



The State Bar of California

OPEN SESSION

AGENDA ITEM

3.4 FEBRUARY 2025

BOARD EXECUTIVE COMMITTEE

DATE: February 21, 2025

TO: Members, Board Executive Committee
Members, Board of Trustees

FROM: Louisa Ayrapetyan, Board Secretary, Office of the Executive Director

SUBJECT: Approval and Ratification of Amendments to the Board Policy Manual; Approval of Amendments to Appendix A, Appendix B, and Title 3, Division 5, Chapter 2 of the Rules of the State Bar to Update References and Conform to Prior Board Actions; Request to Circulate for Public Comment the Repeal of the Rules of the State Bar Title 6 (Division 4, Article V [Meetings of the State Bar]; and Division 1, Chapter 4 [Responsibilities of Officers], Division 4, Rule 6.91 [Offices of the State Bar of California], and Division 4, Article IX [Referendum to All Licensees]) and Amendments to Rule of Procedure of the State Bar 5.441

EXECUTIVE SUMMARY

[Pursuant to the Board Policy Manual \(BPM\)](#), amendments to the BPM require approval by the Board Executive Committee and are subject to ratification by the Board of Trustees. This staff report seeks approval from the Board Executive Committee for the proposed amendments, as detailed in Attachment A, and recommends ratification by the Board of Trustees. This staff report also seeks approval of several amendments to the Rules of the State Bar of California (State Bar Rules) to improve organization and clarity and to remove outdated provisions that no longer apply, with the proposed amendments to be circulated for public comment where required.

RECOMMENDED ACTION

Staff recommends that the Board Executive Committee approve the proposed amendments to the Board Policy Manual as presented in Attachment A and, further, recommend ratification of these revisions by the Board of Trustees.

Further, staff recommends that the Board Executive Committee recommend to the Board, and that the Board approve, several amendments to the State Bar Rules to improve organization and clarity and to remove outdated provisions that no longer apply, with the proposed amendments to be circulated for public comment where required.

DISCUSSION

BOARD POLICY MANUAL AMENDMENTS

At its November 2024 meeting, the Board of Trustees approved reducing the number of annual Board meetings from six to four in response to evolving operational needs and feedback from Board members. This change aligns with efforts to streamline governance and improve efficiency while maintaining effective oversight. In conjunction with this adjustment, the Board also approved the creation of a Contracts Committee to manage contract approvals between scheduled Board meetings. This committee, comprised of the chairs of the Board, Audit, and Finance Committees, is authorized to approve contracts that would otherwise require Board or Executive Committee review, ensuring a more agile decision-making process while preserving transparency and accountability. Amendments to the Policy Manual, including the reduction of meetings, the creation of the Contracts Committee, statutory changes, and other significant clarifying updates, are described below. Additional minor clarifying edits, including typo corrections not reflected in redline, are incorporated in the revised Policy Manual (Attachment A)

Section 2.3: Resignation or Removal of Board Members

Revisions to this section clarify the process for the removal of Board members in accordance with Business and Professions Code section 6016.2.

Section 2.4: Responsibilities of the Board

This section has been updated to reflect changes introduced by SB 40, which mandates that appointments of the executive director and general counsel are subject to confirmation by the State Senate for all appointments made on or after January 1, 2024.

Section 2.7: Officer Selection

Amendments to this section incorporate changes enacted through Senate Bill 40 (SB 40), which extends the terms of the chair and vice-chair from one year to up to two years.

Section 2.11.4: Contracts Committee

A new section has been added to formally establish the Contracts Committee, as approved at the November 2024 Board meeting. This committee is composed of the Board chair, Audit Committee chair, and Finance Committee chair and is delegated the authority to approve contracts between regularly scheduled Board meetings, in addition to the Executive Committee.

Section 3.3: Meeting Frequency

This section has been updated to reflect the Board's decision to reduce the number of meetings from six to four annually, beginning in 2025. The revised meeting structure is designed to

enhance operational efficiency while continuing to meet the Board's governance and oversight obligations.

Section 3.8: Record of Meetings

This section has been updated to clarify that a member not being present at the meeting for which the minutes are being approved does not prevent that member from participating in their correction or approval. This section has been further updated to clarify that the Board secretary can certify as a true and correct copy of a resolution voted on by the Board prior to the Board's approval of the minutes, and that Board standing committee coordinators and State Bar staff assigned to subentities are similarly authorized as it relates to resolutions before the respective committee and subentities.

Section 4.15.3: American Bar Association House of Delegates

This section has been removed entirely, as the California Lawyers Association now oversees the appointments for former State Bar seats to the American Bar Association House of Delegates.

Section 5.2.1 Budget

Revisions to this section clarify that the threshold for line-item variances will increase from \$100,000 to \$200,000 and specifies a threshold of \$100,000 for all transfers between fund and increase of budgeted expenditures.

