



The State Bar *of California*

OPEN SESSION AGENDA ITEM JULY 2022 FINANCE COMMITTEE III.C

DATE: July 21, 2022

TO: Members, Board Executive Committee
Members, Finance Committee

FROM: Arnold Sowell, Jr., Chair, Finance Committee
Aracely Montoya-Chico, Chief Financial Officer

SUBJECT: Finance Committee 2022–2023 Work Plan Update

EXECUTIVE SUMMARY

This agenda item updates the Finance Committee work plan, including changes to align with the updated State Bar’s 2022–2027 Strategic Plan.

BACKGROUND

To strengthen the Board committee process, each Board committee, with staff assistance, develops a work plan summarizing the annual, recurring and time-limited items to be undertaken, the strategic goal(s) and objective(s) furthered by each item, and an estimated timeline for the completion of this work.

Work plans for the 2021–2022 Board year were developed in the fall of 2021. The current Audit Committee work plan is Attachment A. State Bar Board of Trustees committees align their work plans with the Strategic Plan. The current update is to incorporate the State Bar’s 2022–2027 Strategic Plan adopted in March 2022.

DISCUSSION

This item is intended to elicit discussion from the Finance Committee. Members are encouraged to provide input regarding how the work plan can be improved in the future and better used to guide the committee's work and advance the Strategic Plan of the State Bar. Many of the items on the work plan recur annually and are ongoing.

There was a significant effort on many items in the past year, including:

- Reviewed and adopted the 2022 Final Budget
- Reviewed 2021 Q4 and 2021 Q1 Financial and Investment reports
- Reviewed Investment policy

FISCAL/PERSONNEL IMPACT

None

AMENDMENTS TO RULES

None

AMENDMENTS TO BOARD OF TRUSTEES POLICY MANUAL

None

STRATEGIC PLAN GOALS & IMPLEMENTATION STEPS

Updates are being made to this section of the agenda item template to reflect the 2022–2027 Strategic Plan.

RECOMMENDATIONS

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

RESOLVED, that the Finance Committee accepts the update to the Finance Committee 2022–2023 work plan update, included with this item as Attachment A, subject to approval by the Board Executive Committee.

Should the Board Executive Committee concur in the proposed action, passage of the following resolution is recommended:

RESOLVED, that the Board Executive Committee approves the adopted Finance Committee 2022–2023 work plan, included in this item as Attachment A.

ATTACHMENTS LIST

- A.** Finance Committee 2022–2023 Work Plan Update
- B.** Finance Committee 2021–2022 Adopted Work Plan

FINANCE COMMITTEE Work Plan Update

ATTACHMENT A

Jul 2022–Dec 2023 (18-month plan)

Update Annual/Recurring	To Committee? / By When?	To Board? / By When?	Link to Strategic Plan	Status
<ul style="list-style-type: none"> Revise Investment policy to reflect DEI and ESG values 	January 2023	January 2023	Strategic Plan foundational principle	Anticipated
<ul style="list-style-type: none"> Annual Report of Debt Collection Efforts for 2022 	December 2022	January 2023	1. Strengthening the Attorney Discipline System	Anticipated
<ul style="list-style-type: none"> Participate in Annual Budget Process <ul style="list-style-type: none"> Mid-Year 2022 Budget Review Review 2023 Final budget Mid-Year 2023 Budget Review 	September 2022 December 2022 September 2023	September 2022 January 2023 September 2023	1. Strengthening the Attorney Discipline System	Anticipated
<ul style="list-style-type: none"> Quarterly Review of Financial Reports <ul style="list-style-type: none"> Review 2022 Q2 Financial Statements and Investment report Review 2022 Q3 Financial Statements and Investment report 2023 <ul style="list-style-type: none"> Review 2022 Q4 Financial Statements and Investment report Review 2023 Q1 Financial Statements and Investment report Review 2023 Q2 Financial Statements and Investment report Review 2023 Q3 Financial Statements and Investment report 	September 2022 November 2022 March 2023 May 2023 September 2023 November 2023	September 2022 November 2022 March 2023 May 2023 September 2023 November 2023	Core Business Operations	Ongoing

FINANCE COMMITTEE Work Plan Update

ATTACHMENT A

Jul 2022–Dec 2023 (18-month plan)

<ul style="list-style-type: none">Review and monitor the financial implications of policy initiatives of the Board and Subentities	Ongoing	Ongoing	Core Business Operations	Ongoing
<ul style="list-style-type: none">California State Auditor’s performance audit to evaluate each Office that receives support from annual licensing fees	April 2023	April 2023	4. Engaging Partners	Begins November 2022
<ul style="list-style-type: none">Evaluate options for new office space in light of expected sale of 180 Howard Street	December 2022	December 2022	Core Business Operations	Ongoing



Annual and Recurring Items	To Committee? By When?	To Board? By When?	Link to Strategic Plan	Status
<ul style="list-style-type: none">Review Investment Policy and other Finance Policies as needed	Ongoing	Ongoing	Goal 5 Objective D	Annual Review of Investment Policy Expected November 2021
<ul style="list-style-type: none">Annual Report of Debt Collection Efforts for 2020	March 2021	March 2021	Goal 3 Objective E	Completed in May 2021
<ul style="list-style-type: none">Participate in Annual Budget Process<ul style="list-style-type: none">Review 2021 Final BudgetMidyear 2021 Budget Review	December 2020 September 2021	January 2021 September 2021	Goal 5 Objective D	2022 Final Budget Expected December 2021

Annual and Recurring Items	To Committee? By When?	To Board? By When?	Link to Strategic Plan	Status
<ul style="list-style-type: none"> Quarter Review of Financial Reports <ul style="list-style-type: none"> Review 2020 Q4 Financials Review 2021 Q1 Financials Review 2021 Q2 Financials Review 2021 Q3 Financials 	March 2021 May 2021 September 2021 November 2021	March 2021 May 2021 September 2021 November 2021	Goal 5 Objective D	Completed Review 2020 Q4, 2021 Q1 and Q2
<ul style="list-style-type: none"> Review and monitor the financial implications of policy initiatives of the Board and Subentities 	Ongoing	Ongoing	Goal 3	Ongoing
<ul style="list-style-type: none"> Review expenses/income to assess financial performance and ensure new funding is utilized in the manner approved by the Fee Bill 	Ongoing	Ongoing	Goal 3 Objective L	Ongoing
<ul style="list-style-type: none"> Continue to analyze potential sales/use of Real Estate 	Ongoing	Ongoing	None	Paused during Pandemic. Resumed in May 2021