



The State Bar of California

Finance Committee Teleconference

Open Session Minutes
Thursday, November 16, 2023
10:15 a.m.–10:59 a.m.

Time Meeting Commenced: The Finance Committee meeting commenced in open session at 10:15 a.m.
Time Meeting Adjourned: 10:59 a.m.
Chair: Arnold Sowell Jr.
Committee Coordinator: Tinny Chan
Members Present: Raymond Buenaventura, Sarah Good, Mary Huser, Arnold Sowell Jr., Mark Toney, Genaro Trejo
Members Absent: None
Staff Present: Ellin Davtyan, Leah Wilson

OPEN SESSION

ROLL CALL

The Finance Committee was called to order by Chair Sowell. Roll call was taken and a quorum was established.

CALL FOR PUBLIC COMMENT

Chair Sowell called for public comment, inquiring as to whether there were person(s) who wished to comment on any agenda item. There were no members of the public who wished to provide public comment on any agenda items.

I. CHAIR'S REPORT

Chair Sowell did not provide a report.

II. MINUTES

A. Approval of September 21, 2023, Open Session Minutes

Moved by Toney, seconded by Trejo

Ayes – (5) Buenaventura, Good, Sowell, Toney, Trejo

Noes – (0)

Abstain – (1) Huser¹

¹ Trustee Huser abstained from voting on the minutes because she was absent from the meeting on September 21, 2023.

Absent – (0)

Minutes adopted.

III. CONSENT

A. Proposed Changes to the Schedule of Fees and Deadlines Request for Adoption and Proposed Amendment to State Bar Rule Regarding Schedule of Fees and Deadlines (Rule 1.22): Request to Circulate for Public Comment

Agenda Item III.A. was pulled from the consent calendar for a separate discussion.

RESOLVED, that the Finance Committee recommends that the Board of Trustees approve and set, subject to SB40 becoming law, the annual licensing fee for 2024 at \$510 for active status and at \$182.40 for inactive status; and it is

FURTHER RESOLVED, that the Finance Committee recommends that the Board of Trustees approve and set a \$2 optional deduction from annual fees be available for any attorney who elects not to fund State Bar programs that support the elimination of bias; and it is

FURTHER RESOLVED, that the Finance Committee recommends that the Board of Trustees approve and set for the Legal Services Assistance Fee under Business and Professions Code section 6140.03, a \$45 optional deduction from the annual fee be provided to each attorney who elects not to have this amount allocated to support nonprofit organizations that provide free legal services to persons of limited means; and it is

FURTHER RESOLVED, that the Finance Committee recommends that the Board of Trustees approve and direct staff to add to the invoice provided to licensees for payment of the annual license fee the option to allow licensees, as permitted by Business and Professions Code section 6140.05, to add up to \$5.00 to the annual fee if the licensee elects to support lobbying and related activities of the State Bar; and it is

FURTHER RESOLVED, that the Finance Committee recommends that the Board of Trustees approve and direct staff to add to the invoice provided to licensees for payment of the annual license fee the option of adding optional donations of \$100.00 (Justice Gap Fund), \$95.00 (California ChangeLawyers), and \$25.00 (California Supreme Court Historical Society); and it is

FURTHER RESOLVED, that the Finance Committee recommends that the Board of Trustees set the NAT noncompliance fee at \$100.00, the NAT reinstatement fee to terminate NAT inactive enrollment at \$300.00, and the NAT Education Modification fee at \$100.00; and it is

FURTHER RESOLVED, that the Finance Committee recommends that the Board of Trustees increase the CTAPP and Fingerprinting noncompliance fee to \$100.00, and the reinstatement fee to terminate CTAPP and Fingerprinting noncompliance inactive enrollment to \$300.00; and it is

FURTHER RESOLVED, that the Finance Committee recommends that the Board of Trustees approve and set, subject to the adoption without material modification of rules 9.9 and 9.7 of the Rules of the Supreme Court, each of the License Record and civility oath noncompliance penalties at \$100.00 and each of the reinstatement fees to terminate inactive enrollment for License Record and civility oath noncompliance at \$300.00; and it is