Section 5.2.5 Contracts

This section has been updated to include the Contracts Committee as being authorized to approve contracts in between Board meetings and to specify that the Contracts Committee and the Executive Committee may also hold joint meetings at which to approve such contracts.

Section 7.1: Executive Director

Revisions to this section clarify that the appointment of the executive director is subject to State Senate confirmation, per the statutory changes enacted by SB 40.

Section 7.3: General Counsel

Similar to the updates for the executive director, this section has been revised to specify that the appointment of the general counsel is also subject to State Senate confirmation, as required by SB 40.

Section 8.4: Compliance with State Bar's Record Retention Policy

A new section has been introduced to establish record retention compliance requirements for Board members and members of State Bar subentities. This update formalizes expectations for document management, ensuring adherence to State Bar policies and relevant legal requirements.

Section 11.8: Application of Ethics and Conflict of Interest Provisions to Members of Subentities

This new section outlines how ethics and conflict of interest provisions apply to members of State Bar subentities.

Appendix C

To improve accessibility and ease of maintenance, Appendix A (Standing Committee Charters) and Appendix B (Ethics and Conflicts of Interest References) have been modified to link externally to relevant documents rather than including the full text within the Board Policy Manual. This change streamlines updates and ensures that references remain current without requiring manual revisions to the manual itself.

Cite Check and Rules Amendments

In addition to these substantive revisions, staff has identified several incorrect or outdated citation sources in the Board Policy Manual. A comprehensive cite check will be conducted after Board approval, which may result in the removal or correction of outdated references.

RULES AMENDMENTS

In addition to the amendments to the Board Policy Manual, staff have identified several changes to the State Bar Rules needed to update references, improve clarity and internal consistency, and/or to conform to prior Board actions. Several of these proposed amendments, as noted below, do not require circulation for public comment and this item requests that the amendments be made immediately; for the other proposed amendments, this item requests approval to circulate the proposed changes for public comment.

Title 3, Division 5, Chapter 2 of the State Bar Rules, and Related Amendment to Appendix A

Pursuant to a [staff report](#) at its May 2023 meeting, upon recommendation of the Legal Services Trust Commission and after public comment, the Board approved minor changes to the deadline and related requirements for Legal Services Trust Fund grantees to submit an audited financial statement or reviewed financial statement. These changes, however, were not reflected in Appendix A, but rather only in a table appended to the end of Title 3, Division 5, Chapter 2 of the State Bar Rules (the chapter of the State Bar Rules concerning the Legal Services Trust Fund Program). To avoid confusion and improve organization, staff recommends deleting the standalone table currently appended to Title 3, Division 5, Chapter 2 of the State Bar Rules, and updating Appendix A to reflect the changes previously approved by the Board, as set forth at pages 1–2 of Attachment B. Circulation for public comment is not required to make these nonsubstantive changes, as State Bar Rule 1.10(B)(1) specifies that public comment is not required to improve organization or to modify an appendix.

Appendix B

Appendix B of the State Bar Rules sets forth the procedure for licensees to challenge the expenditure of mandatory license fees that they contend are disallowed by *Keller v. State Bar of California* (1990) 496 U.S. 1. Appendix B provides that such challenges must be submitted “with timely payment of the annual license fees,” but also references a “February 1” due date of fees. Fees are now due by April 1. To avoid confusion, continue the established practice of requiring any challenge to mandatory license fees due to be filed on or before the due date for payment of license fees, and to eliminate the need for future amendments to Appendix B to conform to any future changes to the deadline for payment of fees, staff recommends removing the reference to “February 1” in Appendix B, as set forth at pages 3–4 of Attachment B. No public comment is required for changes to appendices to the State Bar Rules.

Repeal of Various Provisions of Title 6 of the State Bar Rules

Title 6 of the State Bar Rules, concerning governance, contains several vestigial provisions that are no longer applicable now that the State Bar has spun off its associational features, such as the sections. Accordingly, these provisions are no longer necessary, and staff requests that the Board circulate for public comment the proposed repeal of the following provisions:

- Title 6, Division 4, Article V [Meetings of the State Bar] – This provision governs meetings of the membership of the State Bar. Following the spin off of the sections and other associational features of the State Bar in 2018, such meetings no longer occur. Accordingly, this provision of the State Bar Rules is no longer needed and should be repealed. (See Attachment B, pp. 5–7.)
- Title 6, Division 1, Chapter 4 [Responsibilities of Officers] – This provision refers to responsibilities of Board positions, such as President, Vice-President, and Treasurer, that no longer exist. Further, the roles of Board Chair, Vice-Chair, and Secretary are not addressed in the Board Policy Manual. Accordingly, to promote clarity and avoid confusion, this provision of the State Bar Rules is no longer needed and should be repealed. (See Attachment B, pp. 8–9.)
- Title 6, Division 4, Rule 6.91 [Offices of the State Bar of California] – This rule provides that the State Bar’s main office is in San Francisco and that its branch office is in Los Angeles, and provides that any “petition, notice, or other document required by these rules to be filed with the State Bar or served on the board must be filed at the main office.” This rule does not conform to the current practices of the State Bar, which do not differentiate between a main and branch office. To avoid confusion, this rule should be repealed. (See Attachment B, p. 10.)
- Title 6, Division 4, Article IX [Referendum to All Licensees] – This provision provides for referendums to be taken of all licensees of the State Bar. This provision is a remnant from prior to the 2018 spinoff of the sections and other associational features of the State Bar, and is no longer needed for the State Bar to carry out its purely regulatory functions. Accordingly, the provision should be repealed. (See Attachment B, p. 11.)

Rule of Procedure of the State Bar 5.441

Rule of Procedure of the State Bar 5.441 sets forth the procedure for former licensees to file a petition in State Bar Court to seek reinstatement after disbarment or resignation. The filing fee for such a position, set forth in Appendix A to the State Bar Rules (the Schedule of Charges and Deadlines), was adjusted by the Board at its [November 2024 meeting](#) from \$1,600 to \$1,643 to reflect changes to the Consumer Price Index. However, the text of Rule of Procedure of the State Bar 5.441(C) still refers to the prior dollar amount of \$1,600. To conform the rule to the Schedule of Charges and Deadlines, avoid confusion, and to avoid the need for future amendments to the rule when the fee is adjusted to reflect future increases in the Consumer Price Index, staff requests that an amendment to Rule of Procedure 5.441 replacing the reference to \$1,600 with a reference to the Schedule of Charges and Deadlines be circulated for public comment. (See Attachment B, pp. 12–13.)

PREVIOUS ACTION

- [May 18, 2023, Board of Trustees Meeting: Proposed Amendments to State Bar Rules](#)

[Related to Legal Services Trust Fund Program \(Rules 3.671, 3.672, 3.680, 3.690, 3.692; Proposed New State Bar Rule 3.674, and Appendix A\): Return from Public Comment and Request for Approval](#)

- [November 14, 2024, Board of Trustees Meeting: Request for Approval and Adoption of Proposed Changes to the Schedule of Charges and Deadlines; Request to Circulate for Public Comment Proposed Amendments to State Bar Rule Regarding Voluntary Resignation \(Rule 2.45\)](#)
- [November 14, 2024, Board of Trustees Meeting: Discussion and Approval in Frequency of Board of Trustees Meetings and Creation of Contracts Committee with Delegated Authority to Approve Certain Contracts; Discussion of Agenda Management and Meeting Materials](#)

FISCAL/PERSONNEL IMPACT

None

AMENDMENTS TO RULES

Appendix A

Appendix B

Title 3, Division 5, Chapter 2

Title 6, Division 4, Article V [Meetings of the State Bar]

Title 6, Division 1, Chapter 4 [Responsibilities of Officers]

Title 6, Division 4, Rule 6.91 [Offices of the State Bar of California]

Title 6, Division 4, Article IX [Referendum to All Licensees]

Title 5, Rules of Procedure of the State Bar, rule 5.441

AMENDMENTS TO BOARD OF TRUSTEES POLICY MANUAL

Several sections of the Board Policy Manual require amendments, as set forth in the redlined version of the Board Policy Manual (Attachment A).

STRATEGIC PLAN GOALS & IMPLEMENTATION STEPS

Goal 4. Protect the Public by Engaging Partners

b.2. Demonstrate transparency and, within constraints imposed by law, maximize disclosure in public communication.

RESOLUTIONS

Should the Board Executive Committee concur, it is:

RESOLVED, that the Board Executive Committee recommends that the Board of Trustees approves the revised Board Policy Manual as presented in Attachment A; and it is

FURTHER RESOLVED, that the Board Executive Committee recommends that the Board of Trustees approve the amendments to the State Bar Rules set forth at pages 1–4 of Attachment B and that the Board of Trustees direct staff to circulate for public comment for a period of 45 days the amendments to the State Bar Rules set forth at pages 5–13 of Attachment B.

Should the Board of Trustees concur, it is:

RESOLVED, that the Board of Trustees, upon recommendation of the Board Executive Committee ratifies the revised Board Policy Manual as presented in Attachment A; and it is

FURTHER RESOLVED, upon recommendation of the Board Executive Committee, approves the amendments to the State Bar Rules set forth at pages 1–4 of Attachment B, and directs staff to circulate for public comment for a period of 45 days the amendments to the State Bar Rules set forth at pages 5–13 of Attachment B.

ATTACHMENTS LIST

- A.** Board Policy Manual (Redline Version)
- B.** Proposed Amendments to State Bar Rules (Redline Version)