Fairness (COAF) and the Programs Committee is scheduled. This joint meeting is designed to advance the progress made at the August Summit on the Diversity of the Legal Profession. The specific goals of the joint session are two-fold. First to review staff and COAF work regarding proposed areas of focus with regard to the State Bar's diversity work; much of the material that the Programs Committee will review as part of this discussion derives directly from the August convening. Second, and related, to begin to refine COAF's charge such that it appropriately reflects the Bar's areas of diversity focus. The November joint session will serve as the basis for a more extended discussion on these topics to occur at the January planning session, with the ultimate goal being modification of the State Bar's 2017-2022 Strategic Plan such that it includes concrete diversity objectives.

Dashboards

This month's Executive Director Report includes only a Strategic Plan dashboard. I have attached a set of dashboards from a previous meeting for your review. I plan to use a portion of my Executive Director remarks to solicit feedback from you regarding the substance and format of these dashboards to ensure that they are useful to you in exercising your oversight responsibilities.