FURTHER RESOLVED, that the Finance Committee recommends that the Board of Trustees increase the dispute thresholds of the Mandatory Fee Arbitration program to \$1,250.00 or less (Decided on submission without a hearing), greater than \$1,250.00 and less than \$2,500.00 (Decided on submission or by hearing if requested by a party and at the arbitrator's discretion); and it is

FURTHER RESOLVED, that the Finance Committee recommends that the Board of Trustees increase the Mandatory Fee Arbitration program thresholds for the assignment of an arbitrator to Less than \$2,500.00 (Presiding arbitrator is assigned), between \$2,500.00 and \$25,000.00 (Sole arbitrator is assigned), and greater than \$25,000.00 (Arbitration Panel is assigned); and it is

FURTHER RESOLVED, that the Finance Committee recommends that the Board of Trustees adopts Appendix A to the Rules of the State Bar, the Schedule of Charges and Deadlines, as set forth in Attachment A; and it is

FURTHER RESOLVED, that the Finance Committee recommends that the Board of Trustees recommend to the Supreme Court that each licensee who fails to fully pay fees, penalties, and/or costs as established pursuant to sections 6086.10, 6140, 6140.5(c), 6140.55, 6140.6, 6140.7, 6140.9, and 6141 on or before June 30, as identified by staff, be suspended from the practice of law in California, effective July 1, until such time as they may be reinstated, upon the payment of the delinquent fees, penalties, or costs and of such additional fees, penalties, or costs as may have accrued at the time of such payment; and it is

FURTHER RESOLVED, that for the purpose of withdrawing the foregoing recommendation for suspension in particular cases, the Finance Committee recommends that the Board of Trustees authorize and direct State Bar staff to notify the Clerk of the Supreme Court of California of the name of any licensee of the State Bar who, by proper remittance and prior to the effective date of the Supreme Court of California order of suspension, pays to the State Bar fees, penalties, or costs in the amount in which they are delinquent; and to notify the Clerk of the Supreme Court of California of the consequent withdrawal of the Board of Trustees' recommendation for suspension; and it is

FURTHER RESOLVED, that the Finance Committee recommends that the Board of Trustees, authorizes staff to make available for public comment, for a period of 60 days, proposed amendments to rule 1.22 of the Rules of the State Bar, as set forth in Attachment B; and it is

FURTHER RESOLVED, that the Finance Committee recommends that the Board of Trustees resolve that this authorization for release of public comment is not, and shall not be construed

as, a statement or recommendation of approval of the proposed amended Rules of Court or Rules of the State Bar.

Moved by Good, seconded by Buenaventura

Ayes – (6) Buenaventura, Good, Huser, Toney, Trejo, Sowell

Noes – (0)

Abstain – (0)

Absent – (0)

Motion carries.

IV. BUSINESS

A. Approval of Quarter Three 2023 Financial Statements and Investment Report

RESOLVED, that the Finance Committee recommends that the Board of Trustees approve the 2023 Third Quarter Financial Statement Report and the Investment Report for the nine months ended September 30, 2023, in the form presented this day before the Board.

Moved by Huser, seconded by Trejo

Ayes – (5) Good, Huser, Toney, Trejo, Sowell

Noes – (0)

Abstain – (0)

Absent – (1) Buenaventura

Motion carries.

B. Request for 2024 Spending Authority Pending Formal Budget Adoption and 2024 Preliminary Budget Assumptions

RESOLVED, that the Finance Committee provides spending authority to the State Bar staff for the period January 1, 2024, to the date of the Board of Trustees' adoption of the 2024 budget at an expenditure level not to exceed \$115 million.

Moved by Toney, seconded by Good

Ayes – (4) Good, Huser, Toney, Sowell

Noes – (0)

Abstain – (0)

Absent – (2) Buenaventura, Trejo²

Motion carries.

² Trustee Trejo recused himself from voting on Item IV.B.

C. Delegation of Authority to Request California Employers Retirement Benefit Trust Fund Reimbursements

RESOLVED, that the Finance Committee recommends that the Board of Trustees authorize and approve the addition of the executive director, chief financial officer, and controller positions to request employer disbursement from the CERBT Fund.

Moved by Toney, seconded by Sowell

Ayes – (5) Good, Huser, Toney, Trejo, Sowell

Noes – (0)

Abstain – (0)

Absent – (1) Buenaventura

Motion carries.

ADJOURN