

SUMMARY OF ACTION
AMERICAN BAR ASSOCIATION
BOARD OF GOVERNORS

American Bar Association Headquarters
Chicago, Illinois
June 10-11, 2005

1. REPORTS OF OFFICERS AND THE EXECUTIVE DIRECTOR

The Board of Governors (Board) received the reports of the President, President-Elect, Chair of the House of Delegates, Immediate Past President, Secretary, Treasurer and Executive Director. The minutes of the Board's February 11, 2005, meeting were approved as presented. The minutes of the Executive Committee's February 18, March 22, April 8, April 14, May 3, May 23, and June 10, 2005, meetings were received.

2. MATTERS FOR DIRECT BOARD ACTION

2.1 Status Report from Standing Committee on Technology and Information Systems

Karl J. Ege, Chair of the Standing Committee on Technology and Information Systems (SCOTIS) presented to the Board a status report on ABA Technology Initiative. The report highlighted the significant reductions in Information Systems operating expenses since ABA Fiscal Year 2001-2002 and the measures taken to safeguard ABA systems and member records. Mr. Ege also discussed what remains to be completed to realize the full potential of the Technology Initiative, including continued reduction in operating costs and enhancement of the ABA web site.

2.2 Membership Strategic Plan Presentation

Maury B. Poscover, Chair of the Standing Committee on Membership, Diane R. Bruhl, Director of the ABA Membership and Marketing Division, and Peter Linett, a consultant retained by the Membership and Marketing Division, presented an interim report regarding the Standing Committee's strategic focus for increasing membership by the year 2010. The presentation included a membership vision statement, a review of the current situation, membership goals and strategies for each goal, and quantifiable objectives for increasing membership. It is anticipated that initial tactical plans will be presented to the Board in August 2005 and that a final plan will be presented at the October 2005 Board meeting.

2.3 Request for Approval of Revised Memorandum of Understanding Between the American Bar Association (ABA) and the American Law Institute (ALI)

The Board approved the revised Memorandum of Understanding between the ALI and the ABA, which reflects proposed governance changes in the organization.

2.4 Section of International Law Request for Adoption of Policy

The Board approved the request of the Section of International Law for adoption of ABA policy that supports fundamental reform of the United Nations human rights process, the establishment of a Human Rights Council in place of the UN Human Rights Commission, and improvements in the human rights system at the United Nations.

2.5 ALI-ABA Presentation

Richard E. Carter, Executive Director of ALI-ABA, presented to the Board the annual report of ALI-ABA's activities. Mr. Carter will retire in August 2005 and introduced his successor, Ms. Julene Franki. He also discussed generally technological advancements that the organization has made during the past year and new products that have been launched.

2.6 Resolution of Appreciation for ALI-ABA Executive Director Richard E. Carter

The Board adopted a resolution of appreciation recognizing the accomplishments, standards and achievements of ALI-ABA Executive Director Richard E. Carter and offering the Board's congratulations on the occasion of his retirement in August 2005.

2.7 Memorial Resolutions for Former Governors Calvin Udall, Robert Landis and William Coldiron

The Board passed resolutions recognizing the accomplishments, standards and achievements of Calvin H. Udall of Phoenix, Arizona (Board member from 1981 - 1984); Robert M. Landis of Philadelphia, Pennsylvania (Board member in 1982); and William H. Coldiron of Helena, Montana (Board member from 1989 - 1992) who recently passed away.

2.8 American Bar Foundation

The Board, sitting as the members of the American Bar Foundation (ABF), approved the request of the ABF Board of Directors to amend the ABF bylaws to: a) increase the membership of the ABF Board of Directors from 24 to 25 by adding the Dean of the Northwestern University School of Law as an *ex officio* member of the ABF Board; and b) change the title of the "Vice Chair" of the ABF Board of Directors to "Chair-elect." The ABF Board of Directors approved the amendments in May 2005.

2.9 Fund for Justice and Education

The Board, sitting as the members of the Board of the American Bar Association Fund for Justice and Education (ABA/FJE): a) approved the minutes of the February 11, 2005, meeting of the ABA/FJE Board as presented; and b) accepted the ABA/FJE restricted grants and contributions received or awarded through April 30, 2005, and not previously reported, as requested by the Association's Grant Development & Administration Office.

2.10 National Judicial College

The Board, sitting as the Members of the National Judicial College (NJC) concurred with the recommendations of the NJC Board of Trustees and: a) elected Frederick P. Furth of San Francisco, California; b) elected Gary N. Jacobs of Las Vegas, Nevada; c) re-elected Dean Richard J. Morgan of Las Vegas, Nevada; and d) re-elected Richard K. Willard of Boston, Massachusetts, as NJC representatives to the Board of Trustees of the NJC, all for three-year terms to begin at the conclusion of the NJC annual meeting in July 2005. (See also 3.2e below.)

