MEETINGS OF THE BOARD AND BOARD COMMITTEES

Thursday, October 19, 2017

Member Services Committee 9:00 a.m. – 5:00 p.m.
Salon III/IV, Lobby Level

Profession, Public Service and Diversity Committee 9:00 a.m. – 5:00 p.m.
Salon II, Lobby Level

Finance Committee 9:00 a.m. – 5:00 p.m.
Salon I, Lobby Level

Board of Governors Luncheon 12:00 p.m. – 1:30 p.m.
Botticelli Terrace, Lobby Level

Friday, October 20, 2017

Board of Governors Meeting 9:00 a.m. – 5:00 p.m.
The Ritz-Carlton Ballroom, Lobby Level

Board of Governors Luncheon 12:00 p.m. – 2:00 p.m.
Botticelli Terrace, Lobby Level

Board of Governors Meeting Reconvenes 2:00 p.m.
# OTHER MEETINGS – OCTOBER 2017 BOARD MEETINGS

## Wednesday, October 18, 2017

<table>
<thead>
<tr>
<th>Meeting Event</th>
<th>Time</th>
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</thead>
<tbody>
<tr>
<td>Audit Committee Meeting</td>
<td>10:00 a.m. – 1:00 p.m.</td>
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<tr>
<td>Salon IV, Lobby Level</td>
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<tr>
<td>Executive Committee Meeting</td>
<td>2:00 p.m. – 3:00 p.m.</td>
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<tr>
<td>Rossini, Lobby Level</td>
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<tr>
<td>Subcommittee on Investments Meeting</td>
<td>3:00 p.m. – 5:00 p.m.</td>
</tr>
<tr>
<td>Salon III, Lobby Level</td>
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</tr>
<tr>
<td>Board Governance Committee Meeting</td>
<td>3:00 p.m. – 4:00 p.m.</td>
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<tr>
<td>Boardroom, Lobby Level</td>
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<tr>
<td>Strategic Planning Working Group</td>
<td>4:00 p.m. – 5:00 p.m.</td>
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<tr>
<td>Verdi, Lobby Level</td>
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</tbody>
</table>

## Thursday, October 19, 2017

<table>
<thead>
<tr>
<th>Meeting Event</th>
<th>Time</th>
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<tbody>
<tr>
<td>Executive Compensation Subcommittee Meeting</td>
<td>7:30 a.m. to 9:00 a.m.</td>
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<tr>
<td>Boardroom, Lobby Level</td>
<td></td>
</tr>
</tbody>
</table>
1. REPORT OF OFFICERS
   9:00 a.m. – 10:00 a.m.

1.1 President
   BASS

1.2 President-Elect
   CARLSON

1.3 Chair of the House of Delegates
   ENIX-ROSS

1.4 Immediate Past President
   KLEIN

1.5 Secretary
   SMITH

   a.* Approval of Board Minutes
      (i) August 10-11, 2017
      (ii) August 15, 2017

   b. Executive Committee Minutes
      August 9, 2017
      September 7, 2017
      September 28, 2017 (email ballot)

   c. Blanket Authority Report

   d.* Fund for Justice and Education
      (Board sitting as members of the Board of the Fund for Justice
       and Education)
      Minutes of August 10, 2017

1.6 Treasurer
   BEHNKE
   (Separate Distribution)

1.7 Executive Director
   RIVES

* Board action required.
2. **MATTERS FOR DIRECT BOARD ACTION**

2.1* Discussion Regarding OneABA and Request for Sense of Board Resolution

*Tracy A. Giles, Chair
Standing Committee on Membership
Jack L. Rives, Executive Director
James Dimos, Deputy Executive Director
Bob Domenz, Chief Executive Officer, Avenue
Michael Kreisberg, Chief Membership Officer

10:00 a.m. – 11:30 a.m.

2.2 Report on Commission on the Future of Legal Education

*Dean Patricia White, Chair
Commission on the Future of Legal Education
11:30 a.m. – 12:00 p.m.

2.3 Reports from Committee Chairs

a. Profession, Public Service and Diversity
b. Finance
c. Member Services

2:00 p.m. – 2:30 p.m.

2.4* Consent Calendar

a. Items to be Removed from Consent Calendar
b. Adoption of Consent Calendar

2:30 p.m. – 2:45 p.m.

2.5 Report on Realignment Project

*Andrew J. (Josh) Markus, Chair
Member Services Committee
Hon. Ramona G. See, Chair
Profession, Public Service and Diversity Committee

2:45 p.m. – 3:15 p.m.

2.6 Report on Strategic Planning

*William R. Bay, Chair
Strategic Planning Working Group

3:15 p.m. – 3:30 p.m.

2.7 Update Regarding Membership Directory

*Benjamin E. Griffith, Board Liaison to Standing Committee on Lawyer Referral and Information Services
James Dimos, Deputy Executive Director

3:30 p.m. – 3:45 p.m.

* Board action required.
<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
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<tbody>
<tr>
<td>2.25</td>
<td>ABA Journal Report of Proceedings</td>
<td>2.25</td>
</tr>
<tr>
<td></td>
<td>a. Informational Report</td>
<td></td>
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<tr>
<td></td>
<td>b. Letter from Kathleen J. Hopkins, Chair</td>
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<tr>
<td></td>
<td>ABA Journal Board of Editors</td>
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<tr>
<td>2.26</td>
<td>Report on ABA Response to Recent Hurricane Disasters</td>
<td>2.26</td>
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</tbody>
</table>
3. **MEMBER SERVICES**

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### a) Matters for Review by the Board

3.1 Requests for Bylaw Amendments
   - a. Senior Lawyers Division
   - b. Section of Labor and Employment Law
   - c. Appellate Judges Conference
   - d. National Conference of State Trial Judges

3.2 Request from Standing Committee on Membership to Add Shred-It to ABA Advantage Program

3.3 Request from Section of Real Property, Trust and Estate Law to Offer Member Benefit from WealthCounsel

3.4 Request from Standing Committee on Meetings and Travel Regarding ABA Annual Meeting

3.5 Requests from Section of International Law
   - a. Registration Fee for 2018 Midyear Meeting
   - b. Memorandum of Understanding with International Development Law Organization

3.6 Request from Standing Committee on Amicus Curiae Briefs to Amend Guidelines

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### b) Matters for Committee Consideration Only

3.20 Approval of Minutes
   - August 10, 2017

3.21 Status Report Regarding Realignment Project

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### c) Informational Only

3.30 Membership Report
AGENDAS OF BOARD COMMITTEES

4. PROFESSION, PUBLIC SERVICE AND DIVERSITY

a) Matters for Review by the Board

4.1 Nomination for Consortium for Citizens with Disabilities (Commission on Disability Rights)

4.2 Request from ABA Rule of Law Initiative/Center for Human Rights to Amend List of Approved Countries of Operation and Registration, Donors and Thematic Program Areas

4.3 Request from ABA Rule of Law Initiative for Memoranda of Understanding
   a. Central African Republic’s Magistrates Training School
   b. Ministry of Women’s and Family Affairs in Tunisia
   c. General Prosecutor’s Office of the Republic of Tajikistan

4.4 Request from ABA Center for Human Rights for Memorandum of Understanding with the International Bar Association, International Commission of Jurists, Pan African Lawyers Union, SADC Lawyers Association and East Africa Lawyers

b) Matters of Independent Jurisdiction

4.15 Requests for Co-Sponsorship
   a. Section of Intellectual Property Law (2) (Finance)
   b. Section of Antitrust Law (Finance)
   c. Standing Committee on Professionalism
   d. President Hilarie Bass (Seek Outside Funding)
   e. Commission on Hispanic Legal Rights and Responsibilities

c) Matters for Committee Consideration Only

4.20 Approval of the Minutes
   August 10, 2017
   a. Improving the Profession
   b. Public Service and Diversity

4.21 Status Report Regarding Realignment Project

4.22 ABA Enterprise Fund Projects – FY2017 Fourth Quarter Reports

4.23 Report from Committee on Scope and Correlation of Work and Review Schedule
d) Informational Only

3.30 Membership Report 3.30

4.30 Informational Report on Action Taken Since Last Meeting 4.30

4.31 FY2018 Profession, Public Service and Diversity Committee Roster and Chart of Assignments of Entities Overseen 4.31

e) Supplemental Materials

4.5 Request from Section of Real Property, Trust and Estate Law to Continue Scholarship 4.5
AGENDAS OF BOARD COMMITTEES

5. **FINANCE COMMITTEE**

a) **Matters for Review by the Board**

5.1 Request from Section of Litigation to Contribute Funds to Maine Volunteer Lawyers Project

5.2 A-E-F-C Pension Plan Amendment to Provide for Purchase of Annuities for Small Balances (Annual Benefit < $5,000)

b) **Matters for Committee Consideration Only**

5.20 Approval of Minutes:

a. Finance Committee

b. August 10, 2017
   FJE Finance Committee
   August 10, 2017

5.21 Treasurer’s Report

5.22 Report of Investments Subcommittee

5.23 Website Design Update

5.24 4rd Quarter FYTD Variance to Budget Report(s)
   General Counsel
   Deputy Executive Director Group
   Senior Associate Executive Director and Chief Financial Officer Group

5.25 FY2018 Budget – Section 10% Variance Update

5.26 ABA FY2019 Budget Process and Calendar

5.27 Preliminary FY2019 Budget Task

5.28 Pension Funding and Related Debt

c) **Informational Only**

3.30 Membership Report
d) **Supplemental Materials**

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<tbody>
<tr>
<td>5.3</td>
<td>Request to Amend the FY2018 Section Budget</td>
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<tr>
<td>5.4</td>
<td>Request for Replacement of Member of A-E-F-C Pension Plan Administration Committee</td>
</tr>
</tbody>
</table>
TO: Board of Governors  
FROM: Hilarie Bass  
DATE: September 15, 2017  
SUBJECT: Report of the President

My activities since the Annual 2017 Board of Governors’ Meeting are as follows:

August 16, 2017  
**New York, NY**  
- Participated in interview with *Buzzfeed Legal Issues*  
- Participated in interview with *New York Law Journal*  
- Participated in interview with *Florida Trend*  
- Participated in interview with *The National Law Journal and Law.com*  
- Participated in interview with *Bloomberg re Legal Fact Check*  
- Participated in interview with *Law 360*  
- Met with Standing Committee on Legal Aid and Indigent Defendants staff to discuss the Laura & John Arnold Foundation and Public Defender Workload reform

August 16 - 18, 2017  
**Montreal, Canada**  
- Attend Canadian Bar Association President’s Dinner  
- Interview with Ron Hurtibise at *Sun Sentinel*  
- Interview with NY Law Journal  
- Participated in Canadian Bar Association Board and International Guests Roundtable and Luncheon  
- Participated in the Canadian Bar Association Annual General Meeting  
- Participated in Canada Bar Association President’s Reception and Dinner

August 21, 2017  
**Miami, FL**  
- Moderated the ABA Free CLE Webinar titled “*Burning Down the House: The Myths Around Youth Homelessness in America*”  
- Participated in interview with the *Chronicle of Higher Education*  
- Participated in interview with the *Orlando Political Observer*  
- Met with ALM Media Editors regarding research project for the Achieving Long-Term Careers for Women in Law presidential initiative
August 22-23, 2017  Chicago, IL
- Participated in the 2018 Annual Meeting site visits
- Meeting with Alpha Brady
- Participated in interview with the Minnesota Lawyer
- Participated in interview with Legaltech News
- Met with ABA Presidential Office staff to discuss presidential initiatives

August 24-25, 2017  Miami, FL
- Participated in interview with the Inside Higher Ed
- Call with Terry Harrell, Chair of the Working Group to Advance Well-Being in the Legal Profession
- Call with Committee on Scope and Correlation of Work Chair, Thomas M. Fitzpatrick, to discuss the coordination of entity reviews

August 26-August 31, 2017  Tokyo, Japan
- Attended and delivered remarks at the International Association of Young Lawyers - AIJA Annual Congress
- Call to discuss CLE in the City Planning Meeting & Reception
- Call with ABA Young Lawyers Division to discuss ABA’s Hurricane Harvey response and efforts

September 1-5, 2017  Miami, FL
- Call with ABA Communications and Media Relations Division to discuss Hurricane Harvey communication protocol
- Call with ABA staff to discuss ABA’s Hurricane Harvey Website
- Call with ABA staff to discuss next steps for Working Group on Building Public Trust in the American Justice System
- Call with Committee on Scope and Correlation of Work Chair, Thomas M. Fitzpatrick, to discuss the coordination of entity reviews

September 6-7, 2017  Kansas City, MO
Attended and delivered remarks at the Hispanic National Bar Association Annual convention

