



The State Bar of California

OPEN SESSION AGENDA ITEM NOVEMBER 2022 AUDIT COMMITTEE IV.B

DATE: November 17, 2022

TO: Members, Audit Committee

FROM: Justin Ewert, Manager, Office of Finance

SUBJECT: Discussion of Organizational Audit Focused on Diversity, Equity, and Inclusion

EXECUTIVE SUMMARY

This agenda item continues the discussion on the organizational audit focused on diversity, equity and inclusion (DEI) that is part of the Audit Committee's work plan. This agenda item discusses various DEI initiatives to help finalize the audit's scope.

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.

The work plans were updated in July 2022 to incorporate the State Bar's 2022-2027 Strategic Plan. A foundational principle of the Strategic Plan is DEI and the organizational audit with that focus was added to the work plan. At the September Audit Committee meeting, staff gave a presentation on the DEI initiatives at the State Bar.

DISCUSSION

The Audit Committee's work plan directs an organizational DEI audit. The Audit Committee will continue discussing the scope and parameters for this audit during its meeting on November 17, 2022. To facilitate the discussion, staff will provide an overview of existing DEI initiatives and how the audit can measure their performance.

BLIND RECRUITING

The State Bar will implement blind recruiting in 2023. Blind recruiting is a diversity-focus recruiting approach that removes certain information from an applicant's resume. The information could be used to identify characteristics such as ethnicity, age or socioeconomic status. If added to the scope, the audit will focus on the implementation and whether or not it meets the goals of a more diverse workforce.

PROCUREMENT DISPARITIES STUDY

The State Bar will conduct a procurement disparities study in 2023. The study will review current contracting policies and practices to determine if inequities exist that adversely impact women, disabled veterans, LGBTQ or minorities. The contract for this work is on the agenda for the Board of Trustees meeting on November 17-18, 2022. If added to the scope, the audit will focus on the procurement disparities study's recommendations and implementation.

INVESTMENT POLICY REVISIONS

The State Bar will review its investment policies focusing on diversity, equity and inclusion. Investments impacting environmental, social, and governance matters will be examined to determine their eligibility within our policies and whether those policies should be modified. If added to the scope, the audit will focus on investment policy revisions and the subsequent performance of the investments.

DEI LEADERSHIP SEAL

The State Bar will pursue the DEI Leadership Seal available to all legal employers with California attorneys, including law firms, in-house legal departments, legal academia, nonprofit organizations, and government agencies with attorney staff. DEI Leadership Seal recipients may use the seal on their own website and materials.

Organizations must commit to implementing the first two Action Items and select at least three of the remaining eight. Employers that implement five Action Items will be recognized as bronze-tier seal recipients; employers that implement seven Action Items will be recognized as silver-tier seal recipients; and employers that implement nine Action Items will be recognized as gold-tier seal recipients. Participating employers will have one year after applying to the program to implement the Action Items.

The following are the ten Action Items for the DEI seal. The Audit Committee will discuss which action items the Bar should focus on implementing. If added to the audit scope, the audit will

follow the implementation of these action items and any changes because of that implementation.

1. Collect and maintain data on the demographics of attorneys, non-attorney legal staff, management, and the board, where applicable. Make this data available to staff or clients should they request it. Data may be aggregated to protect the privacy of staff and board members. The State Bar recommends collecting the following demographic categories to facilitate comparisons between your organization's workforce and the broader California attorney workforce: gender, race/ethnicity, age, LGBTQ+, disability status, and veteran status.
2. Create a strategic DEI plan for your organization with specific objectives, metrics, and benchmarks over short-, medium-, and long-term timeframes. Make the plan available to all staff and to clients that request it. Detail specific plans to advance equity and inclusion, including initiatives to support retention and advancement, plans to regularly report and discuss progress, methods for attorneys and staff to provide feedback, and adequate resources to support DEI efforts.
3. Calculate, at least annually, staff turnover and promotions by position, tenure, and demographics. If turnover among certain demographic groups is disproportionately higher, incorporate steps to reduce these differences in the strategic DEI plan. Similarly, if promotions are disproportionately lower among certain demographic groups, incorporate steps to mitigate these differences in the strategic DEI plan.
4. Compare the demographics of attorney hires to the demographics of all California attorneys annually. If your organization primarily hires entry-level attorneys, compare the demographics of attorney hires to the demographics of new licensees published in the State Bar's Diversity Report Card and the State Bar's Diversity, Equity, & Inclusion: Biennial Reports to the Legislature. Assess how your attorney population compares to the greater California attorney population and incorporate steps to address disparities in the strategic DEI plan, if appropriate.
5. Create a DEI statement articulating the organization's commitment to diversity, equity, and inclusion. Post it on your organization's website and include it in job postings.
6. Conduct stay and exit interviews with staff; include questions on organizational culture, sense of inclusion and belonging, and areas where the employer can improve.
7. Survey staff, at least biennially, to gather their thoughts and feedback on DEI at your organization. Include questions related to workplace satisfaction, climate, and sense of belonging. Share survey results with staff. Survey results should be used to inform your organization's DEI strategic plan.
8. Require all employees to participate in annual training on recognizing and reducing implicit bias in the workplace. Trainings should be provided by a presenter with significant professional or academic experience related to the training's content.

9. Incorporate substantive DEI work into performance evaluations and metrics that impact advancement and compensation decisions. Note that pro bono hours and contributions should be tracked separately from DEI contributions.

10. Integrate DEI responsibilities into leadership team members' formal job duties. For larger organizations (those with more than 100 California-licensed attorneys), also establish and maintain a leadership level DEI professional position. This DEI professional need not sit on the legal team specifically, but should have meaningful oversight of DEI programs and initiatives for the legal team.

FISCAL/PERSONNEL IMPACT

None

AMENDMENTS TO RULES

None

AMENDMENTS TO BOARD OF TRUSTEES POLICY MANUAL

None

STRATEGIC PLAN GOALS & IMPLEMENTATION STEPS

Goal 2. Protect the Public by Enhancing Access to and Inclusion in the Legal System

RECOMMENDATIONS

None

ATTACHMENT LIST

None