2.11 Consent Calendar: Report of Board Committee Chairs

The Board adopted the Consent Calendar as presented by the Secretary. Action on all items contained on the Consent Calendar is set forth in items 3 through 5 of this Summary of Action relating to the reports of the Board Committees.

2.12 Non Dues Revenue Presentation

Michael A. Bedke, Chair of the Board Ad Hoc Committee on Revenue (Ad Hoc Committee), and Chief Financial Officer Janet C. Gibbs presented a report on the work of the Ad Hoc Committee. The presentation focused on ABA revenue trends and whether web site advertising presents a viable opportunity for non-dues revenue enhancement. President Grey appointed the Ad Hoc Committee in December 2004 to examine the current state of the Association's dues and non-dues revenue and make appropriate recommendations to the Board for its consideration at the August 2005 meeting.

3. OPERATIONS AND COMMUNICATIONS COMMITTEE

A. MATTERS FOR REVIEW BY THE BOARD

3.1 Requests for Bylaw Amendments

a. Appellate Judges Education Institute

The Board approved the request of the Appellate Judges Education Institute (AJEI) to amend its Bylaws to i) permit the president of AJEI to be a retired judge and ii) to expand the membership of the AJEI Board of Directors to include additional members representing the Council of Chief Judges of Intermediate Courts of Appeals, the Council of Appellate Lawyers and the Council of Appellate Staff Attorneys, which are groups affiliated with the Judicial Division's Appellate Judges Conference. The amendments were approved by the AJEI Board at its November 11-13, 2004, meeting.

b. Criminal Justice Section

The Board approved the request of the Criminal Justice Section to repeal and re-enact its bylaws in order to reorganize the bylaws extensively. In addition, the Board approved several substantive changes to the Section's bylaws which, in pertinent part: i) delete the provision specifying that organizational representatives on the Section Council (e.g., National Association of Attorneys General) sunset at the 2005 Annual Meeting; ii) change the method of balloting in contested elections; and iii) change the number of signatures required for petition nominations. The Section Council approved the amendments at its May 14-15, 2005, meeting, and the amendments are subject to approval by the Section membership at the 2005 Annual Meeting.

c. Judicial Division

1) Lawyers Conference

The Board approved the request of the Lawyers Conference of the Judicial Division to amend its bylaws, in pertinent part, to: i) clarify that the Chair of the Conference is the Conference representative to the Judicial Division; ii) the chair of the Conference is an officer; and iii) decrease the number of nominating committee members from five to three. The changes were approved by the Division Executive Committee in May 2005.

2) Tribal Courts Council

The Board approved Bylaws for the Judicial Division's Tribal Court Council (TCC) with an amendment to Article 1.2 (Objectives of the Council) so that 1.2(e) reads "to discuss legal issues related to sovereignty of Indian Tribes." The Judicial Division Council approved the formation of the TCC at the 2004 ABA Annual Meeting.

d. Section of Individual Rights and Responsibilities

The Board approved the request of the Section of Individual Rights and Responsibilities to amend its bylaws to: i) add the Section's representative to the Board of Governors, when applicable, to the Section Council's Executive Committee; ii) create two minority at-large positions to serve on the Section's Council for a maximum of two three-year terms; iii) establish limits of two three-year terms for members of the Council, the Section Delegate, and the Section Budget Officer; iv) change the attendance requirements for Council members; and v) make various nonsubstantive changes. The amendments were approved by the Section Council in April 2005 and will be presented to the Section membership for approval at the 2005 ABA Annual Meeting.

e. Section of Legal Education and Admissions to the Bar

The Board approved the request of the Section of Legal Education and Admissions to the Bar to amend its bylaws to reflect an increase in dues for regular and associate members from \$30.00 to \$40.00, effective September 1, 2006. The Section Council approved the dues increase and the bylaw amendment at the 2005 ABA Midyear Meeting. The revision of the Section bylaws will be presented for approval at the Section's Annual Business Meeting in August 2005.

f. Section of State and Local Government Law

The Board approved the request of the Section of State and Local Government Law to amend its bylaws to: i) clarify what constitutes an excused absence for a Council meeting; and ii) to provide for written committee reports in addition to oral reports at the Annual Meeting of the Section if requested by the Section Chair or the chair of a Section committee. The amendments were approved by the Section Council at the 2005 ABA Midyear Meeting and will be presented to the Section membership for approval at the 2005 ABA Annual Meeting.

g. Young Lawyers Division

The Board approved the request of the Young Lawyers Division (YLD) to amend its bylaws to more clearly define the prerequisites for holding the position of YLD District Representative. The amendments were approved by the YLD Council at the 2004 ABA Midyear Meeting and approved by the YLD membership at the 2005 ABA Midyear Meeting.