September 7-8, 2017  Miami, FL
- Call with Vietnam Lawyer Exchange Advisory Committee to discuss the 2018 Vietnam Lawyer Exchange and Training Program
- Call with ABA Senior Leadership to discuss OneABA
- Call with Alpha Brady and Deborah Enix-Ross to discuss realignment of Committee on Scope and Correlation of Work, and October 2017 Board of Governors’ meeting
- Participated in Executive Committee Conference Call
- Call to discuss Homeless Youth Pro Bono Project Shelter Matching
- Participated in interview with the National Law Journal
- Call with Alpha Brady and William (Bill) Bay to discuss ABA Strategic Plan
September 12-14, 2017  
**Rome, Italy**
- Attended Welcome Dinner at the Italian Bar Association – G7 of Lawyers Conference
- Attended and presented country papers on “Security and Hate Speech – Personal Safety and Data Security: Rights in the Age of Social Media” at the Italian Bar Association – G7 of Lawyers Conference

September 15-23, 2017  
**Delhi – Mumbai, India**  
Participated in the ABA Delegation Trip to Delhi and Mumbai, India:  
- Met with President of the Bar Council of India  
- Met with Honorable Chief Justice Gita Mittal, Delhi High Court  
- Met with Mumbai International Arbitration Centre  
- Delivered remarks to law students at Amity Law School  
- Met with Chief Justice, Bombay High Court  
- Dinner with India INSOL  
- Met with Chief Justice and other Justices of the Supreme Court Bar of India  
- Met with members of the Law Ministry of India  
- Call with ABA Center for Innovation to discuss Pew Charitable Trusts meeting

September 24, 2017  
**Miami, FL**  
- Participate via conference in the Standing Committee on Membership  
- Call with Executive Director, Jack Rives

September 25, 2017  
**Houston, TX**  
Participated in Hurricane Harvey legal relief efforts:  
- Lunch meeting with State Bar of Texas and Houston Bar Association  
- Participated in meeting with Houston Volunteer Lawyers  
- Participated in Law Student Disaster Relief Training

September 26, 2017  
**Miami, FL**  
- Participate in conference call with Kim Scherr re October BOG events  
- Participate in conference call with ABA Staff re India Trip Debrief  
- Participate in scheduling call  
- Participate in interview with *Florida Super Lawyers*  
- Participate in conference call with Dean Patricia White and Andrea Sinner re: Commission on the Future of Legal Education  
- Participate in conference call re Rule of Law in America Conference with Katy Englehart

September 27, 2017  
**Miami, FL**  
- Participate in the Pew Charitable Trusts meeting to discuss the ABA Center for Innovation  
- Participate in WebEx Call re Marketing Company Prospects for OneABA Review
September 28, 2017  
Orlando, FL  
- Delivered keynote remarks at the Orange County Bar Association monthly luncheon, co-hosted by the Central Florida Association for Women Lawyers  
- Participate in Pro Bono Homeless Youth Legal Network Event

My upcoming meetings and activities to date are as follows:

September 30-October 3, 2017  
London, UK  
Attend and participate in the 2017 Opening of the Legal Year Ceremonies:  
- Participate and deliver remarks at the Jurisdictional Bar Leaders Roundtable Discussion  
- Host and deliver remarks at the annual ABA Reception

October 4, 2017  
Chicago, IL  
- Participate in the Research Committee Meeting for the Long-Term Careers for Women in Law presidential initiative  
- Participate in meeting with ABA Staff  
- Participate in CLE in the City Planning Meeting & Reception

October 6-14, 2017  
Sydney, Australia  
Attend and participate in the International Bar Association (IBA) Annual Conference:  
- Participate in Women in IBA Leadership Private Networking Evening  
- Participate as a panelist for the program on “The no longer brave new world: artificial intelligence and other new deliveries of legal services”  
- Participate as a panelist for the program on “BIC (Bar Issues Commission) Showcase: the balance between migration, international security, rule of law and terrorism - what bar associations can do to facilitate this conversation”  
- Participate as a panelist for the program on “Searching for solutions to gender diversity issues: bar associations jump into the fray”  
- Meet with International Bar Association (IBA) President, Martin Šolc  
- Attend and participate in the International Bar Association (IBA) Council Meeting

October 16, 2017  
Cambridge, MA  
Deliver remarks at the Legal Services Corporation Board of Directors Quarterly Luncheon

October 17, 2017  
Miami, FL  
Participate in the ABA Membership Division Managing Partners’ Forum

October 18-21, 2017  
Miami, FL  
Attend and participate in the October 2017 ABA Board of Governors’ Meeting
<table>
<thead>
<tr>
<th>Date</th>
<th>Location</th>
<th>Event Description</th>
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<tbody>
<tr>
<td>October 24, 2017</td>
<td>Miami, FL</td>
<td>Attend and deliver remarks at the Section of International Law Fall Council Meeting</td>
</tr>
<tr>
<td>October 25, 2017</td>
<td>Tampa, FL</td>
<td>Attend and deliver keynote remarks at the Hillsborough County Bar Association Luncheon</td>
</tr>
<tr>
<td>October 29 - November 4, 2017</td>
<td>Marrakech, Morocco</td>
<td>Attend and participate in the ABA-ROLI Marrakech Retreat and Board Meeting</td>
</tr>
<tr>
<td>November 7-9, 2017</td>
<td>Cambridge, MA</td>
<td>Deliver opening and closing remarks, and participate in the National Summit on Achieving Long-Term Careers for Women in Law</td>
</tr>
<tr>
<td>November 9, 2017</td>
<td>New Orleans, LA</td>
<td>- Attend and deliver remarks at the Southeast Louisiana Legal Services 50th Anniversary commemoration</td>
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<td>- Deliver remarks at Tulane Law School</td>
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<tr>
<td>November 9, 2017</td>
<td>New York, NY</td>
<td>Participate on the “The Rule of Law – a Bipartisan Issue” panel during the New York University School of Law Courts Under Pressure Conference</td>
</tr>
<tr>
<td>November 10, 2017</td>
<td>New York, NY</td>
<td>Participate on the &quot;Women Leading for Success in the Courtroom, In the Judiciary, and In the Profession&quot; panel during the Women in Litigation Joint Conference sponsored by the Section of Litigation</td>
</tr>
<tr>
<td>November 28-30, 2017</td>
<td>Sao Paulo, Brazil</td>
<td>Attend and participate as a panelist at the ABA International Summit on the Legal Rights of Street-Connected Children and Youth</td>
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<tr>
<td>December 1-3, 2017</td>
<td>Paris, France</td>
<td>Attend and participate in the Annual Paris Rentree International Conference and Ceremony</td>
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<tr>
<td>December 5, 2017</td>
<td>London, U.K.</td>
<td>Attend and deliver keynote address at the LawWorks Annual Pro-Bono Awards 2017 Ceremony</td>
</tr>
<tr>
<td>December 7-8, 2017</td>
<td>Miami, FL</td>
<td>Participate in the “Hot Topics in Class Action and Mass Torts” panel, at the University of Miami School of Law Class Action &amp; Complex Litigation Forum</td>
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January 4, 2018  
San Diego, CA  
Attend the 112th Association of American Law Schools (AALS) Annual Meeting and Steering Committee Luncheon

January 10-12, 2018  
Hanoi, Vietnam  
Attend and participate in the ABA – ROLI Vietnam Lawyer Exchange and Training Program

January 18-20, 2018  
Honolulu, HI  
Attend and participate in the 2018 Section of Litigation Winter Leadership Meeting

January 24, 2018  
New York, NY  
Attend and participate in the New York State Bar Association 141st Annual Meeting

January 24, 2018  
Henderson, NV  
Attend and deliver remarks at the Conference of Chief Justices Midyear Meeting

January 31-February 6, 2018  
Vancouver, Canada  
Participate in the ABA 2018 Midyear Meeting

Approximate percentage spent in travel budget as of September 15, 2017: 2.6%
TO: Board of Governors
FROM: Robert M. Carlson
DATE: September 15, 2017
SUBJECT: Report of the President-Elect

August 30 – September 1, 2017, Chicago, IL

• Met with Public Education staff regarding Law Day
• Met with Deputy Executive Director Jim Dimos, Chief Marketing Officer Michael Kreisberg, and Membership Director Paula Cleave regarding OneABA
• Met with Office of the President staff Katy Englehart and Danielle Norwood regarding Presidential Appointments Committee
• Met with Division of Bar Services staff and attended retirement party for Roseanne Lucianek
• Met with Associate Executive Director Alpha Brady
• Met with Office of the President staff Andre Burke and Sarah Vetrano regarding scheduling
• Attended and gave brief remarks at Center for Innovation Boot Camp luncheon

September 05, 2017, Butte, MT

• Participated in Section Officers Conference plenary session preparatory conference call with SOC chair Michael Bergmann and ABA treasurer Michelle Behnke

September 6 – 8, 2017, Santa Barbara, CA

• Attended GP Solo & Small Firm Division Leadership Planning Meeting
• Participated in Executive Committee conference call regarding realignment and consideration of an amicus brief request involving the executive order travel ban to be heard by the U.S. Supreme Court
September 10 – 15, 2017, Chicago, IL

- Met with Marty Balogh
- Met with Jack Rives
- Attended ABA Journal Board of Editors meeting and events
- Met with CuroLegal’s Chad Burton, Innovation Center director Janet Jackson, and Jim Dimos regarding ABA Blueprint
- Met with Law Practice Division chair-elect Katy Goshtasbi
- Met individually with officers of Section of Litigation; GPSolo, TIPS, and SciTech
- Attended Section Officers Conference events
- Delivered remarks at Business Law Section Council meeting
- Attended ABA Blueprint discussion with Chad Burton, Jim Dimos, and section leaders and staff
- Participated in Q and A plenary session with Michael Bergmann and Michelle Behnke

September 20 – 22, 2017, Butte MT

- Spoke at professionalism CLE at State Bar of Montana Annual Meeting


- Attended meeting with Pew Trusts representatives
- Participated in reports from marketing agency RFP finalists
- Met with CMR staff
- Met with GAO staff

October 3, 2017, Butte, MT

- Delivered remarks at Butte Exchange Club

October 12 – 14, 2017, Chicago, IL

- Attended Standing Committee on Public Education meeting

October 18 – 20, 2017, Miami, FL

- Attended ABA Board of Governors Fall Meeting
My upcoming meetings and activities scheduled to date:

October 21, 2017  Memphis, TN  Southern Conference of Bar Presidents Meeting
October 24-25, 2017  Miami, FL  Section of International Law Fall Meeting
October 25-26, 2017  Toronto, ON  UIA 61st Annual Congress
October 26-29, 2017  Newport, RI  ABE Fall Board of Directors Meeting
November 1-4, 2017  Harlingen, TX  Commission on Immigration US-Mexico border tour and visit with ProBAR
November 6-8, 2017  Cambridge, MA  National Summit on Achieving Long-Term Careers for Women in Law, co-sponsored by ABA and Harvard Law School
November 14, 2017  New York, NY  New York ABF Fellows reception
November 15-17, 2017  Philadelphia, PA  Women in Litigation Joint Conference, sponsored by ABA Section of Litigation
January 2-4, 2018  Miami, FL  Journal Board of Editors Winter Meeting
January 7-15, 2018  Hanoi, Vietnam  Vietnam Lawyer Exchange and Training Program
January 31-February 5, 2018  Vancouver, BC  ABA Midyear Meeting

Approximate percentage spent in travel budget as of September 15: 15%
MEMORANDUM

To: Members of the Board of Governors

From: Deborah Enix-Ross, Chair of the House of Delegates

Subject: Report of the Chair of the House of Delegates

Date: September 18, 2017

My activities since my July 2017 report include:

**ACTIVITIES AND EVENTS**

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
<th>Location</th>
</tr>
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<tbody>
<tr>
<td>July 25</td>
<td>Section Officers Conference Delegates Call</td>
<td>Telephonic</td>
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<tr>
<td>August 1</td>
<td>ABA Media Training</td>
<td>Telephonic</td>
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<tr>
<td>August 3</td>
<td>BOG Executive Committee</td>
<td>Telephonic</td>
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<tr>
<td>August 9-11</td>
<td>Board of Governors Meeting</td>
<td>New York</td>
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<tr>
<td>August 12-13</td>
<td>Annual Meeting</td>
<td>New York</td>
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<tr>
<td>August 14-15</td>
<td>House of Delegates Meeting</td>
<td>New York</td>
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<tr>
<td>August 15</td>
<td>Board of Governors Meeting</td>
<td>New York</td>
</tr>
<tr>
<td>September 7</td>
<td>Board of Governors Executive Committee</td>
<td>Telephonic</td>
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<tr>
<td>September 11-13</td>
<td>ABA Journal Board of Editors Fall Meeting</td>
<td>Chicago</td>
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<tr>
<td>September 13-15</td>
<td>Section Officers Conference Fall Meeting</td>
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</tr>
</tbody>
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**UPCOMING ACTIVITIES AND EVENTS**

