



TO: Board of Governors

FROM: Ken Masters, Treasurer

Megan McNally, Director of Advancement and Chief Development Officer

Debra Carnes, Chief Communications Officer

DATE: July 7, 2015

RE: **Fiscal Year 2017 and Beyond** – WSBA-CLE Policy Questions and Information OVERVIEW

Review of CLE Analyses and Discussions - Fiscal Year 2015 to Date

WSBA maintains a CLE fund separate from the general fund. The CLE fund (WSBA-CLE) supports CLE-Publications and Products (desk books, audio visual recordings, MP3s and course books for sale) and Seminars (live seminars and conferences). In fall 2013, WSBA began an analysis of WSBA-CLE, examining portfolio content and overall fiscal impact of content in light of WSBA's mission-focus areas and program criteria. The content analysis led the Executive Management Team and Board of Governors to a strategic refocus on substantive law in partnership with WSBA sections, skills for 21st Century practice, and ethics and professionalism. The fiscal analysis underscored the need for a new business model, which the Committee and the Board have discussed throughout the year.

- At the November 2014 Board meeting, we presented an overview of CLE trends and issues as part of a generative discussion about the future of WSBA-CLE. At that meeting, the Board generally affirmed that providing CLE programming remains core to WSBA's mission, that it is appropriate to use license fees to support CLE programming, and that the amount of that subsidy would need to be determined. The Board directed the Committee to examine these fiscal issues closely.
- At the January Budget and Audit Committee meeting, we presented a timeline and general concepts for future CLE business models. With Committee direction, we developed alternate business models.
- At the April 1 Committee meeting, we presented five business models. Two refined our Current Path FY15 portfolio of free and low cost programs, market priced programs, and programs co-sponsored with WSBA sections. Three models represented a New Direction in which WSBA would continue to offer free and low cost programs, and co-sponsor programs with WSBA sections, but would not offer market priced programs. Noting the strong relationship between WSBA Sections and CLE, and the potential impact to Sections of revised CLE models and policies,

outsources conferences to a conference services vendor and redirects staff time to developing half to full day programs on-site at WSBA, webcast and recorded for product sale. We present an overview of these two models, the net impact to WSBA of each model, as well as a summary of the pros and cons of outsourcing conferences.

- Memo and Action Item 3 of 3 addresses whether to continue with the current cost-sharing policies regarding WSBA Section-CLE through which WSBA does not recover its actual costs. We present a cost analysis of each section seminar and conference under the current model and under a changed model, as well as a break-down and explanation of indirect costs.

the Committee directed that there be a full discussion with the Board before any models be presented for consideration.

- At its April 25 Board mini-retreat, the Board reviewed and we discussed the five models and their potential fiscal impacts on WSBA and the Sections. With feedback from that meeting, the Committee examined the fiscal impact of the models at its May 28, 2015 meeting. After considering the high cost to WSBA of the New Direction models, the Committee directed us to focus efforts to present the two Current Path models (C-1 and C-2) for the Board's consideration in June.
- At the Board's June 2015 meeting, we presented and the Board discussed on First Reading the Current Path 1 (C1) and Current Path 2 (C2) models, which would be effective for FY17 (programming supported by the First Draft FY16 budget that the Board will review on First Reading in July further refines the FY15 CLE programming portfolio).

As discussed, the principal difference between the models relates to how WSBA supports Section conferences (as distinguished from full and half day seminars and mini CLEs). Under the C1 model, WSBA would continue to produce offsite conferences for our sections; under C2, WSBA would engage a vendor to take over this work. Because planning for FY16 offsite conferences is already underway, any change would not be effective until FY17.

The Board again directed the Committee to examine the fiscal impacts of each model on WSBA and the Sections, and to provide the Board with additional detail to enable it to make a decision on this and the other policy issues under consideration throughout the year.

- At its June 25, 2015 meeting, the Committee reviewed the Board's deliberations and directed us to present information in July to facilitate the Board's decisions of the following policy questions:
 1. whether to keep, reduce, or expand current overall free and low-cost programming;
 2. whether to continue to produce or to outsource WSBA-Section off-site conferences; and
 3. whether to continue to subsidize WSBA-Section CLE programming or to recover the full costs of programming.

Actions for July 2015

We now bring forward the three policy questions regarding WSBA-CLE, for Fiscal Year 2017 and beyond, as separate action items with additional information and clarification.

- Memo and Action Item 1 of 3 addresses the footprint of WSBA's free and low cost Continuing Legal Education offerings. We present an overview of the program areas and the net impact of these programs on the General Fund, the CLE fund, and WSBA reserves.
- Memo and Action Item 2 of 3 addresses whether to continue to produce or outsource conferences through consideration of two models: C1, which is a continuation of our current mix of seminars *and conferences* and continued honing of content on substantive law in partnership with sections, and skills and ethics for 21st Century practice; and C2, which

NOMINATE MEMBERS TO THE DISCIPLINARY BOARD

Governor Rhoads-Weaver moved to nominate Stephania Denton, Roger Leishman, and Marc Silverman for appointment to the Disciplinary Board. She spoke to her motion by explaining that the Disciplinary Board, as well as the nominations to the Disciplinary Board, lacked diversity from the LGBTQ community and that Mr. Leishman was an extremely well-qualified candidate who would provide diversity to the Disciplinary Board. Governor Masters explained the difficult and complex process, as well as the heavy vetting, that went into making the nomination recommendations and opined that the Board would have neither the background nor the information needed in order to change the proposed nominations. Governor Bastine moved to amend the motion so that Todd Startzel be nominated in lieu of Roger Leishman, and therefore, approve the recommendations contained in the meeting materials. Motion to amend passed 9-5. Underlying motion passed 11-3.