3.2 Nominations

a. A-E-F-C Pension Plan Administration Committee

The Board elected Charles M. Thompson of Pierre, South Dakota, as the American Bar Endowment's (ABE) representative on the A-E-F-C Pension Plan Administration Committee, as recommended by the ABE; and 2) elected Graham C. Grady of Chicago, Illinois, as an ABA representative on the Pension Plan Committee, as recommended by the ABA Financial Services Group, both for three-year terms to begin at the conclusion of the 2005 ABA Annual Meeting.

b. American Intellectual Property Law Education Foundation (AIPLEF)

The Board approved the election of Patricia S. Smart of Chicago, Illinois, to a second three-year term as an ABA representative to the American Intellectual Property Education Foundation (AIPLEF), effective at the conclusion of the 2005 ABA Annual Meeting, as recommended by the Section of Intellectual Property Law. In February 2002, the Board approved ABA membership in the AIPLEF, an organization formed by the Section of Intellectual Property Law and the American Intellectual Property Law Association to grant scholarships encouraging minority law students to study intellectual property law and select it as a field of practice. The ABA has three representatives on AIPLEF.

c. CEELI

1) CEELI Institute p.b.c.

The Board elected Thomas B. Griffith of Provo, Utah, and Joel C. Martin of Cape Elizabeth, Maine, to three-year terms as American Directors on the CEELI Institute p.b.c., effective as of March 2005, as recommended by the Executive Committee of the

Special Committee of the Central European and Eurasian Law Initiative. The CEELI Institute p.b.c., a Czech entity, consists of a Board of Directors, at least two-thirds of whom are Czech citizens, and a Supervisory Board of three Czech citizens. The ABA appoints the American Directors to this entity.

2) Friends of the CEELI Institute

The Board elected Mary Boies of Bedford, New York, to a three-year term as a representative on the Board of Directors of the Friends of the CEELI Institute (Friends Board), effective as of August 2004, as recommended by the Executive Committee of the Special Committee of the Central European and Eurasian Law Initiative

d. Council on Legal Education Opportunity (CLEO)

The Board elected Dean Rudolph C. Hasl of San Diego, California, to a three-year term as an ABA representative on the CLEO Council, effective July 1, 2005, as recommended by CLEO.

e. Judicial Division and Board of Governors Representatives on the National Judicial College Board of Trustees

The Board, meeting as the Members of the National Judicial College (NJC): i) approved the recommendation of the Judicial Division and elected Hon. Elihu M. Berle of Los Angeles, California, to a second three-year term as a Judicial Division representative on the NJC Board of Trustees; and ii) elected Oliver C. Mitchell, Jr. of Dearborn, Michigan, as an ABA representative to the NJC Board appointed by the Board of Governors, for a three-year term. Both terms begin at the conclusion of the 2005 NJC annual meeting in July. (See also 2.10a above.)

f. Permanent Editorial Board of the Uniform Commercial Code

The Board approved the election of Sandra M. Rocks of New York, New York, as ABA Liaison-Advisor to the Permanent Editorial Board of the Uniform Commercial Code for a three-year term, effective at the conclusion of the 2005 ABA Annual Meeting, as recommended by the Section of Business Law.

3.3 ABA Medal

The Board made a selection of the recipient of the 2005 ABA Medal.

3.4 Section of Business Law Request to Establish Four Section Awards

The Board approved the request of the Section of Business Law to establish the following awards: i) The Frank Simpson III Award, presented by the Section's Committee on Banking Law; ii) The Nonprofit Lawyer Award, presented by the Section's Committee on Nonprofit Corporations; iii) The UCC Award for Exceptional Service, presented by the Section's Committee on Uniform Commercial Code; and iv) The Martin I. Lubaroff Award, presented by the Section's Committee on Partnerships and Unincorporated

Business Organizations. In approving the awards, the Board understood that the cost of the Simpson, Nonprofit, and UCC awards would be paid for with Section funds, the Lubaroff award would be co-sponsored with the Delaware law firm where Mr. Lubaroff practiced, and that firm would underwrite the cost of the Lubaroff award.

3.5 Standing Committee on Meetings and Travel

a. Recommendation Regarding Registration Fees for 2006 Annual Meeting

The Board approved a registration fee structure for the 2006 ABA Annual Meeting that represents no increase in fees from the 2005 Annual Meeting, with the exception of an increase in the adult guest registration fee from \$35.00 to \$45.00, as recommended by the Standing Committee on Meetings and Travel.

b. Request for Approval of 2014 Annual Meeting Site

The Board approved Boston, Massachusetts, as the site of the 2014 Annual Meeting.