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<td>Board of Governors Fall Meeting</td>
<td>Miami</td>
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<tr>
<td>October 25-28</td>
<td>Section of International Law Fall Meeting</td>
<td>Miami</td>
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<tr>
<td>October 28</td>
<td>Committee on Scope and Correlation of Work Fall Meeting</td>
<td>Chicago</td>
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<tr>
<td>November 7-8</td>
<td>National Summit on Achieving Long-Term Careers for Women in Law</td>
<td>Cambridge, MA</td>
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<tr>
<td>November 30-December 2</td>
<td>Rules &amp; Calendar Committee Meeting</td>
<td>Orlando</td>
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</tbody>
</table>
TO: Board of Governors
FROM: Linda A. Klein
DATE: September 15, 2017
SUBJECT: Report of the Immediate Past President

My activities since the last report from the Annual Meeting are as follows:

August 28, 2017, Minneapolis, MN

• Did interview with Metropolitan Corporate Counsel Magazine regarding Annual Meeting

September 1, 2017, Atlanta, GA

• Participated in call with National Federation for the Blind campaign for blind youth

September 7-9, 2017, Kansas City, MO

• Delivered remarks at Hispanic National Bar Association Annual Meeting Latina Commission Awards luncheon

September 13, 2017, Atlanta, GA

• Participated in Veterans Pro Bono Appellate Court Training

September 13, 2017, Atlanta, GA

• Delivered remarks at Savills Studley networking event

September 14, 2017, Atlanta, GA

• Participated in meeting to plan civil right attorneys’ exhibit for public education about the important role lawyers played in civil rights
September 19, 2017, Atlanta, GA

- Attended Southface Visionary dinner

September 19 - 24, Lincoln, England

- Attended dinner marking 800th anniversary of the Charter of the Forest
- Attended event at Lincoln Cathedral
- Attended lunch with the Dean

September 27, 2017, New York, NY

- Delivered remarks and moderated a panel at Fordham Law School’s program on the 25th Amendment and Presidential Succession

September 28, 2017, Memphis, TN

- Received Lewie Donelson Award for service to the profession and to the public

October 04, 2017, Washington, DC

- Attended the Veterans Consortium’s Silver Anniversary Dinner and Awards Banquet

October 04 - 06, 2017, Boston, MA

- Attended Forum on Construction Law Fall Meeting

October 13, 2017, Atlanta, GA

- Delivered remarks at National Association of Women Judges Conference breakfast
- Received the Florence K Murray Award given to a lawyer who "sets an example," has helped protect the independence of the judiciary, and has opened doors for or otherwise encouraged women to pursue careers as judges
October 14, 2017, New Brunswick, NJ

- Delivered remarks at New Jersey State Bar Association Military Law and Veteran Affairs Section Symposium

October 17, 2017, Atlanta, GA

- Attended Leadership Character Awards

October 18 – 20, 2017, Miami, FL

- Attended ABA Board of Governors Fall Meeting

My upcoming meetings and activities scheduled to date:

<table>
<thead>
<tr>
<th>Date</th>
<th>Location</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 25, 2017</td>
<td>Atlanta, GA</td>
<td>On Board Planning Conference (Diversity on Corporate Boards)</td>
</tr>
<tr>
<td>October 26, 2017</td>
<td>Atlanta, GA</td>
<td>College of Law Practice Management Future Conference</td>
</tr>
<tr>
<td>November 6-7, 2017</td>
<td>Cambridge, MA</td>
<td>National Summit on Achieving Long-Term Careers for Women in Law, co-sponsored by ABA and Harvard Law School</td>
</tr>
<tr>
<td>November 10, 2017</td>
<td>Atlanta, GA</td>
<td>Partnership Against Domestic Violence luncheon</td>
</tr>
<tr>
<td>December 6, 2017</td>
<td>Marietta, GA</td>
<td>Rotary Club</td>
</tr>
<tr>
<td>January 31-February 5, 2018</td>
<td>Vancouver, BC</td>
<td>ABA Midyear Meeting</td>
</tr>
</tbody>
</table>

Approximate percentage spent in travel budget as of September 15: 1.9%


Executive Director Jack L. Rives and the following management staff also attended: Elizabeth Andersen, Martin D. Balogh, Alpha M. Brady, Holly Cook, Barry Currier, James Dimos, H. Maria Enright, Michael Kreisberg, William K. Phelan, Jarisse J. Sanborn, Carol Stevens, and Thomas M. Susman.

President Klein called the meeting to order and welcomed the members of the Board and Association staff.

1. **REPORTS OF OFFICERS AND THE EXECUTIVE DIRECTOR**

1.1 The Board received the written report of President Linda A. Klein. She informed the Board that 942 non-ABA members are participating in the 2017 Annual Meeting because of its new structure. She thanked Frank Valdez and Howard Kaplan, ABA Public Education Director and Associate Director, for coordinating the legal services card and noted that this year, the ABA has given special attention to the Silver Gavel Award and to the Legal Services Corporation. She informed the Board that she met with representatives from Homeland Security. The ABA Veterans Legal Services Initiative is continuing to work and provide substantive services to veterans and their families. The law firm of Ropes and Gray received a Presidential Citation for its pro bono service regarding the federal Public Service Loan Forgiveness (PSLF) program which effected some ABA staff members.

1.2 President-Elect Hilarie Bass referred the Board to her written report of activities. She thanked the Board for agreeing to meet on Tuesday, August 15, after the House of Delegates meeting adjourned. She informed the Board that a settlement agreement between the ABA and
the American Bar Endowment had been achieved. G. Nicholas Casey, Jr. will chair the group
considering follow up items regarding ABA and JFE.

1.3 Chair of the House of Delegates (“House”) Deborah Enix-Ross referred the Board to her
written report of activities. Chair Enix-Ross reported that at the 2017 Annual Meeting, the House
will hear from President Klein on Monday at 10:30 a.m., Judge Sukru Say of Istanbul at 11:55
a.m., and that the gavel will be passed at 3:00 p.m. She encouraged Board members to attend
the ABA Rule of Law Luncheon. The Issues of Concern to the Profession will conduct a panel
discussion *Lawyers as Heroes: What Does It Mean to be a Lawyer-Hero in 2017?* She informed
the Board that it was anticipated that two Resolutions with Reports would be withdrawn and that
the House of Delegates meeting would conclude by 12:00 p.m. on Tuesday, August 15.

1.4 The Board received the written report of Immediate Past President Paulette Brown. She
reported on continued traction with Resolution 113 adopted at the 2016 Annual Meeting, which
urges all providers of legal services, including law firms and corporations, to expand and create
opportunities at all levels of responsibility for diverse attorneys seventy-five Generals Counsel of
law firms have committed to and are spending more legal dollars to increase racial and ethnic
diversity.

1.5a Mary T. Torres, ABA Secretary, presented for approval the minutes of the Board’s June
9-10, 2017, meeting in Detroit, Michigan.

**UPON MOTION DULY MADE, SECONDED AND CARRIED:**

The Board approved the minutes of its June 9-10, 2017, meeting in Detroit, Michigan.

1.5b The Board received the minutes of the Executive Committee’s meetings on May 30, June
8, and June 30, 2017 (email ballot).

1.5c The Secretary presented and the Board received the Report on the Exercise of Blanket
Authority that summarized the requests for blanket authority received since the Board’s meeting
in June 2017.

1.5d The Secretary presented and the Board received a report that summarized the Technical
Comment requests submitted pursuant to the Blanket Authority Procedure through July 14, 2017,
of the 2016-2017 Association Year.

1.5e Continuation of Board Entities

The Secretary presented a list of Board entities to be continued and a list of entities that have
completed their tasks and should be discontinued.

**UPON MOTION DULY MADE, SECONDED AND CARRIED:**

The following entities created by the Board may be discontinued because they have
completed their tasks:
Emerging Member Benefits, Working Group on
International Trade in Legal Services, Task Force on*
Lawyer’s Role in Assuring Every Child’s Right to High-Quality
Education, Commission on

* House of Delegates approved the request to become a Standing Committee.

The following entities should be continued, as their assignments are ongoing:

ABA/BNA Editorial Board
ABA Legal Education Opportunity Scholarship Committee
ABA Legal Education Opportunity Scholarship Fundraising Committee
AEFC Pension Plan Administration Committee
Council of the Fund for Justice and Education
Cybersecurity Legal Task Force
Future of Legal Education, Commission on
Gatekeeper Regulation and the Profession, Task Force on
Thrift Plan Administration Committee
Veterans Legal Services, Commission on

1.5f Continuation of Special Committees and Commissions

The Board was provided with a list of special committees and commissions that will be recommended to the House of Delegates for continuation and discontinuation. The Bylaws provide that special committees and commissions terminate upon the adjournment of the first annual meeting after their creation unless they are continued by the House. The list will be included with the Board’s Transmittal Report to the House, Report 177A. Copies of Report 177A are available from the Division for Policy and Planning.

UPON MOTION DULY MADE, SECONDED AND CARRIED:

The Board approved the recommendation to the House of Delegates regarding the continuation and discontinuation of special committees and commissions.

1.5g Fund for Justice and Education

The Board, sitting as members of the Board of the American Bar Association Fund for Justice and Education (“ABA/FJE”) performed the following: a) approved the minutes of the June 9, 2017 meeting of the ABA/FJE Board as presented; and b) accepted the ABA/FJE restricted grants and contributions received or awarded through June 30, 2017, and not previously reported, as requested by the Association’s Financial Services Division.
1.5.h Requests for Adoption of Memorial Resolution for Past President David R. Brink and former Board Member J.D. Fleming Jr.

The Board passed a memorial resolution recognizing David R. Brink, Past President of the ABA, who passed July 20, 2017 at the age of 97. Mr. Brink began serving in the ABA House of Delegates in 1968 as a delegate from the Hennepin County Bar Association, served on the ABA Board of Governors from 1974-1977, and as ABA President from 1981-1982. He remained in the House of Delegates as Former President until his death. He was preceded in death by his wife Irma Lorentz Brink and is survived by four children and eight grandchildren.

**UPON MOTION DULY MADE, SECONDED AND CARRIED:**

**BE IT RESOLVED, THEREFORE,** That the Board of Governors of the American Bar Association, meeting on the eleventh day of August 2017 in New York, New York, recognizes the accomplishments, standards and achievements of David R. Brink and extends its deepest sympathy to his family.

The Board passed a memorial resolution recognizing J.D. Fleming, Jr., a former Board member of who passed away on July 29, 2017 at the age of 83. Mr. Fleming served on the ABA Board of Governors from 1994 to 1997 and served as Chair of the Section of Science and Technology Law from 1985 to 1986. His daughter, Julie Fleming, is currently the Secretary of the Section of Science and Technology Law and will serve as Vice-Chair in 2017-2018.

**UPON MOTION DULY MADE, SECONDED AND CARRIED:**

**BE IT RESOLVED, THEREFORE,** That the Board of Governors of the American Bar Association, meeting on the eleventh day of August 2017 in New York, New York, recognizes the accomplishments, standards and achievements of J.D. Fleming Jr. and extends its deepest sympathy to his family.

1.6 The Board received the written report of ABA Treasurer G. Nicholas Casey, Jr. Mr. Casey reported that on a consolidated basis, net operating revenue under expenses resulted in a $1.1 million deficit. This deficit by segment consists of a $2.7 million deficit from general operations and a $0.9 million deficit from sections, partially offset by a $2.2 million surplus from grants and a $0.2 million surplus from gifts. There are unbudgeted expenses in general operations of $1.9 million, not offset by reserve/revenue, that include items associated with staff reductions and a new state law requiring payment of administrative leave balances at employee termination. Projected annual amount of unbudgeted expenses, not offset by reserves/revenue, is expected to be approximately $2.3 million. Consolidated operating revenue through June 30, 2017 was $173.8 million, which was $4.7 million below budget. Revenue budget variances are primarily due to unfavorability in general operations of $3.1 million, sections of $0.8 million, and grants of $0.5 million. Consolidated operating expense of $174.9 million was $7.4 million favorable to budget, and $2.8 million favorable to the prior year. While the ABA has assets of $338.9 million, it has significant liabilities totaling $175.0 million, leaving the ABA with total net assets of $163.9 million. Mr. Casey reported that the Finance Committee and the Board had successfully completed its budgetary task and ABA staff has prepared a balanced general operations budget for FY 2018 which only relies upon the designated 3.5% of funding from the investment portfolio, plus 0.2% related to website costs which were previously approved by the Board. He stressed that in the future, the ABA must continue to live within its means, prioritizing activities and resources, and
responsibly using its investments. Finally, he stated that it was an honor to serve as the ABA Treasurer for the past three years.

1.7 The Board received the written report of ABA Executive Director Jack L. Rives. Mr. Rives commended the Board on its work developing the FY2018 budget. He reported that the staff supported by general operations is being reviewed, and has already been significantly reduced. ABA Publishing has exceeded its profit goal and has reduced its expenses by more than $2 million. The law school recruiting initiative has been successful but the ABA needs to provide value to law school students to maintain the student’s membership when they enter the workforce. He informed the Board that the Center for Human Rights will be under the direction of Elizabeth Andersen, Associate Executive Director of ABA Rule of Law Initiative.

