



# The State Bar of California

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## **OPEN SESSION AGENDA ITEM DECEMBER 2021 FINANCE COMMITTEE II.A**

**DATE:** December 16, 2021

**TO:** Members, Finance Committee

**FROM:** Aracely Montoya-Chico, Chief Financial Officer

**SUBJECT:** Request for 2022 Spending Authority Pending Formal Budget Adoption

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### **EXECUTIVE SUMMARY**

The State Bar's annual budget is typically adopted by the Board of Trustees in January and is filed with the State Legislature by February 28 each year. For the 2022 budget year, the Board of Trustees will approve the budget in February, subsequent to the strategic planning session, to ensure that the final adopted budget reflects the Board's strategic priorities. State Bar staff need authorization to spend for the period of January 1, 2022, through Board adoption of the final budget.

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### **BACKGROUND**

The Board Book delegates the responsibility to approve spending authority pending final board approval of a budget to the Finance Committee. This agenda item seeks that spending authority for the period January 1, 2022, to the date of adoption of the 2022 budget.

### **DISCUSSION**

To eliminate any question about the authority of the State Bar to expend funds prior to the Board of Trustees' adoption of the final budget annually, the Finance Committee Charter was revised in December 2020 to delegate authority to the Finance Committee to provide staff with spending authority for the interim period. While Board adoption of the annual budget typically occurs in January, in 2022 the budget will not be adopted until February, to ensure that the Board's strategic priorities are reflected in the submitted budget. As such, staff is requesting spending authority

through the date of Board adoption of the final 2022 budget. This authorization is limited to average monthly expenditures for the prior year in addition to expenditures previously approved by the Board of Trustees.

### **FISCAL/PERSONNEL IMPACT**

Approximately two months' worth of expenditures in the amount of \$35 million are expected to be incurred during the first two months of 2022.

### **AMENDMENTS TO RULES**

None

### **AMENDMENTS TO BOARD OF TRUSTEES POLICY MANUAL**

None

### **STRATEGIC PLAN GOALS & OBJECTIVES**

None

### **RECOMMENDATIONS**

**Should the Finance Committee concur in the proposed action, passage of the following resolution is recommended:**

**RESOLVED**, that the Finance Committee provides spending authority to State Bar staff for the period January 1, 2022, to the date of the Board of Trustees' adoption of the 2022 budget at an expenditure level not to exceed \$35 million.