3.6 President-Elect Greco's Requests

a. Creation of Presidential Initiatives

The Board approved President-elect Greco's request for the creation of an i) ABA Commission on Civic Education and the Separation of Powers, comprised of a maximum of 14 members, including two honorary chairs and a chair, to spearhead a new initiative promoting the need for broader education on the constitutional principle of separation of powers, with a particular focus on an independent judiciary. The Board also approved the President-elect's request to designate an Advisory Group to the Commission, comprised of representatives of key ABA entities that work on these issues. ii) The Board also approved President-elect Greco's request for the creation of ABA Task Force on Access to Civil Justice, comprised of up to 14 members, including an honorary chair and a chair, that will work to enhance access to justice at the state level and examine the issue of a defined right to counsel in serious civil matters.

b. Request for Special Advisors

The Board approved President-elect Greco's request for i) the appointment of Special Advisors to the standing committees on Pro Bono and Public Service, Law Library of Congress, Meetings and Travel, Continuing Legal Education, Judicial Independence, and Legal Aid and Indigent Defendants; the Commission on Domestic Violence; and the Death Penalty Representation Project; and ii) the creation of a special advisor position to the Standing Committee on Publishing Oversight. In approving the request, the Board understood that no ABA general revenue is requested or required for the advisors.

c. Increase Membership of Africa Law Initiative Council

The Board approved President-elect Greco's request to increase the membership of the Africa Law Initiative Council from a maximum of nine members to a maximum of ten members to permit the appointment of a prominent person with recognized and high-level expertise, such as a Supreme Court Justice. In approving the request, the Board understood that no ABA general revenue is requested to fund the increase.

3.7 National Conference of Lawyers and Certified Public Accountants Request to Modify Jurisdictional Statement

The Board approved the request of the National Conference of Lawyers and Certified Public Accountants to revise the Conference's jurisdictional statement to replace the representative from the General Practice, Solo and Small Firm Section with a representative from the Section of Business Law.

3.8 Law Student Division Request for Partial Reimbursement of Annual Meeting Expenses of Members of the Law Student Division Board of Governors

The Board approved the request of the Law Student Division for authorization of partial reimbursement of expenses, in the amount of \$26,000, for members of the Law Student Division Board of Governors to attend Division meetings to be held in conjunction with the 2005 ABA Annual Meeting in Chicago, Illinois.

3.9 Consideration of Requests for Technical Commenting Authority and Requests to Serve as Reviewing Entities for Technical Comments Submitted Under Blanket Authority Procedure Adopted by House of Delegates in August 2004

The Board's actions on the requests of certain ABA Sections for authority to submit technical comments and to serve as reviewing entities for technical comments under the Blanket Authority Procedure adopted by the House in August 2004 are attached as Attachment A.

3.10 Standing Committee on Membership

a. Request to Amend ABA Guidelines on Endorsements

The Board approved, only with respect to communications regarding MBNA and subject to the approval of the General Counsel and the Executive Director, amendment of the ABA guidelines on endorsements to allow the ABA Membership and Marketing Division to communicate more effectively ABA member benefits and savings programs to the ABA Membership, with the understanding that a more specific and comprehensive resolution will be provided at the August 2005 Board meeting.

b. Recommendation Regarding Dues Increase

The Board approved a dues increase for the three-year period FY 2006-2007 to FY 2008-2009, for presentation to the House of Delegates in February 2006, with the precise increase to be determined at the October 2005 meeting of the Board.

3.11 Standing Committee on Publishing Oversight and Standing Committee on Continuing Legal Education Request for Approval of Guidelines for Inventory Management

The Board approved guidelines for the management of all ABA warehouse inventory, which will be included in the ABA *Policy and Procedures Handbook (Handbook)* under the "Publications" and "Continuing Legal Education" sections of the *Handbook*.

3.12 Death Penalty Moratorium Project Request to a) Co-sponsor a Conference with the Japanese Federation of Bar Associations and European Commission, b) Hold the Conference Outside the United States, and c) Seek Outside Funding for the Conference

The Board approved the request of the Death Penalty Moratorium Project (Project) to co-sponsor with the Japanese Federation of Bar Associations (JFBA) and the European Commission (EC) an international death penalty conference on December 6-7, 2005, in Tokyo, Japan, with the understanding that no ABA general revenues will be used for the conference. The Board also approved the Project's request to seek outside funding for some or all of the discretionary costs associated with the event.

3.13 Section of Criminal Justice Request to Amend Procedure for Appointment of Committee on Criminal Justice Standards.

The Board approved the request of the Section of Criminal Justice to amend the procedure for appointing the Chair and members of the Criminal Justice Standards Committee.

B. MATTERS OF INDEPENDENT JURISDICTION
(Committee action and notifications to the Committee are reported to the Board)

3.15 Requests for Co-Sponsorships

a. ABA President's Office and Center for Racial and Ethnic Diversity

The Operations and Communications Committee approved the request of the ABA President's Office and the Center for Racial and Ethnic Diversity to co-sponsor with the Association of Corporate Counsel-America (ACCA) a project, tentatively titled "Partners in Progress: Corporate Externship," to establish collaborations between law firms and corporate law departments to place senior level minority associates into corporate law departments for a designated period of time. In approving the request, the Operations Committee understood that: i) no general revenue is requested for the project; and ii) law

firms and corporations participating in the project will contribute administrative fees to cover major expenses.