2. **MATTERS FOR DIRECT BOARD ACTION**

2.1 **Consideration of House Reports**

The Board did not discuss or take action on any Resolutions with Reports submitted to the House of Delegates for the 2017 Annual Meeting.

2.2 **Reports from Committee Chairs**

The Board received reports regarding the work of the Board Committees from Alan Van Etten, Chair of the Member Services Committee; Ruthe Catolico Ashley, Chair of the Public Service and Diversity Committee; Pamela A. Bresnahan, Chair of the Improving the Profession Committee; and G. Nicholas Casey, Jr., Chair of the Finance and Internal Operations Committee.

**Public Service and Diversity Committee**

Chair Ashley reported that the Committee recommended approval of the request to amend the jurisdictional statement of the Diversity and Inclusion Center and the Advisory Council.

**Improving the Profession Committee**

Chair Bresnahan highlighted the modified draft of the ABA Strategic Plan. She reported that the Improving the Profession Committee streamlined the co-sponsorship and nomination processes.

**Finance and Internal Operations Committee**

Treasurer Casey thanked the Finance and Internal Operations Committee and the Subcommittee on Investments for their hard work. He informed the Board that the ABA Chicago headquarters lease negotiation is complete.

**Member Services Committee**

Chair Van Etten reported that the Member Services Committee recommended approval of the request regarding normalization of Section/Division/Forum funding and the request to expand the Executive Committee for 2017-2018.
2.3 ABA Retirement Funds

The Board received a report from Allan J. Tanenbaum, President; Greg Martin, Vice-President; and Scarlett Ungurean, Executive Director; of the ABA Retirement Funds (ABA RF). Mr. Tanenbaum reminded the Board that the ABA RF was established by the Board in 1963 to serve the retirement needs of the legal community. The program provides a stable, comprehensive retirement solution to lawyers in firms of all sizes. With over 3,900 law firm plans, almost 37,000 participants and combined assets of over $5.7 billion, the program endeavors to efficiently utilize the combined buying power of participating firms and plans, allowing it to charge competitive fees.

Mr. Tanenbaum requested the election of three candidates to the ABA Retirement Funds Board of Directors: JoAnne A. Epps of Philadelphia, Pennsylvania for a first four-year term (2017-2021); and for second four-year terms, James R. Raborn of Houston, Texas and Alan K. Kopit of Cleveland, Ohio (2017-2021).

UPON MOTION DULY MADE, SECONDED AND CARRIED:

The Board, sitting as members of the ABA Retirement Funds, elected JoAnne A. Epps of Philadelphia, Pennsylvania for a first four-year term (2017-2021); and for second four-year terms, James R. Raborn of Houston, Texas and Alan K. Kopit of Cleveland, Ohio (2017-2021).

2.4 American Bar Foundation

The Board received a report from Ellen J. Flannery, President of the American Bar Foundation (ABF) and Ajay K. Mehrotra, Executive Director of the ABF. Ms. Flannery informed the Board that the ABF is one of the world’s leading empirical and interdisciplinary research organizations focusing on law, legal institutions, and legal processes. It is able to conduct and disseminate its innovative and influential research and programming thanks to the generous financial support of the American Bar Endowment (ABE), the Fellows of the American Bar Fellows (ABF), and third-party grantors. The ABE grant currently provides roughly fifty percent of the annual revenue, and thus that grant is critical to ABE’s ability to carry out the ABF’s mission. Over the last year, the ABF faculty, staff, and Board of Directors have been collaborating on a new strategic plan. At its most recent board meeting, the ABF Board approved two portions of the plan: (1) a new mission statement, and (2) a new framework for current and future ABF research.

The new mission statement is: The American Bar Foundation (ABF) seeks to expand knowledge and advance justice through innovative, interdisciplinary, and rigorous empirical research on law, legal processes, and legal institutions. To further this mission the ABF will produce timely, cutting-edge research of the highest quality to inform and guide the legal profession, the academy, and society in the United States and internationally.

In the past year, the ABF has undergone several significant changes to its operational structure. The ABF board, faculty, and staff have collaborated on a revised mission statement and research framework as part of a new multi-year strategic plan. Although other elements of the plan are still in progress, the adoption of a new research framework complies with the ABF Board’s recommendation to create a multi-year research plan.
2.5 National Judicial College

The Board, sitting as the Members of the National Judicial College (NJC), received a report from Benes Z. Aldana, President of the NJC. President Aldana stated that the NJC was founded by the ABA which has been a sustaining partner, and that the NJC is the largest institution for judicial education. Its programs usually last one or two weeks and educates state, local, administrative and tribal judges. The NJC provides a scholarship to a member of the ABA Judicial Division. He expressed his appreciation of the support the NJC receives from the ABA and encouraged Board members to attend the Judicial Division Lifetime Achievement Award ceremony being held at the 2017 Annual Meeting.

2.6 Report from Board Governance Committee

The Board received a report from Mary T. Torres, Chair of the Board Governance Committee, and Allen C. Goolsby, Special Advisor to the Board of Governors, regarding Board evaluations. Ms. Torres stated that the overall assessment of the past Board year was positive. She highlighted the comments regarding the size of the Board, the process of selecting the Board members, annual rotation of a third of the Board, and that the President serves only one year. She noted that comments received on the survey noted that a follow-up orientation might be useful. Mr. Goolsby noted that in this rapidly changing environment, the ABA needs to focus on the younger generation.

2.7 Consent Calendar

The Board approved the Consent Calendar as presented by the Secretary. Action on all items contained on the Consent Calendar is set forth below in items 3 through 6 relating to the reports of the Board Committees.

2.8 Request to Approve ABA Strategic Plan

The Board received a report from A. Vincent Buzard, Chair, Subcommittee on ABA Strategic Planning. At the February 2017 meeting of the ABA Board of Governors, President Klein asked the Improving the Profession Committee to draft a Strategic Plan for presentation to the Board at its June 2017 meeting and for adoption at the August 2017 meeting. In developing the ABA Strategic Plan, the Subcommittee reviewed past ABA strategic plans and the strategic plans of other organizations, including state bar associations. The draft Strategic Plan is the result of previous Board discussions, the Subcommittee’s own ideas and experience, guidelines recently adopted by the Board, as well as the comments received. The Strategic Plan identifies objectives and the strategies to implement those objectives, most of which can be undertaken immediately.

After further discussion, and

UPON MOTION DULY MADE, SECONDED AND CARRIED:

The Board accepted the ABA Strategic Plan as drafted with understanding that it will be submitted to the Section Officers Conference and the Board of Governors for final consideration at the October 2017 or February 2018 meeting, whichever is most practical.
2.9 Report from Standing Committee on Audit

The Board received a report from Alice E. Richmond, Chair of the Standing Committee on Audit. Ms. Richmond reported that as explained at the June 2017 Board of Governors meeting, the finalization of the proposed FY2017-2018 Internal Audit Plan was delayed primarily because of substantial reductions to the Internal Audit staff and the distribution of the Audit Committee risk assessment survey to all members of the Board. The report highlights the following: 1) Field Cash Advances (ROLI); 2) ROLI Bid Compliance; 3) IT General and Application Controls; 4) ABA Publishing (Author Contracting and Licensing/Royalty Administration) Rationale; and 5) Contingent hours reserved for supervision of IT audit project work.

2.10 ABA CEELI, Inc.

The Board, sitting as members of CEELI, Inc., elected Hilarie Bass, Robert M. Carlson, and Mary L. Smith as directors.

2.11 Update Regarding OneABA

The Board received a report from Tracy A. Giles, Chair of the Standing Committee on Membership (SCOM) James Dimos, ABA Deputy Executive Director, and Michael Kreisberg, Chief Membership Officer. The Board authorized Professor J.P. Dube, a Ph.D. Economist at the University of Chicago who previously worked with the ABA in 2009, to conduct a dues pricing study. Dr. Dube is a renowned pricing expert and was asked to provide input regarding the appropriate membership price point and dues structure in each category, to maximize revenue. Dr. Dube stated that to increase demand on ABA membership, the ABA must scale back substantially on the price axis to be higher on the demand curve. Mr. Giles suggested that the ABA not only reduce its membership price but also must enhance the value feature. SCOM is requesting that a marketing firm be retained to conduct a marketing assessment and to begin to develop a marketing strategy and plan as that is a critical element to evaluate the overall OneABA approach. This information will be used for the ABA regardless of what is eventually decided regarding membership efforts.

2.12 Introduction of New Board Members

The members of the incoming Board class of 2017-2020 were introduced by outgoing Board members of class 2014-2017.

INFORMATIONAL REPORTS

2.25 ABA Journal Board of Editors Report of Proceedings

The Board received a written report from the ABA Journal Board of Editors regarding the work of the ABA Journal Board of Editors and the Standing Committee on Publishing Oversight.

Additional Report

Scott C. LaBarre commended the ABA on being awarded the National Federation of the Blind Award and thanked President Klein and staff for its support.
A. MATTERS FOR REVIEW BY THE BOARD

3.1 Requests to Amend Bylaws

a. The Section of Family Law requested approval to amend its bylaws to direct the Chair of the Section to implement the goals of the Section in accordance with their Strategic Plan; eliminate the duty of the Vice-Chair to make an appointment to the Long Range Planning Committee; reduce the size of the Council from 9 to 6 at-large members, to be done over a period of 3 years; eliminate the Scope and Correlation Committee and replace it with the Strategic Planning Committee; eliminate the Long Range Planning Committee; and reduce the number of at-large Council positions from 3 to 2 that are elected at the Annual Meeting.

UPON MOTION DULY MADE, SECONDED AND CARRIED:

The Board approved the request of the Section of Family Law to amend its bylaws to direct the Chair of the Section to implement the goals of the Section in accordance with their Strategic Plan; eliminate the duty of the Vice-Chair to make an appointment to the Long Range Planning Committee; reduce the size of the Council from 9 to 6 at-large members, to be done over a period of 3 years; eliminate the Scope and Correlation Committee and replace it with the Strategic Planning Committee; eliminate the Long Range Planning Committee; and reduce the number of at-large Council positions from 3 to 2 that are elected at the Annual Meeting.

b. The Law Practice Division requested approval to amend its bylaws to correct the inadvertent omission of the word “telephonically” in two places within the Division’s by-laws when addressing Section Council meeting attendance requirements and delete the language addressing the employment of Division staff or outside support.

UPON MOTION DULY MADE, SECONDED AND CARRIED:

The Board approved the request of the Law Practice Division to amend its bylaws to correct the inadvertent omission of the word “telephonically” in two places within the Division’s by-laws when addressing Section Council meeting attendance requirements and to delete the language addressing the employment of Division staff or outside support.

3.2 Request from American Bar Endowment for Exception to ABA Email Policy

The Board of Directors of the American Bar Endowment (“ABE”) requested approval for an exception to the email policy in the ABA Policy and Procedures Handbook, which would allow ABE to promote its plans to ABE’s members using the ABA’s email address lists from September 1, 2017 to August 31, 2018.

UPON MOTION DULY MADE, SECONDED AND CARRIED:

The Board approved the request to grant the ABE an exception to the email policy in the ABA Policy and Procedures Handbook, which would allow ABE to promote
its plans to ABE’s members via the ABA’s email distribution system from September 1, 2017 to August 31, 2018. ABE’s use of the ABA’s email services will remain subject to approval of the Member Services Committee and must comply with current ABA policies and procedures on email marketing as determined by the Executive Director. ABE has no right to use ABA email address information other than via the ABA’s email distribution system. ABE will reimburse ABA for these services.

3.3 Request Regarding Normalization of Section/Division/Forum Funding

The Member Services Committee requested approval of a normalization formula for Sections, Divisions, and Forums (“S/D/F”) General Revenue funding. The Board will annually establish the total amount of general revenue funds to be distributed to section entities (the “General Revenue Pool”) that will be a clear line item in the budget and will discontinue the “allocation offset by holdback” model currently in use where general revenue funds are allocated to an entity and the entity “gives back” a certain percentage to general revenue. The General Revenue Pool would be divided among the participating S/D/F entities in a manner prescribed by the Board of Governors (“Allocation Criteria”). This new model will be implemented for FY2019. Each entity included in normalization will receive a fixed amount of General Revenue support in the amount of $225,000. Entities included in normalization will have the opportunity to increase their amount of General Revenue support as the result of success in recruiting and retaining dues paying members to the Association and its entities. The count includes ABA dues paying lawyer and international associate members. The amount per dues paying member will vary each year based upon the General Revenue Pool and the number of dues paying members. In an accompanying illustration, the number is $8.25 per dues paying member. Given their unique nature, three Sections (Civil Rights and Social Justice, Legal Education and Admissions to the Bar, and Taxation) will be excluded from normalization. In addition, the Divisions also will be excluded. The Forums are included in normalization but treated as a single entity. The application of the formulaic approach will be transitioned over two years.

UPON MOTION DULY MADE, SECONDED AND CARRIED:

The Board approved the request of the Member Services Committee for a normalization formula for Sections, Divisions, and Forums General Revenue funding to be transitioned over two years.