NOMINATE MEMBERS TO HEARING OFFICER PANEL

The slate contained in the meeting materials was approved by consensus.

PROPOSED CONTINUING LEGAL EDUCATION (CLE) BUSINESS MODELS – Governor Ken Masters, Treasurer, and Megan McNally, Director of Advancement/Chief Development Officer

Treasurer Masters noted that a concern was raised at the June 12, 2015, Board meeting that this Board is binding future Boards. He explained that future Boards are not being bound; the Board sets the policy and future Boards can continue the policy or not. He emphasized that it is important for the Board to set policy for staff so staff can move forward on programming. Director McNally explained that the materials for this meeting had been separated into three policy issues and suggested that the Board could take action on each policy issue, one at a time. She advised that the first policy issue relates to free and low-cost CLEs, and the recommendations for FY2017, which are consistent with Budget and Audit Committee recommendations for FY2016, are to continue to support New Lawyer Education, Public Service Programs Education, Section mini-seminars, and the Achieving Inclusion series with General Fund/license fee revenue, and to continue to produce the Legal Lunchbox series with CLE Fund

revenues. Governor Moberg moved to approve the recommendation as stated in the meeting materials. Motion passed 13-1.

Director McNally then advised that the second policy issue relates to offsite conferences. She explained that the Board is being asked to choose between two business models, and that the recommendation is to adopt Model C1, which is the model most consistent with FY2016 programming, and to direct staff to continue to seek a vendor relationship to support high quality offsite conferences in future years. Governor Brady moved to approve the C1 Model as set forth in the meeting materials. Discussion ensued regarding the Sections being able to choose between the C1 Model, opting out of the C1 Model and going with another partner, or doing CLEs independently; and supporting Section conferences as a member benefit in the interim while further study takes place. Treasurer Masters noted that the request to run at a loss, using Section funds, is allowed under the recommended proposal. Motion passed 13-1.

Director McNally then advised that the third policy issue is related to cost sharing with Sections on CLE events. She explained that the current fiscal policy regarding cost sharing for Section sponsored CLEs is not adequate to fully recover WSBA's costs; however, based on input from the Board and further conversations, the current policy and models will remain in place for FY2016. She requested that a joint Board/staff Work Group be formed at the September 17-18, 2015, Board meeting in order to draft revised Section policies, including a revised policy addressing cost-sharing of section-CLE programming, on the following timeline: draft policies and circulate for comment by December 31, 2015; present final draft policies to Board for first reading at its March 10, 2016, meeting; and present final draft policies for Board action at its April 15-16, 2016, meeting. Governor Cava moved to approve the recommendation. It was suggested that a representative from one large section and one small section be included in the Work Group; however, it was explained that, since the policy will be addressed by the Board, it should be written at the Board and staff level, but that sections will continue to be included in the discussions. Motion passed unanimously. Governor Rhoads-Weaver moved to direct staff to track the indirect expenses for half- and full-day seminars, as well as one off-site conference, so

the Board will have the data to determine whether the average per-credit proxy is accurate in reflecting the cost of the program. Motion died for lack of a second.

UPDATE ON MENTORSHIP PROGRAM – Megan McNally, Director of Advancement/Chief Development Officer; Stacy Holmes, Mentoring and Peer Networks Program Manager; and Ana Selvidge, Public Service Programs Manager

Manager Holmes referred the Board to the information contained in the meeting materials. She explained the current structure and the development of the future structure. She noted that mentorship is defined broadly and that the Program's goal is to reach as many members with as many benefits as possible. She concluded by iterating the four core elements of the Program. Manager Selvidge described what mentorship looks like in the Moderate Means Program and stated that this is an exciting opportunity to help build out the Program and to help it become part of the culture in the programs that currently exist, with a goal of building it across Washington state. Discussion ensued regarding minimum requirements for mentors; process for becoming a mentor; not requiring malpractice insurance; making contact with local Bar presenters; and waiting for regulations to be approved so the Program can be developed further and toolkits built. Director McNally explained that the majority of funding that has been approved was for staffing, but that she has requested an increase in funding for this program in the FY2016 budget, since building it will take more than one person. Manager Holmes noted that minority bar associations and specialty bars are currently matching mentors with mentees, and any program that will be designed at the State Bar level can be designed around the matches being done at the local level. The program would be more of an infrastructure piece that would allow individual attorneys to find each other, and would be especially helpful to rural attorneys. The minority bar associations and specialty bars would also be able to use this tool to help them with their mentorship programs. She explained that in some ways, the program has already started, but after it is known what programs can be accreditable, then further design of the programs can be done. Governor Cava moved that another update on the Mentorship Program be made at the Board's March 10, 2016, meeting.