b. Center for Professional Responsibility

The Operations and Communications Committee approved the request of the Center for Professional Responsibility to co-sponsor with the William A. Boyd School of Law at the University of Nevada-Las Vegas (UNLV Law School) the conference "Representing Children in Families: Exploring the Relationship Between Children's Advocacy & Justice Ten Years After Fordham" on January 12-14, 2006, at UNLV Law School. In approving the request, the Operations Committee understood that no ABA general revenues will be used since UNLV Law School is funding the Conference. *(Note: A number of ABA entities have also requested to co-sponsor the Conference. See the Board's action regarding co-sponsorship requests from the Young Lawyers Division, the Section of Individual Rights and Responsibilities, and the Section of Litigation at 3.15c, 3.15e, and 3.15j below.)*

c. Young Lawyers Division (Center for Children and the Law)

The Operations and Communications Committee approved the request of the Young Lawyers Division, on behalf of the ABA Center on Children and the Law, to co-sponsor with the William A. Boyd School of Law at the University of Nevada-Las Vegas (UNLV Law School) the conference "Representing Children in Families: Exploring the Relationship Between Children's Advocacy & Justice Ten Years After Fordham" on January 12-14, 2006, at UNLV Law School. In approving the request, the Operations Committee understood that no ABA general revenues will be used since UNLV Law School is funding the Conference.

d. Judicial Division (2 Requests)

1) Diversity Conference

The Operations and Communications Committee approved the request of the Judicial Division to co-sponsor with the ABA Presidential Advisory Council on Diversity in the Profession (ABA Council on Diversity) and the Law School Admission Council (LSAC) the conference "Facing the Challenges of Increasing Diversity Into the Legal Profession: Collaborating to Expand the Pipeline" on November 3-5, 2005, at Rice University in Houston, Texas. In approving the request, the Operations Committee understood that: i) the LSAC, as the primary co-sponsor, will contribute up to \$100,000 to fund the conference; ii) members of the ABA Council on Diversity will contribute by developing and hosting the conference, developing any resultant publication, and working with the interim ABA Director of Sponsorship to seek corporate support for the project; and iii) the Judicial Division will contribute \$4,000 of its own funds and will assist with meeting logistics.

2) National Film Competition

The Operations and Communications Committee also approved the request of the Judicial Division to co-sponsor with New Orleans Access Television, Inc. (NOA-TV) a

national film competition "What is Justice" to recognize the importance of film in presenting people's visions of justice and the judicial system. In approving the request, the Operations Committee understood that: i) the Judicial Division will fund two prizes for the competition from its Fiscal Year 2005-2006 budget, if the budget is approved by the Board, and no additional ABA general revenues will be requested; ii) NOA-TV will provide facilities, equipment, and marketing assistance to the ABA at no cost; iii) prior to marketing the competition, the Judicial Division will submit the competition entry form, guidelines and film ownership stipulations to the ABA General Counsel for review; and iv) the Director of the ABA Division for Public Education has advised that the film competition will not conflict with the ABA Silver Gavel Awards program.

e. Section of Individual Rights and Responsibilities (2 Requests)

1) 2006 Children's Conference

The Operations and Communications Committee approved the request of the Section of Individual Rights and Responsibilities to co-sponsor with the William A. Boyd School of Law at the University of Nevada-Las Vegas (UNLV Law School) the conference "Representing Children in Families: Exploring the Relationship Between Children's Advocacy & Justice Ten Years After Fordham" on January 12-14, 2006, at UNLV Law School. In approving the request, the Operations Committee understood that no ABA general revenues will be used since UNLV Law School is funding the Conference.

2) Human Rights Symposium

The Operations and Communications Committee also approved the Section's request to co-sponsor with the Academy on Human Rights and Humanitarian Law (Academy) of the American University Washington College of Law a symposium titled "Human Rights Month in 2005." The symposium, which is scheduled to begin in summer 2005, consists of a series of lectures, conferences, panels and site visits for Academy participants and the legal community of Washington, D. C. The Section will share responsibility for planning one or more symposium events. In approving the request, the Operations Committee understood that no ABA general revenues are requested. The American University Washington College of Law is responsible for the cost of space and materials for the symposium.

f. Standing Committee on Substance Abuse

The Operations and Communications Committee approved the request of the Standing Committee on Substance Abuse to co-sponsor with the Criminal Justice Policy Foundation (CJPF) in summer 2005 a study of the implementation of the United States anti-drug policy. In approving the request, the Operations Committee understood that: i) Standing Committee staff will have primary responsibility for planning and implementing the project and will have final editorial control over any reports; ii) the Standing Committee will seek Board of Governors approval prior to the release of any published report; and iii) no ABA general revenues are requested since the CJPF will fund the project.

g. Standing Committee on Pro Bono and Public Service

The Operations and Communications Committee approved the request of the Standing Committee on Pro Bono and Public Service to: i) formally announce/publish on the web or elsewhere in early fall 2005 that the ABA is co-sponsoring with Pro Bono Net a national pro bono volunteer opportunities guide; ii) permit each co-sponsor to display the other's logo on their website relative to the volunteer opportunities guide; and iii) place ABA-owned data on an outside web site/server. In approving the request, the Operations Committee understood that: i) the Standing Committee is not requesting any additional ABA general revenues for the project; and ii) the scope of these activities will be considered in the negotiations between the parties and reviewed by the ABA General Counsel prior to co-sponsorship implementation.