3.4 Requests from Forum on Construction Law to Enter Into Expression of Mutual Interest Agreement/Memorandum of Understanding

The Forum on Construction Law requested approval to enter into the following Expression of Mutual Interest Agreement and Memorandum of Understanding:

a. Construction Manager’s Association of America

The Construction Manager’s Association of America (“CMAA”) promotes the profession of Construction Management and the use of qualified Construction Managers on capital projects and programs. As the country’s largest organization of construction lawyers, the Forum on Construction Law (“Forum”) serves the design and construction industry on many fronts based on
the Forum’s mission of building the best construction lawyers. Both organizations believe that collaboration will benefit each organization’s membership and the construction industry at large.

UPON MOTION DULY MADE, SECONDED AND CARRIED:

The Board approved the request of the Forum on Construction Law to enter into an Expression of Mutual Interest Agreement with the Construction Manager's Association of America, subject to review and approval of the Agreement by the ABA Office of General Counsel and signed copies provided to the Policy and Planning Division.

b. Associated General Contractors of America

The Associated General Contractors of America (“AGC”) is the leading association for the construction industry. AGC represents more than 26,000 firms, including over 6,500 of America’s leading general contractors, and over 9,000 specialty-contracting firms. AGC publishes a periodically updated “State Law Matrix” of construction law issues covering all 50 states, the District of Columbia and Puerto Rico, available for a fee to the public and AGC members and to AGC national and chapter staff for free. AGC will work with the Forum on an on-going basis to update the legal research in the State Law Matrix and the Forum will collaborate with AGC to provide all support for the legal research, drafting and final content to update the State Law Matrix for the benefit of their respective memberships and the architecture, engineering, and construction industry at-large.

UPON MOTION DULY MADE, SECONDED AND CARRIED:

The Board approved the request of the Forum on Construction Law to enter into a Memorandum of Understanding with the Associated General Contractors of America, subject to review and approval of the Memorandum of Understanding by the ABA Office of General Counsel and signed copies provided to the Policy and Planning Division.

3.5 Request for Expansion of Executive Committee

President-Elect Hilarie Bass requested that the jurisdictional statement of the Executive Committee be amended to expand its size to include a representative from each of the three Board classes, effective at the conclusion of the 2017 Annual Meeting. Each year, the president-elect would identify a member from each class to serve for a one-year term on the Executive Committee. These three voting members would be in addition to the current composition of the Executive Committee which includes the President, President-Elect, Chair of the House of Delegates, Secretary, Treasurer and chairs of the Member Services, Finance, and Profession, Public Service and Diversity committees.

UPON MOTION DULY MADE, SECONDED AND CARRIED:

The Board approved the request of President-Elect Hilarie Bass to amend the jurisdictional statement of the Executive Committee to expand its size for 2017-2018 to include a representative from each of the three Board classes appointed by President-Elect Bass.
3.6 Request from President-Elect Hilarie Bass to Continue Special Advisor to A-E-F-C Pension Plan Administration Committee

President-Elect Hilarie Bass requested approval to continue Timothy Bouch of South Carolina as special advisor to the A-E-F-C Pension Plan Administration Committee for 2017-2018.

UPON MOTION DULY MADE, SECONDED AND CARRIED:

The Board approved the request of President-Elect Hilarie Bass to continue Timothy Bouch of South Carolina as special advisor to the A-E-F-C Pension Plan Administration Committee for 2017-2018.

3.7 Request from Standing Committee on Publishing Oversight to Terminate Agreement Regarding ABA Library at Northwestern University Library

The Standing Committee on Publishing Oversight requested approval to terminate the agreement regarding the ABA Library at Northwestern University Pritzker School of Law Library. In 1983, the ABA entered into an agreement with Northwestern University Pritzker School of Law Library to maintain the ABA archival collection of publications. For many years it has been used as a foundation for outstanding research utilized by students and those practicing in the legal profession. As both the ABA and the publishing industry overall have undergone significant changes since the original agreement was signed nearly 35 years ago, the ABA has been forced to analyze and reconsider the benefit and return on investment associated with maintaining this library at the current rate of $30,000 annually. This decision comes at a time when the ABA is facing financial challenges and is seeking reductions to its existing operating expense structure. As this relationship does not bring any revenue to the ABA and the most recent ABA Publications are all available in both print and digital formats through many channels, the Standing Committee on Publishing Oversight recommended that the ABA terminate the relationship with Northwestern University Pritzker School of Law Library.

UPON MOTION DULY MADE, SECONDED AND CARRIED:

The Board approved the request of the Standing Committee on Publishing Oversight to terminate the ABA’s agreement with the ABA Library at Northwestern University Pritzker School of Law Library, subject to evaluation of what is archived and how to preserve it, if appropriate.

PUBLIC SERVICE AND DIVERSITY

A. MATTERS FOR REVIEW BY THE BOARD

4.1 Request from Forum on Entertainment and Sports Industries to Create Student Writing Competition

The Forum on Entertainment and Sports Industries ("Forum") requested approval to create an annual student writing competition for three consecutive fiscal years, 2018 through 2020. The competition is open to legal residents of the United States, who are eighteen years of age or older at the time of entry, and are enrolled as students in ABA-accredited law schools. During the Entry Period, entrants must submit an original article, not to exceed two thousand words, covering
topics that will vary from year to year. A single winner will receive: (a) free admission to the Forum’s annual conference; (b) inclusion of the submission in the written materials distributed at the Conference; (c) and publication in Entertainment and Sports Lawyer. No ABA general revenue funding is requested or required.

**UPON MOTION DULY MADE, SECONDED AND CARRIED:**

The Board approved the request of the Forum on Entertainment and Sports Industries to create an annual student writing competition for three consecutive fiscal years, 2018 through 2020, with the understanding that no ABA general funding is requested or required.

4.2 Requests from ABA Rule of Law Initiative

a. Memorandum of Understanding

The ABA Rule of Law Initiative (“ROLI”) requested approval to extend the Memorandum of Understanding (“MOU”) with the InterAction Democracy, Rights, and Governance Initiative (“Initiative”) for 2017-2018. In July 2015, the Board of Governors approved a joint request by the Governmental Affairs Office (“GAO”) and ROLI to enter into a MOU with InterAction and eight other non-governmental organizations to form the Initiative. The other members of the Initiative are the Center for International Private Enterprise (affiliated with the US Chamber of Commerce), Freedom House, the International Center for Not-for-Profit Law, Internews, the International Foundation for Election Systems, the International Republican Institute, the National Democratic Institute, and the Solidarity Center (affiliated with the AFL-CIO). Membership in the Initiative provides the ABA with access to first-rate, timely, and in-depth information and analysis on issues that are critically important to our international development mission. ROLI and GAO uses this information and leverage to advance the ABA’s advocacy. Continuing membership in the Initiative would require a $10,000 contribution from the ABA, which will be paid from ROLI Support Funds.

**UPON MOTION DULY MADE, SECONDED AND CARRIED:**

The Board approved the request of the ABA Rule of Law Initiative to extend the Memorandum of Understanding (“MOU”) with the InterAction Democracy Rights, and Governance Initiative for 2017-2018, subject to review and approval of the MOU by the ABA Office of General Counsel and a signed copy provided to the Policy and Planning Division, and approved a contribution of $10,000 which will be paid from ABA Rule of Law Initiative Support Funds.

b. Update List of Approved Countries of Operation, Donors and Thematic Program Areas

ROLI requested approval of an updated list of Approved Countries of Operation, Donors, and Thematic Program Areas, and specifically requested approval to establish a Sri Lanka entity or registered branch office.
UPON MOTION DULY MADE, SECONDED AND CARRIED:

The Board approved the request of the ABA Rule of Law Initiative to update the list of Approved Countries of Operation, Donors, and Thematic Program Areas, and specifically to establish a Sri Lanka entity or registered branch office.

4.3 Request from Commission on Lawyer Assistance Programs to Co-publish Report of National Task Force on Lawyer Well-being

The Commission on Lawyer Assistance Programs (“CoLAP”) requested approval to co-publish a report from the National Task Force on Lawyer Well-being entitled *The Path to Lawyer Well-Being: Practical Recommendations for Positive Change* and to participate in the distribution of the report. In 2015, CoLAP conducted a survey of over 3,300 law students to determine their incidence of alcohol use, substance use, mental health concerns, and help-seeking behavior. In 2016, CoLAP joined with the Hazelden Betty Ford Foundation to conduct research into these issues for lawyers. Because of CoLAP’s research, the National Task Force on Lawyer Well-being (“Task Force”) emerged in 2016 as a coalition of concerned entities both within and outside of the ABA. The Task Force has now drafted *The Path to Lawyer Well-Being: Practical Recommendations for Positive Change* in a concerted effort to address the alarming rates of alcoholism, substance use and mental health disorders among lawyers, judges and law students. After circulation and feedback, CoLAP and all other interested entities anticipate drafting policy recommendations to go before the House of Delegates.

UPON MOTION DULY MADE, SECONDED AND CARRIED:

The Board approved the request of the Commission on Lawyer Assistance Programs to co-publish a report from the National Task Force on Lawyer Well-being entitled *The Path to Lawyer Well-Being: Practical Recommendations for Positive Change* and to participate in the distribution of the report.

4.4 Reconsideration of Recommendation from Committee on Scope and Correlation of Work to Sunset Commission on American Jury

The founding and current members, former chairs, and the ABA leaders responsible for the formation of the Commission on the American Jury (“Commission”) requested that the Board reconsider the decision to adopt the recommendation of the Committee for Scope and Correlation of Work that the Commission be discontinued at the end of the 2016-2017 bar year. In 2016, the Commission launched an initiative to conduct empirical research examining the reasons for the significant decline in jury trials and citizens’ decisions not to exercise the critical right to a jury. This initiative has received financial support from the American Board of Trial Advocates. The research is currently underway and is scheduled to be presented to the Commission sometime in August. Disbanding the Commission at the conclusion of the 2016-2017 bar year creates significant challenges in realizing value from the research. The Commission requested the Board allow the Commission to continue for the 2017-2018 bar year and thereafter without ABA general revenue funding.
UPON MOTION DULY MADE, SECONDED AND CARRIED:

The Board approved the request of the Commission on American Jury to continue with the understanding that no general revenue funding is requested or required.

4.5  Request to Approve Jurisdictional Statement of Diversity and Inclusion Center

The Diversity and Inclusion Center ("Center") requested approval of the new jurisdictional statement for the Center and the Advisory Council.

UPON MOTION DULY MADE, SECONDED AND CARRIED:

The Board approved the request of the Diversity and Inclusion Center ("Center") and the Advisory Council of the new jurisdictional statement for the Center and the Advisory Council as revised.

4.6  Request from President-Elect Hilarie Bass to Create ABA Working Group to Advance Wellbeing in the Legal Profession

President-Elect Hilarie Bass requested the creation of an ABA Working Group to Advance Wellbeing in the Legal Profession to examine and make recommendations regarding the high rate of depression, suicide and addiction among lawyers. The Working Group will have up to 10 members, including a chair, and may include non-lawyer experts. Members will include representatives from state COLAPs, law firms and malpractice insurance carriers. It will develop policy resolutions for consideration by the House of Delegates during the 2018 Midyear Meeting, and may convene a conference of stakeholders in spring 2018 to assist in the implementation of recommendations considered by the House. No ABA general revenue is requested or required.

UPON MOTION DULY MADE, SECONDED AND CARRIED:

The Board approved the request of President-Elect Hilarie Bass to create ABA Working Group to Advance Wellbeing in the Legal Profession, to examine and make recommendations regarding the high rate of depression, suicide and addiction among lawyers, with the understanding that no general revenue funding is requested or required.

MATTERS OF INDEPENDENT JURISDICTION

4.22  Report Regarding Compliance with Federal Corrupt Practices Act

At its June 2017 meeting, the Board of Governors recommended the ABA Office of General Counsel ("GCO") and the Chair of the Standing Committee on Audit report to the Public Service and Diversity Committee at its August 2017 meeting to confirm whether the ABA is in compliance with the Foreign Corrupt Practices Act ("FCPA").

The General Counsel reported to the Committee that the ABA was in compliance with the FCPA and that there had been no FCPA violations since monitoring began in 2013. The report provided by the General Counsel outlined key FCPA policy provisions, reporting, training and control requirements. The report was developed in coordination with Internal Audit and the Standing
Committee on Audit. Regarding risk concerns raised by a Public Service and Diversity Committee member, the General Counsel responded that the ABA Rule of Law Initiative (“ROLI”) does evaluate risks before accepting programs but that the very nature of ROLI programming and the countries in which they operate places ABA in locations with a higher risk of encountering corruption. The General Counsel suggested the Committee may wish to make further inquiries of the ROLI Director for more specific details, but that the ABA relies on training and Country Director oversight to avoid FCPA problems. It was also suggested that if there was concern, the Board may wish to identify specific questions or criteria to be addressed by ROLI in submitting its country approval requests so the Board may consider those before they act. The Committee was advised that there are relatively few resources to be as proactive as we might like and that the ABA does not routinely travel to countries to vet FCPA concerns in advance. As needed, Internal Audit, ROLI Finance and senior management travel to countries where problems have been identified, but so far those have not implicated the FCPA. It was noted that the Internal Auditor has been called to travel on several occasions to address financial control matters that have arisen. It was determined that the Office of the General Counsel will continue to work with Committee to identify measures to help ensure that the ABA is and remains in compliance with the FCPA.