h. Commission on Racial and Ethnic Diversity in the Profession

The Operations and Communications Committee approved the request of the Commission on Racial and Ethnic Diversity in the Profession to co-sponsor with the Sara Lee Corporation and possibly other major Fortune 500 companies a series of regional meetings focusing upon minority retention issues in law firms. No specific dates or cities have been determined. The focus of the meetings will be the development of an implementation plan for the "Call to Action – Diversity in the Legal Profession" spearheaded by the General Counsel of Sara Lee. In approving the request, the Operations Committee understood that: i) the Commission would be involved in program development and any meeting planning, logistics, and marketing; ii) no ABA general revenues are requested or required for the meetings; and iii) the co-sponsorship would not result in policy statements which could be attributable to the ABA without prior approval of the House of Delegates or the Board of Governors or which would be in conflict with any existing ABA policy.

i. Standing Committee on Public Education

The Operations and Communications Committee approved the request of the Standing Committee on Public Education to co-sponsor with the National Constitution Center, the Bill of Rights Institute, and other related organizations collaborative programs for the annual commemoration of Constitution Day (September 17). In approving the request, the Operations Committee understood that: i) the Standing Committee would work with co-sponsoring organizations to plan and launch a website that provides online access to available information and resources and could also collaborate on the development of Constitution Day program events; ii) the collaboration would not require any co-sponsorship of publications or publishing activities—the ABA would have complete control over its own publications development; and iii) no additional ABA general revenues are requested or required for the activity.

j. Section of Litigation

The Operations and Communications Committee approved the request of the Section of Litigation to co-sponsor with the William A. Boyd School of Law at the University of

Nevada-Las Vegas (UNLV Law School) the conference “Representing Children in Families: Exploring the Relationship Between Children’s Advocacy & Justice Ten Years After Fordham” on January 12-14, 2006, at UNLV Law School. In approving the request, the Operations Committee understood that no ABA general revenues will be used since UNLV Law School is funding the Conference.

k. Section of Antitrust Law

The Operations and Communications Committee approved the request of the Section of Antitrust Law to co-sponsor with the National Bar Association (NBA) the program “Why Antitrust: A Practical Perspective of the Law” to be held on August 3, 2005, during the NBA’s Annual Convention in Orlando, Florida. In approving the request, the Operations Committee understood that: i) attendance at the NBA program will not preclude Section members’ attendance at the 2005 ABA Annual Meeting since the Section’s Annual Meeting programs begin on August 5, 2005; ii) no ABA general revenues are requested for the program since only Section funds will be used for any expenses that are incurred (e.g., meeting room equipment, travel expenses for a government participant).

l. Standing Committee on Professionalism

The Operations and Communications Committee approved the request of the Standing Committee on Professionalism to co-sponsor with the W. Lee Burge Endowment for Law and Ethics at Georgia State University College of Law (Burge), a consortium of other ABA approved law schools, and the Georgia Chief Justice’s Commission on Professionalism (Georgia Commission) annual workshops on teaching ethics and professionalism in 2005, 2006, and 2007. The first workshop will be held in Atlanta, Georgia, on September 23-25, 2005, and will feature winners of the 2004 and 2005 National Award for Innovation and Excellence in Teaching Professionalism, which the Standing Committee co-sponsored and which was approved by the Operations Committee in August 2004. In approving the request, the Operations Committee understood that: i) no ABA general revenues will be used to co-sponsor the workshops; ii) the primary funding and operational support for the workshops will be provided by Burge; iii) each sponsoring law school has pledged an annual contribution for the workshops; and iv) the Georgia Commission has made a three-year grant for the workshops.

3.16 Meetings Held Outside the United States

a. Forum on Air & Space Law

The Operations and Communications Committee was notified that the Forum on Air & Space Law plans to hold its Annual Meeting and Conference on September 29- October 1, 2005, at the Marriott Chateau Champlain in Montreal, Canada. The Forum and McGill University School of Law will jointly sponsor the meeting. The Forum receives no ABA general revenue appropriations and no ABA general revenue is requested for this meeting.

b. Young Lawyers Division

The Operations and Communications Committee approved the request of the Young Lawyers Division to hold its 2007 Spring Affiliate Outreach Conference in Montreal, Canada, in May of 2007 for the purpose of strengthening its international Young Lawyer affiliate network, which consists of two affiliates in Quebec. In approving the request, the Operations Committee understood that the Montreal young lawyers organization will help to raise funds to support the 2007 Conference.