4.23 Presidential Citation

The Subcommittee on Presidential Citations approved the request of President Klein to award a Presidential Citation to the law firm of Ropes & Gray to recognize the firm’s considerable pro bono representation of the plaintiffs in American Bar Association et al v. U.S. Department of Education.

IMPROVING THE PROFESSION

A. MATTERS FOR REVIEW BY THE BOARD

5.1 Nominations

a. Board of Elections

The terms of Robert Blumberg of Coral Gables, Florida, Denley Chew of New York, New York, and Honorable Carol Hunstein of Atlanta, Georgia, expire at the conclusion of the ABA 2017 Annual Meeting. ABA President-Elect Hilarie Bass requested the following individuals to serve one-year terms beginning at the conclusion of the ABA 2017 Annual Meeting and expiring at the conclusion of the ABA 2018 Annual Meeting on the ABA Board of Elections: Honorable Jorge Labarga of Tallahassee, Florida, Chief Justice of the Supreme Court of Florida, as Chair; Honorable J. Michelle Childs of Columbia, South Carolina, and Thomas R. Curtin of Morristown, New Jersey, to serve as members.

UPON MOTION DULY MADE, SECONDED AND CARRIED:

The Board elected Honorable Jorge Labarga of Tallahassee, Florida, Chief Justice of the Supreme Court of Florida, as Chair of the Board of Elections; Honorable J. Michelle Childs of Columbia, South Carolina, and Thomas R. Curtin of Morristown, New Jersey, to serve as members for one-year terms beginning at the conclusion of the ABA 2017 Annual Meeting and expiring at the conclusion of the ABA 2018 Annual Meeting.
b. National Construction Dispute Resolution Committee of the American Arbitration Association

The Section of Litigation requested the re-election of Lawrence M. Prosen of Potomac, Maryland, as the ABA representative to the National Construction Dispute Resolution Committee of the American Arbitration Association for a three-year term beginning in November 2017 and expiring in November 2020.

**UPON MOTION DULY MADE, SECONDED AND CARRIED:**

The Board elected Lawrence M. Prosen of Potomac, Maryland, as the ABA representative to the National Construction Dispute Resolution Committee of the American Arbitration Association for a three-year term beginning in November 2017 and expiring in November 2020.

c. UIA International Association of Lawyers (3):

(i) The Section of Litigation requested the re-election of Louis F. Burke of New York, New York, as the ABA Delegate to the UIA International Association of Lawyers for a three-year term beginning October 1, 2017, and expiring at the conclusion of the UIA meeting in September or October 2020.

**UPON MOTION DULY MADE, SECONDED AND CARRIED:**

The Board re-elected Louis F. Burke of New York, New York, as the ABA Delegate to the UIA International Association of Lawyers for a three-year term beginning October 1, 2017, and expiring at the conclusion of the UIA meeting in September or October 2020.

(ii) The Tort Trial and Insurance Practice Section requested the re-election of Randy Aliment of Seattle, Washington, as the ABA Delegate to the UIA International Association of Lawyers for a three-year term beginning October 1, 2017, and expiring at the conclusion of the UIA meeting in September or October 2020.

**UPON MOTION DULY MADE, SECONDED AND CARRIED:**

The Board re-elected Randy Aliment of Seattle, Washington, as the ABA Delegate to the UIA International Association of Lawyers for a three-year term beginning October 1, 2017, and expiring at the conclusion of the UIA meeting in September or October 2020.

(iii) The Section of International Law requested the election of Dirk Nuyts of Zürich, Switzerland, as the ABA Delegate to the UIA International Association of Lawyers for a three-year term beginning October 1, 2017, and expiring at the conclusion of the UIA meeting in September or October 2020.
UPON MOTION DULY MADE, SECONDED AND CARRIED:

The Board elected Dirk Nuyts of Zürich, Switzerland, as the ABA Delegate to the UIA International Association of Lawyers for a three-year term beginning October 1, 2017, and expiring at the conclusion of the UIA meeting in September or October 2020.

d) National District Attorneys Association

The Criminal Justice Section requested the appointment of an ABA representative to the National District Attorneys Association (formerly the National College of District Attorneys), and requested the election of Justin H. Bingham of Spokane, Washington, for a three-year term beginning at the conclusion of the ABA 2017 Annual Meeting and expiring at the conclusion of the ABA 2020 Annual Meeting.

UPON MOTION DULY MADE, SECONDED AND CARRIED:

The Board elected Justin H. Bingham of Spokane, Washington, as the ABA representative to the National District Attorneys Association for a three-year term beginning at the conclusion of the ABA 2017 Annual Meeting and expiring at the conclusion of the ABA 2020 Annual Meeting.

e. United States Sentencing Commission

The term of James E. Felman of Tampa, Florida, expired in June 2016. The Criminal Justice Section requested the appointment of Katherine Earle Yanes of Tampa, Florida, as the ABA liaison for a three-year term beginning at the conclusion of the ABA 2017 Annual Meeting and expiring at the conclusion of the ABA 2020 Annual Meeting.

UPON MOTION DULY MADE, SECONDED AND CARRIED:

The Board elected Katherine Earle Yanes of Tampa, Florida, as the ABA liaison for a three-year term beginning at the conclusion of the ABA 2017 Annual Meeting and expiring at the conclusion of the ABA 2020 Annual Meeting.

f. Council for Agricultural Science and Technology (CAST) Board of Directors

The Section of Environment, Energy, and Resources requested approval (1) of the election of Brandon W. Neuschafer of St. Louis, Missouri, as an ABA representative to CAST as a member of their Board of Directors for a three-year term beginning October 1, 2017, and expiring October 1, 2020, and (2) to pay CAST dues of up to $1,500 annually from Section funds for membership years 2017-2018, 2018-2019 and 2019-2020.

UPON MOTION DULY MADE, SECONDED AND CARRIED:

The Board elected Brandon W. Neuschafer of St. Louis, Missouri, as an ABA representative to CAST as a member of their Board of Directors for a three-year term beginning October 1, 2017, and expiring October 1, 2020, and (2) approved the
request to pay CAST dues of up to $1,500 annually from Section funds for membership years 2017-2018, 2018-2019 and 2019-2020.

g. International Legal Assistance Consortium

The term of Salli A. Swartz of Paris, France, as the ABA representative to the International Legal Assistance Consortium ends at the conclusion of the ABA 2017 Annual Meeting. ABA President-Elect Hilarie Bass recommended the appointment of Karen J. Mathis of Denver, Colorado, for a three-year term beginning at the conclusion of the ABA 2017 Annual Meeting and expiring at the conclusion of the ABA 2020 Annual Meeting.

UPON MOTION DULY MADE, SECONDED AND CARRIED:

The Board elected Karen J. Mathis of Denver, Colorado, as the ABA representative to the International Legal Assistance Consortium for a three-year term beginning at the conclusion of the ABA 2017 Annual Meeting and expiring at the conclusion of the ABA 2020 Annual Meeting.

h. American Bar Endowment

President-Elect Hilarie Bass requested the election of Lucian Pera of Memphis, Tennessee, to a two-year term and Pam Bresnahan of Washington, DC to a three-year term on the American Bar Endowment Board of Directors (“ABE Board”). President-Elect Bass also requested that Robert M. Carlson be appointed to the ABE Board in an ex-officio capacity as ABA President-Elect for a one-year term, and Michelle Behnke be appointed in an ex-officio capacity as ABA Treasurer for a three-year term. All terms will begin at the conclusion of the 2017 Annual Meeting.

UPON MOTION DULY MADE, SECONDED AND CARRIED:

The Board elected to the American Bar Endowment Board of Directors Lucian T. Pera of Memphis, Tennessee, for a two-year term and Pamela A. Bresnahan of Annapolis, Maryland for a three-year term. The Board also appointed Robert M. Carlson of Butt, Montana to the ABE Board in an ex-officio capacity as ABA President-Elect for a one-year term, and Michelle Behnke in an ex-officio capacity as ABA Treasurer for a three-year term. All terms will begin at the conclusion of the 2017 Annual Meeting.

MATTERS OF INDEPENDENT JURISDICTION

5.15 Requests for Co-sponsorships

The Improving the Profession Committee approved co-sponsorship requests from the following entities. No additional ABA general revenue is requested or required for the co-sponsorships at this time.

The Finance and Internal Operations Committee approved 5.15c, 5.15f(ii), and 5.15g(i).

a. Standing Committee on Legal Aid and Indigent Defendants: to co-sponsor with the Center for Access to Justice at Georgia State University the first annual State of the South Conference
which will bring together scholars and practitioners from across the Southeast to discuss the intersection of civil and criminal representation sometimes referred to as “holistic defense.” The Conference will be held on Friday, February 23, 2018, in the Knowles Conference Center at the Georgia State University College of Law.

b. **Commission on Disability Rights (3 requests):**

   (i) to co-sponsor with Accenture to provide a summer internship opportunity for a law student with a disability who has completed his or her first year. The selected intern will work in Accenture’s downtown Chicago offices, paid a stipend, and paired with an attorney and a mentor who will provide guidance on assigned work. The Commission requested approval for the next three years (2018, 2019, 2020).

   (ii) to partner with Prudential Financial, Inc. of Newark, New Jersey to provide a summer internship opportunity for a law student with a disability who has completed his or her first year. The selected intern will work in Prudential’s General Counsel’s Office at its New Jersey office for 10 weeks, paid a stipend and paired with an attorney and a mentor who provide guidance on assigned work. The Commission requested approval for the next three years (2018, 2019, 2020).

   (iii) to partner with the Travelers Indemnity Company to promote its summer internship program for law students with disabilities who have completed their first year. The goal of the program is to hire and develop high potential candidates into attorney positions at Travelers. The Commission requests approval for the next three years (2018, 2019, and 2020).

c. **Section of Environment, Energy, and Resources:** to co-sponsor and make financial contributions from Section funds to Blue Water Baltimore for up to $3,000. Blue Water Baltimore is a 501(c)(3) nonprofit organization whose mission is to restore the quality of Baltimore’s rivers, streams and Harbor to foster a healthy environment, a strong economy and thriving communities. The Section consistently holds public service events at its stand-alone conferences and encourages members to engage in public service activities throughout the year. The Section plans to work with the organization at the 25th Fall Conference on October 18, 2017, in the Baltimore area.

d. **Section of Science & Technology (2 requests):**

   (i) seeks blanket approval for Section “Committee Programs”, also referred to as “Brown Bags,” that will be co-sponsored with certain outside entities in the 2017-2018 Association year. These programs are a popular and efficient tool used to educate and inform Section members and the public of current and emerging science, technology and law issues. Due to the nature of the topics (i.e. new government regulations, new technological advances and associated laws, recent court cases, etc.), these programs are developed quickly and should be presented in a timely manner. Programs are generally organized from start to finish in a 4-6 week period.

   (ii) to co-sponsor The Road from Nanomedicine to Precision Medicine conference to be conducted on September 25, 2017, at the Albany College of Pharmacy and
Health Sciences in Albany, New York. This annual conference has been presented since 2002 and focuses on a new theme each year. The conference has been co-sponsored by the Section since 2013.

e. **Commission on Hispanic Legal Rights and Responsibilities:** to co-sponsor with the National Latino/a Law Student Association (NLLSA), a not-for-profit 501 (c)(3) corporation serving as a conduit for Latina/o law student voices, on its 2017 Annual Conference and Moot Court Competition to be held in Atlanta, Georgia, on September 28-30, 2017. The Commission would allow NLLSA to use its logo in marketing material and participate as a panelist, judge and/or speaker.

f. **Section of Antitrust Law (2 requests):**

   (i) to co-sponsor with any ABA-accredited law schools during the 2017-2018 Association year by presenting the Section’s “Why Antitrust/ Why Consumer Protection Law?” programs. The goal of the programs is to incorporate substantive antitrust and consumer protection programming into the Section’s Membership and Diversity Committee’s outreach efforts. These one hour long programs are held at law schools and consist of a panel of Section members who describe antitrust and consumer protection practice to the attendees.

   (ii) to co-sponsor certain Section “Committee Programs,” formerly called “Brown Bag” programs, with specific outside entities in the 2017-2018 Association year. In September 2002, the Board Operations Committee granted approval for Section "Committee Programs" formerly called “Brown Bag” programs co-sponsored with certain outside entities through August 31, 2003, with the understanding that the Section would need to request renewal of the approval for each subsequent Association year. These Programs are a popular tool used by Section committees to inform its members and the public of timely antitrust happenings. Due to the nature of the topics (i.e. recent court cases, newgovernment regulations), these programs are usually held without a lot of advance notice. The programs are typically held at corporate law departments, law firms and government agencies. The programs are usually organized from start to finish in a 3-4 week period.

g. **Standing Committee on Public Education (2 requests):**

   (i) to co-sponsor with the iCivics, the Campaign for the Civic Mission of Schools, the Jonathan M. Tisch College of Civic Life at Tufts University, and the Lou Fry Institute, the Carnegie Corporation of New York, the Robert R. McCormick Foundation, and the William and Flora Hewlett Foundation, the “Democracy at a Crossroads National Summit” on September 21, 2017, in Washington, DC. The Summit will seek “to demonstrate cross-sector, bipartisan support for civic learning.”

   (ii) to co-sponsor with Quimbee (quimbee.com) and the ABA Law Student Division a series of explainer videos that focus on upcoming and recently decided Supreme Court cases. The videos will be short, animated videos explaining Supreme Court cases in an approachable and fun way and will serve as an entry point for the Supreme Court-related materials produced by the Division for Public Education. Quimbee is prepared to do all video production and voiceover work at no cost to the ABA. The Committee and Quimbee
plan to launch this summer using two recently decided cases as proof of concept. Should these prove successful, with the agreement of all groups involved, they will continue starting with the next Supreme Court term.

h. **Center for Innovation**: to create and co-sponsor a Social Entrepreneurship Initiative with the Legal Services Corporation (LSC). This initiative will pair legal technology companies with local legal aid offices in order to provide free or reduced rate technology to those agencies so that they can perform their work more efficiently and reach a larger number of consumers who need legal services. The Center for Innovation will work with LSC to identify and recruit technology companies to participate in the program and to identify those legal services providers with the infrastructure to support the technology.

i. **ABA Rule of Law Initiative**: to co-sponsor with the Bingham Centre for The Rule of Law its Annual Global Rule of Law Exchange. The Global Rule of Law Exchange is a program of the Bingham Centre for the Rule of Law that explores the relationship between development and the rule of law. Jones Day is the Global Partner of the Exchange. The one-day event will be held on October 12, 2017, at Jones Day, in Washington, DC, and will explore the legal and regulatory challenges for Small and Medium Enterprises in Africa.

### 5.21 ABA Enterprise Fund

Following discussion of the quarterly reports from the seven active Enterprise Fund Projects, the Improving the Profession Committee recommended that the Board of Governors consider and evaluate reinstituting the Enterprise Fund in 2019.

## FINANCE AND INTERNAL OPERATIONS

### A. MATTERS FOR REVIEW BY THE BOARD

#### 6.1 Request from Section of Environment, Energy and Resources to Contribute Funds to Dividing the Waters Program

The Section of Environment, Energy, and Resources (“Section”) requested approval to contribute $10,000, derived from Section funds, to the Water Justice Fund at The National Judicial College (“NJC”), to support the *Dividing the Waters* Program. The ABA helped found the NJC in 1963 and the *Dividing the Waters* Program, founded in 1993, is its only environmental law and science training program for judges. The contribution supports the Section’s relationship with the judges serving in the Section’s area of the law. While the NJC does not offer “sponsorship” of its programs to outside organizations, *Dividing the Waters* will promote the Section’s contribution and collaboration through its publications and programs, including this fall’s conference in Texas.

**UPON MOTION DULY MADE, SECONDED AND CARRIED:**

The Board approved the request of the Section of Environment, Energy, and Resources (“Section”) to contribute $10,000, derived from Section funds, to the Water Justice Fund at The National Judicial College, to support the *Dividing the Waters* Program.
6.2 Request from Fund for Justice and Education to Approve Strategic Plan for FY2017/2018

The ABA Fund for Justice and Education Council ("Council") requested approval of a three-year strategic plan. The ABA/FJE Strategic Plan ("Plan") draft is designed to bring resources to the efforts the ABA has defined as mission critical to delivering on the promise of justice. Its focus is on advancing the American Bar Association in the eyes of donors as a charitable leader in the rule of law and the administration of justice and building capacity of its members and staff to embrace the philanthropic spirit and the challenges facing the ABA. The Plan responds to the growing need for external resources to financially support the American Bar Association's public service and education efforts. Also, the Plan seeks to fully optimize the incredible funding opportunities thus far untapped. The five broad ABA/FJE strategic goals identified after review of Association and ABA/FJE strengths, opportunities and challenges are: 1) resource development, 2) empowerment and capacity building, 3) policy and procedure supports, 4) culture and structure supports, and 5) internal and external communications.

UPON MOTION DULY MADE, SECONDED AND CARRIED:

The Board approved the three-year strategic plan of the ABA Fund for Justice and Education Council.

6.3 Request from Forum on Construction Law to Donate Funds to ACE Mentor Program

The Forum on Construction Law ("Forum") requested approval to make a charitable donation to the ACE Mentor program ("Program") in the amount of $10,000, derived from Forum funds, to be incurred early the 2018 bar year. The Program is an after-school program designed to introduce high school students to the architecture, construction, and engineering industries and to encourage them to consider a career in the construction industry. Over 8,700 students have gone through the Program and a high percentage have gone on to careers in these industries. The Program is run by volunteer mentors from the industry, including Forum member construction lawyers.

UPON MOTION DULY MADE, SECONDED AND CARRIED:

The Board approved the request of the Forum on Construction Law ("Forum") to make a charitable donation to the ACE Mentor program in the amount of $10,000, derived from Forum funds.

6.4 Recommendation for Adoption of FY2018 Budget

The Board adopted the following budget for FY2018 which includes $201.7 million of revenue and $209.4 million of expense as follows:

- The General Operations Operating Budget as presented which contemplates $95.1 million in revenue and expenses including reserve funding of 3.5% as the Board directed plus an additional $0.4 million related to website development (as previously approved by BOG);
- The Section Budgets as presented which contemplates $53.1 million in revenue and $59.3 million in expenses, provided that any subsequent Section changes do not result in an aggregate increase or decrease in the Section’s operating budget of
more than 10% of the aggregate Section Budget as approved and provided that each Section has net asset reserves available to fund any budgeted deficit;

• The Grants Budgets as presented which contemplates $50.4 million of revenue and $50.6 million of expenses;
• The Gifts Budgets as presented which contemplates $3.1 million of revenue and $4.4 million of expenses; and
• The Capital Budget as presented of $1.1 million which includes $0.4 million for the MCLE systems enhancement project and $0.2 million of carry-over from 2017.

In order to reduce the Association’s reliance on funding annual operations through its Long-Term Investment portfolio to a sustainable level as recommended by our investment advisor, the Board of Governors modified the ABA Board Designated Funds and Related Policies delineated in Chapter 8 of the ABA Policy and Procedures Handbook to:

• Change the percentage amount to be transferred from investments and/or reserves in paragraphs 1, 2 and 3 from 5.5% to a maximum of 3.5%; and
• To clearly state that the 3.5% annual operations funding limit does not restrict the Board’s ability to disburse Long-Term Investments to fund capital expenditures or other such significant initiatives that will provide multi-year benefit as the Board deems necessary for the Association’s future success.

6.5 Request from Standing Committee on Audit to Approve FY2018 Annual Audit Plan

The Standing Committee on Audit requested approval of the FY2018 Annual Audit Plan. (See Exhibit 2.9).

UPON MOTION DULY MADE, SECONDED AND CARRIED:

The Board approved the FY2018 Annual Audit Plan, as requested by the Standing Committee on Audit.

6.6 Request for Authorization to Decommission Pattison Sculptures

The Board was requested to approve the decommissioning and disposal of the Abbot Pattison Relief Sculptures currently located on Lower Level One of the facility located at 321 N. Clark Street, Chicago, Illinois, in a manner the Executive Director deems most appropriate. The “Pattison Sculptures” have a long history with the ABA. As the ABA undertakes the reconfiguration of its office space in Chicago, there is no home for the sculptures within our space.

UPON MOTION DULY MADE, SECONDED AND CARRIED:

The Board approved the request to decommission and deliver the Abbot Pattison Relief Sculptures currently located on Lower Level One of the facility located at 321 N. Clark Street, Chicago, Illinois to the family member responsible for managing the estate of the artist with the caveat that the giving of the art does not conflict with the Visual Artist Rights Act of 1990.
6.7 Recommendation from the Standing Committee on Audit Regarding Reimbursement for Officers and Board of Governors.

The Standing Committee on Audit requested approval to amend the policy regarding expense reimbursement to require that Officers and Board of Governors submit all reimbursement requests within 60 days of the occurrence of the event for which the reimbursement is being requested.

UPON MOTION DULY MADE, SECONDED AND CARRIED:

The Board approved the request that the Greenbook Policy regarding Officers and Board of Governors expense reimbursement be amended to require that Officers and Board of Governors submit all reimbursement requests within 60 days of the occurrence of the event for which the reimbursement is being requested.

There being no further business to come before the Board, the meeting was adjourned.

Respectfully submitted,

Mary T. Torres
Secretary

Executive Director Jack L. Rives and the following management staff also attended: Martin D. Balogh, Alpha M. Brady, James Dimos, Amy Eggert, H. Maria Enright, William K. Phelan, Jarisse J. Sanborn, Carol Stevens, and Thomas M. Susman. In addition, Tracy Giles, Chair, Standing Committee on Membership, attended the meeting.

President Bass called the meeting to order and thanked everyone for attending. In addition, she expressed appreciation to Michael Byowitz and Ilene Knable Gotts for hosting the meeting and lunch.

1. **OVERVIEW OF CLE IN THE CITY**

Mr. Byowitz provided an overview of the preliminary results of CLE in the City. Overall, the program received rave reviews. Over 1,200 individuals attended twelve tracks comprised of forty different programs. Of the 1,200 individuals, 900 were not registered for the Annual Meeting and many were not ABA members. The two questions to be considered are 1) can the program be replicated? and 2) if so, whether there should be an adjustment to the timing of the programming. Most of the programs were videotaped and will be available for future playback as CLE programs. The program included participation from fifty law firms and twenty-four affiliated/affinity bar associations. A more complete evaluation of the program will be conducted and discussions will be held regarding how it may be implemented for the 2018 Annual Meeting in Chicago. Any comments regarding the program should be forwarded to Mr. Balogh, Associate Executive Director, Meetings and Travel.

2. **REALIGNMENT PROJECT**

President Bass provided background information regarding the realignment project. She informed the Board of her request to Mr. Rives that he and senior staff make recommendations for a more efficient operation of the Association while continuing to support its essential work. The analysis covered three broad categories: 1) committees with operational responsibilities and whether those responsibilities could be covered by senior staff with oversight from the Board; 2) committees...
whose work may be obsolete or duplicative of other entities and whether such committees should be merged or sunset; and 3) committees whose work may be better handled by outside organizations. The entities identified for the project were selected based on prior discussions by members as well as observations by senior staff. The second component of the review will consist of considering entities and how they should be organized within the Association. Mr. Rives and senior staff will be responsible for developing and implementing this component of the project.

The Board committees will be assigned to review these entities and make recommendations for consideration by the full Board during the 2018 Midyear Meeting. The Board was reminded that any action regarding standing committees is within the purview of the House of Delegates; action regarding special committees and commissions may be taken by the Board. As the Board works through the process, staff will be available to provide support and information to assist the Board.

Once the plan for Board review has been finalized, President Bass will contact Mr. Fitzpatrick, Chair of the Committee on Scope and Correlation of Work (“Scope”) to discuss with him ways to coordinate the efforts of the Board and Scope to avoid duplication of work.

It was suggested that a message be crafted to explain the work of the Board. The message should focus on the positive aspects of the work and begin with a vision statement explaining the goals of the project so that it is not viewed as a reduction in funding. The Board will receive talking points to assist them in delivering the message regarding the realignment work.

3. REQUEST TO RETAIN MARKETING FIRM

The Board was requested to approve the retention of a marketing firm to begin efforts to evaluate OneABA marketing requirements and to undertake market research and to authorize funding of up to $1,000,000 for the first two phases of the project. It is anticipated that the marketing will occur in three phases. Phase 1 would involve the marketing firm identifying market interest along with market research, brand planning, market assessment, marketing/communications organization, infrastructure assessment and internal/external marketing plans. Phase 2 would involve messaging strategy and OneABA project refinement. The final phase, which would be conditional upon approval by the Board of Governors, would involve implementing the strategy recommendations developed in Phase 1 and 2. It was noted that the funding for the marketing project would be taken from reserves. In response to concerns raised regarding the use of reserves, it was noted that the policy regarding use of reserves provides a cap of 3.5% of reserves for general operations. Since this is a special request and not for general operations, the policy would not apply.

The current proposal regarding OneABA has two components: 1) base membership which would include two section memberships; and 2) the correct pricing dimensions and how best to market those dimensions. The marketing firm would provide research regarding the concept of Professor J.P. Dube, a Ph.D. Economist at the University of Chicago, who previously worked with the ABA in 2009 to conduct a dues pricing study, regarding what lawyers are willing to pay for ABA membership.
After further discussion and

UPON MOTION DULY MADE, SECONDED AND CARRIED:

The Board authorized the retention of a marketing firm and payment of up to $1,000,000 for Phases 1 and 2 of the project. The funding for the marketing project will be taken from reserves.