4. **PROGRAM AND PLANNING COMMITTEE**

A. **MATTERS FOR REVIEW BY THE BOARD**

4.1 Preliminary Approval of Annual Budget for FY 2005-2006

Requests for Reconsideration

a. Commission on Immigration

The Board approved the request of the Commission on Immigration to restore \$4,096 in FY 2003-2004 budgeted discretionary costs in the Commission's FY 2005-2006 budget.

b. Steering Committee on the Unmet Legal Needs of Children

The Board approved funding for the Steering Committee on the Unmet Legal Needs of Children in the amount of \$40,000.

c. Presidential Advisory Committee on Strategic Planning

The Board approved \$31,000 in funding for a Presidential Advisory Committee on Strategic Planning.

4.2 Section of Labor and Employment Law Request to Expand Definition of its Diversity Program Support Fund to Cover Expenses for Annual Frances Perkins Award

The Board expanded the definition of acceptable expenditures under the Section of Labor and Employment Law's Diversity Program Support Fund to cover expenses pertaining to the marketing and presentation of the Section's annual Frances Perkins Pro Bono Award.

4.3 Section of Environment, Energy, and Resources Request to Create Program Support Fund

The Board approved the request of the Section of Environment, Energy, and Resources for the creation and implementation of an Environment, Energy, and Resources Support

Fund, to be maintained within the Fund for Justice and Education, for the deposit and disbursement of funds that support various Section programs and activities that have been approved by the ABA General Counsel's Office as 501(c) (3) eligible.

4.4 Strategic Council on the Rule of Law Request to Solicit Funds to Convene an International Rule of Law Conference

The Board approved the request of the Strategic Council on the Rule of Law to solicit outside funds from U. S. multinational corporations, foundations, and law firms to convene an International Rule of Law Symposium on November 9-10, 2005, in Washington, D.C. Fundraising efforts will be coordinated with the Office of the Fund for Justice and Education.

B. MATTERS OF INDEPENDENT JURISDICTION

None for consideration.

5. FINANCE COMMITTEE

A. MATTERS FOR REVIEW BY THE BOARD

4.1 Preliminary Approval of Annual Budget for FY 2005-2006

The Board preliminarily approved the Fiscal Year 2005-2006 Annual Budget in the amount of \$105,355,000 and directed management to produce an additional \$173,000 surplus from the Fiscal Year 2004-2005 budget.

d. FY 2005-2006 Merit Increase and Incentive Compensation Pool

The Board approved a Fiscal Year 2005-2006 merit increase of 3.5%, which represents a funding requirement of \$1,177,000 including payroll taxes, and also approved a \$400,000 incentive compensation pool for the 2005-2006 Fiscal Year.

e. FY 2005-2006 Capital Budget

The Board approved the Fiscal Year 2005-2006 Capital Budget in the amount of \$4,751,500.

5.1 Health Law Section Request to Contribute Funds to The Public Health Law Association

The Board approved the request of the Health Law Section to contribute a maximum of \$5,000 of Section funds to The Public Health Law Association, a 501 (c) (3) entity. The contribution will help provide travel scholarships to approximately 20 graduate students from the U.S. and Canada who will present posters at the 2005 Public Health Law Partnership Conference, sponsored by the Centers for Disease Control and Prevention's Summary of Action

(CDC) Public Health Law Program and the American Society of Law, Medicine & Ethics, which is being held June 13-15, 2005, in Atlanta, Georgia. In August 2004, the Operations Committee approved the Section's request to form a partnership with CDC to produce a manual and sponsor local legal workshops on the legal role of public health agencies and healthcare organizations during public health emergencies, with the understanding that the Section would seek Board approval for any future initiatives that result from the partnership.

5.2 Section of Taxation Request to Contribute Funds to the American Tax Policy Institute

The Board approved the request of the Section of Taxation to contribute \$100,000 of the Section's funds to the American Tax Policy Institute (Institute) to be used, in pertinent part, to help complete certain Institute projects and fund new Institute projects in development.

5.3 Standing Committee on Membership Request to Reallocate Funds in Budget for Telemarketing Project

The Board approved the request of the Standing Committee on Membership to reallocate \$86,500 from the Membership & Marketing Division's current budget to conduct the summer 2005 Telemarketing recruitment campaign.

5.4 Recommendation to Amend Jurisdictional Statement of Standing Committee on Audit

The Board approved an amendment of Section 31.7 (a) of the Association's Bylaws regarding the composition of the Standing Committee on Audit, as set forth in Attachment B.

5.5 Recommendation Regarding Policy on Unrelated Business Income Tax

The Board adopted a Policy on Unrelated Business Income Tax, as set forth in Attachment C.

5.6 Ad Hoc Committee on Non-Dues Revenue Request for Emergency Supplemental Appropriation

The Board approved the request of the Ad Hoc Committee on Non-Dues Revenue for an emergency supplemental appropriation in the amount of \$35,000 to hire an outside consultant to perform a feasibility study on Web Site Advertising as a means of increasing non-dues revenue, with the understanding that before any implementation or additional work is performed, a new request for information will be developed and approved by the Finance Committee.

5.7 Request to Issue Corporate Credit Cards and Authorize the Execution of Bank Resolution and Forms

The Board a) approved the issuance of a corporate credit card to be used by the buyers in the ABA's procurement department, with the understanding that MBNA be asked to issue the credit card with no annual fee; and b) authorized the execution of the appropriate bank resolution and forms necessary to establish the cards.

5.8 Standing Committee on Audit Recommendation Regarding Ernst & Young Fees and Retention of Ernst & Young for the Fiscal Year 2004-2005 Audit

The Board approved an increase in the fees charged by outside auditors Ernst & Young for the Fiscal Year 2004-2005 audit. The Board also approved the retention of Ernst & Young for the Fiscal Year 2004-2005 audit, with the understanding that final approval of the Ernst & Young engagement letter will be delegated to a subcommittee comprised of the ABA Treasurer, the Chair of the Finance Committee and the Chair of the Standing Committee on Audit.

B. MATTERS OF INDEPENDENT JURISDICTION

None for consideration.

BOARD OF GOVERNORS ACTION
REGARDING
BLANKET AUTHORITY REQUESTS
SUBMITTED FOR THE JUNE 2005 BOARD OF GOVERNORS MEETING

REQUESTS FOR TECHNICAL COMMENTING AUTHORITY

Administrative Law and Regulatory Practice: Approved request as amended.

Antitrust Law: Approved request as amended.

Business Law: Approved request as amended.

Criminal Justice: Declined to approve request.

Intellectual Property Law: Declined to approve request as submitted. Requested that request be revised and resubmitted.

International Law: Approved request as amended.

Public Contract Law: Approved request as submitted.

Real Property, Probate and Trust Law: Approved request as amended.

Taxation: Approved request as submitted.

REQUESTS TO SERVE AS REVIEWING ENTITIES FOR TECHNICAL COMMENTS

Antitrust Law: Declined to approve request as submitted, with the understanding that Antitrust Law may resubmit its request after reviewing the amended "Request[s] for Technical Commenting Authority" that pertain to its request for reviewing authority.

Criminal Justice: Declined to approve request as submitted, with the understanding that Criminal Justice may resubmit its request after reviewing the amended "Request[s] for Technical Commenting Authority" that pertain to its request for reviewing authority.

Dispute Resolution: Declined to approve request as submitted, with the understanding that Dispute Resolution may resubmit its request after reviewing the amended "Request[s] for Technical Commenting Authority" that pertain to its request for reviewing authority.

Health Law: Approved request as amended.

BOARD OF GOVERNORS ACTION
REGARDING
BLANKET AUTHORITY REQUESTS
SUBMITTED FOR THE JUNE 2005 BOARD OF GOVERNORS MEETING

Intellectual Property Law: Approved request as submitted.

International Law: Approved request as amended.

Science & Technology Law: Declined to approve request as submitted, with the understanding that Science & Technology may resubmit its request after reviewing the amended "Request[s] for Technical Commenting Authority" that pertain to its request for reviewing authority.

Proposed Amendment to Bylaws §31.7

Audit. (a) The Standing Committee on Audit consists of [five] seven members [and] including the Treasurer, who is a member *ex-officio* [without] with a vote. At least three of the members of the committee, other than the Treasurer, shall be a member of the Board of Governors representing each of the three Association years of the term on the Board. At the Annual Meetings in 2005, 2006, 2007 and each succeeding third year, one of these members shall be appointed for a three year term. Members other than the Treasurer shall be appointed by the Board of Governors upon recommendation of the President. The President shall annually designate a chair. All members should be or become financially knowledgeable and have no relationship that may interfere with the exercise of their independence with respect to the Association and its management.

Policy on Unrelated Business Income Tax (UBIT)

It is appropriate for the Association to engage in income-producing activities that generate unrelated business income tax (UBIT) in connection with various types of activities that are deemed by the Internal Revenue Services to be unrelated to the exempt purpose of the Association. Unrelated business income includes the advertising revenue in connection with ABA publications; marketing revenue in connection with the ABA's relationship with affinity partners; and rental income in connection with the lease of a portion of the DC building owned by the James O. Broadhead Corporation.

The procedures below must be followed to ensure that the after-tax revenue of the Association is maximized and that the tax costs and legal risks to the Association are fully considered:

1. Separate agreements are required for activities that are not subject to Unrelated Business Income Tax (UBIT) and those that are.
2. The amount of income allocated to taxable activities must be reasonable in viewing the transaction and the relationship as a whole.
3. Transactions involving UBIT considerations must be structured to achieve the objectives of maximizing after-tax revenue to the Association and balancing the tax costs and legal risks with the benefits of the transaction.
4. Any transaction that has the potential to involve UBIT considerations must be reviewed by the Office of the General Counsel. In addition, the Financial Services Division must be consulted regarding tax and accounting treatments such as proper identification and allocation of costs of the transaction.
5. If UBIT is likely to result from the transaction, the estimated amount of UBIT to be incurred in connection with the transaction must be booked as an offset against revenue, regardless of when the tax may be due.