President Bass again thanked everyone for attending and participating in the meeting.

There being no further business to come before the Board of Governors, the meeting was adjourned.

Respectfully Submitted,

Mary L. Smith
Secretary
BOARD OF GOVERNORS
EXECUTIVE COMMITTEE MEETING
New York Hilton Midtown Hotel
Holland Room, 4th Floor
New York, New York

Wednesday, August 9, 2017
2:00 p.m.

MINUTES

The Executive Committee (“Committee”) of the Board of Governors of the American Bar Association met Wednesday, August 9, 2017 at 2:00 p.m., at the New York Hilton Midtown Hotel, in New York, New York. President Linda A. Klein presided. Participating in the meeting were Ruthe C. Ashley, Hilarie Bass, G. Nicholas Casey, Jr., Deborah Enix-Ross, and Alan Van Etten. Michelle A. Behnke, Robert M. Carlson, Mary L. Smith, Lynne B. Barr, Jack L. Rives, James Dimos, Jarisse Sanborn, Alpha M. Brady, and Rochelle E. Evans also participated in the meeting.

1. Agenda Items of Note for the Board and Committees

The Committee Chairs provided an overview of the items of interest on agendas of their committees. Ruthe C. Ashley, chair of the Public Service and Diversity Committee (“PSD”), reported that PSD would consider the jurisdictional statement of the Goal III Diversity and Inclusion Center. There were concerns expressed by the Commission on Women in the Profession regarding the jurisdictional statement. PSD also has been requested by the Commission on American Jury to reconsider approval to sunset the Commission as recommended by Committee on Scope and Correlation of Work (“Scope”). Members of the Commission and the Committee on Scope will address the Committee.

Alan Van Etten, chair of the Member Services Committee, reported that the Subcommittee on Normalization, which was chaired by Mary Smith and staffed by James Dimos, would present its proposal regarding normalization of Section/Division/Forum funding to be approved by the Board at this meeting. It was noted that the Section Officers Conference is in support of the proposal.

G. Nicholas Casey, Jr., Treasurer and chair of Finance and Internal Operations Committee, noted that Finance had a relatively light agenda. The budge for FY 2017-2018 is $95.1 million. While there is not much controversy regarding the budget, revenue is still lagging. Letters expressing concern regarding the budget have been received but no appeals have been submitted.

On behalf of the Improving the Profession Committee, President Klein stated that the committee would present the ABA Strategic Plan to the Board for approval at this meeting. It was noted that the Plan needs to be revised to include the Rule of Law since
it is one of the four goals of the Association. It was suggested that consideration of the Strategic Plan be withdrawn for further review and consideration next year to include specific deliverables. Because members of the Board requested that the Strategic Plan be developed in the first instance, the Committee strongly urged that the Plan be presented at this meeting. The Committee also would be considering several cosponsor requests and requests for nominations and appointments.

Jack L. Rives, ABA Executive Director, reported that the request from the American Bar Endowment (“ABE”) for an exception to the email policy which would allow ABE to promote their plans to ABE’s members using the ABA’s email address lists from September 1, 2017 to August 31, 2018, was different from the last year’s request. This year, the request specifies use of the list instead of using the ABA’s system. It was noted that the Board will be asked to adopt the same language regarding the email policy as it has approved in the past.

2. Letter Regarding ABA Journal

The Committee was advised that Kathleen Hopkins, chair of the ABA Journal Board of Editors submitted a letter dated August 1, 2017 expressing concerns regarding previous action taken by the Executive Committee and the Board of Governors regarding the ABA Journal’s FY2018 budget. It was noted that there is a perception of a lack of involvement from a budgeting standpoint.

There being no further business to come before the Committee, the meeting was adjourned.

Respectfully submitted,

Mary L. Smith
Secretary-Elect
The Executive Committee (“Committee”) of the Board of Governors of the American Bar Association met by telephone conference on Thursday, September 7, 2017 at 4:30 p.m. CT. President Hilarie Bass presided. Participating in the meeting were Michelle A. Behnke, Michael Byowitz, Robert M. Carlson, Deborah Enix-Ross, Erica Grinde, A. Joshua Markus, Hon. Ramona G. See, Darcee Siegal, and Mary L. Smith. Jack L. Rives, James Dimos, Alpha M. Brady, Jarisse Sanborn, Annaliese Fleming (attended a portion of the meeting), Rochelle E. Evans, Laura Macias, Austin Groothuis (attended a portion of the meeting) and Robin Rone (attended a portion of the meeting) also participated on the conference call.

President Bass welcomed the three newly appointed members of the Executive Committee, one from each of the three Board classes.

1. **Request for Contingent Approval for Filing of Proposed ABA Amicus Brief in IRAC v. Trump & Hawaii v. Trump in the Supreme Court of the United States**

The Section of International Law, Section of Civil Rights and Social Justice, and the Commission on Immigration requested approval to file an amicus curiae brief in *IRAC v. Trump & Hawaii v. Trump* in the Supreme Court of the United States. The issue is whether the revised Executive Order entitled “Protecting the Nation from Foreign Terrorist Entry into the United States” (“Revised EO”) violates the Constitution of the United States and the 1965 Immigration and Nationality Act (“INA”).

The proposed brief is very similar to the amicus briefs previously filed in the Fourth Circuit and the Ninth Circuit. It takes an historical approach, and sets forth a description of the evolution of our immigration policies, including a description of some of the discrimination that has occurred on the basis of national origin and the critical nature of judicial review of executive action in the immigration context, in order to ensure the constitutionality of our immigration policies and adherence to the principles that underlie them and form the basis of our nation of immigrants. The proposed brief makes the following points:

a. The Revised EO violates the prohibition on national origin discrimination in the Immigration and Nationality Act, and is contrary to our fundamental principles and values.

b. Our nation’s immigration policies have periodically been premised upon a shameful history of discrimination. The INA’s ban on national origin
discrimination was a Congressional statement that such discrimination is inconsistent with our immigration values and policies.

c. National security is not a facially legitimate or bona fide reason for the Revised EO’s national origin discrimination.

d. Judicial review is critically important in this context to prevent improper religious or national origin animus from underpinning our immigration policies.

The Standing Committee on Amicus Curiae Briefs (“Standing Committee”) has reviewed the draft briefs and recommends approval for filing, subject to approval of the final language by the Standing Committee and the Office of the General Counsel.

UPON MOTION DULY MADE, SECONDED AND CARRIED:

The Executive Committee approved the filing of an amicus curiae brief in *IRAC v. Trump & Hawaii v. Trump* in the Supreme Court of the United States, subject to approval of the final language by the Standing Committee on Amicus Curiae Briefs and the Office of the General Counsel.

2. Request to Correct Terms of ABA Representatives to ABE Board of Directors

President Hilarie Bass requested approval to amend the terms of ABA representatives, Pamela Bresnahan for a five-year term and Lucian Pera for a four-year term, to serve on the American Bar Endowment Board of Directors as part of the settlement agreement. This request is being made to correct an error in the August 2, 2017 request to the Board of Governors.

UPON MOTION DULY MADE, SECONDED AND CARRIED:

The Executive Committee approved the request of President Hilarie Bass to amend the terms of ABA representatives Pamela Bresnahan for a five-year term and Lucian Pera for a four-year term to serve on the American Bar Endowment Board of Directors.

3. Request from Young Lawyers Division/Law Student Division to Approve Member Benefit with BetterHelp

On behalf of the ABA Law Student Division (“LSD”) and the Young Lawyers Division (“YLD”), Austin Groothuis, Director of the LSD, and Robin Rone, Director of the YLD, requested approval to establish a new member benefit with BetterHelp, of Sunnyvale, California. BetterHelp is owned by Teladoc, Inc., the world’s largest telehealth provider. BetterHelp matches its users to licensed therapists, where users may communicate with the therapist via text messaging, online chat, video and phone counseling, which make professional counseling accessible, affordable and convenient. The service is private, complying with all HIPPA regulations, and highly accessible, with no paperwork or contractual obligation.
Under the framework of the proposal LSD and YLD members will receive a 14-day free trial to BetterHelp. The LSD and YLD would receive $400 per member who becomes a paying customer of the service. The term of the proposal is limited to six (6) months, at which point it will be reviewed as a potential benefit for the entire Association. Concerns were expressed by the Standing Committee on Membership and others regarding liability and whether the Office of the General Counsel had reviewed and approved the proposal. A question was raised regarding compensation and who would receive any compensation. In response, it was noted that compensation would be received by the LSD and YLD.

**UPON MOTION DULY MADE, SECONDED AND CARRIED:**

The Executive Committee approved the request from the ABA Law Student Division and the Young Lawyers Division to establish a new member benefit with BetterHelp, of Sunnyvale, California for a limited six (6) months trial, subject to review and approval of the Office of the General Counsel.

4. **Request to Approve Program Support Fund and Request to Distribute Funds to Outside Organizations Regarding Harvey**

The Fund for Justice and Education (FJE) requested approval to establish a Program Support Fund (PSF) to support ABA disaster relief efforts. The fund will be used to support ABA efforts that might be developed to respond to Hurricane Harvey and other natural disaster crisis including training and mobilizing pro bono lawyers through the Young Lawyers Division Disaster Legal Services Program, modifying the FloodProof app for use in Texas and other locations that might be hit with natural disasters, supporting ABA Free Legal Answers in Texas, and supporting ABA groups who are working collaboratively to ensure that all information and resources are translated into Spanish. The request also would allow the President’s Office to potentially provide funding raised through the PSF to outside local legal service organizations working in disaster affected areas. These would include, but not be limited to, Legal Services Corporation organizations and local bar associations.

The Committee was advised that the ABA has created as a resource, a website of all things being done for lawyers and non-lawyers regarding disaster relief. Questions were raised regarding whether the ABA should be soliciting funds. It was noted that the request seeks to create a PSF and funds would be collected by FJE and given to other legal organizations working in the effort. General Revenue will not be impacted. The Section of Tort Trial and Insurance Practice as well as other entities are involved in disaster efforts through separate funds. It was suggested that all entities involved in disaster relief efforts be identified by the Executive Director Rives for coordination of efforts to encourage work within a unified framework. The Standing Committee on Disaster Preparedness should coordinate such efforts.
UPON MOTION DULY MADE, SECONDED AND CARRIED:

The Executive Committee approved the request from the Fund for Justice and Education to establish a Program Support Fund (PSF) to support ABA Disaster Relief Efforts and to allow the President’s Office to potentially provide funding raised through the PSF to outside local legal service organizations working in disaster affected areas.

5. Request to Amend the Jurisdictional Statement of the Working Group on Building Public Trust in the American Justice System to Increase its Size

President Hilarie Bass requested approval to amend the jurisdictional statement of the Working Group on Building Trust in the American Justice System to increase its size from five members to up to ten members to allow participation from additional ABA entities with an interest in implementing some of the recommendations from the report of the Task Force on Building Public Trust in the American Justice System. It was noted that increase in the size of the Working Group would not impact General Operations Revenue.

UPON MOTION DULY MADE, SECONDED AND CARRIED:

The Executive Committee approved the request from President Hilarie Bass to amend the jurisdictional statement of the Working Group on Building Public Trust in the American Justice System to increase its size, with the understanding that no general revenue funding is requested or required.

6. Discussion Regarding Realignment

The Executive Committee discussed the Board of Governors Committee assignments for consolidation, elimination or restructuring of specific ABA entities. The Committee was advised of: 1) the entities under review; 2) the entities assigned to each Board Committee; 3) questions being asked of each entity under review; and 4) the timeline for completion of the process. It was noted that staff would be in contact with the Board Committee chairs to make committee assignments and would send drafts of the memos and worksheets to be sent to the entities being reviewed.

It was noted that while a similar review of entities was done by the Board’s Public Service and Diversity Committee last year, the process was not as standardized. It also was noted that the Commission on Law and Aging was reviewed last year by the Public Service and Diversity Committee, therefore, it should be assigned to the Profession, Public Service and Diversity Committee for review instead of the Member Services Committee.

The Committee was advised that some of the entities being reviewed, including the majority of Legal Services Division entities, also were scheduled for review by the Committee on Scope and Correlation of Work (“Scope”). Rather than have the Board and Scope conducting separate and independent reviews, it was determined that members of Scope would be assigned to work with the Board Committees to assist in the review. If an agreement cannot be reached regarding recommendations among the Board and
Scope, President Bass and Chair of the House, Deborah Enix-Ross would be asked to review that particular entity.

It was noted that the Commission on Hispanic Legal Rights and Responsibilities and the Commission on American Jury were exempt from review given the action taken by the Board last year as it relates to these entities. It was suggested that the Board Liaisons should be included on the individual "pods" or teams of reviewers, since they will ultimately be the individuals on the Board that entities will call upon.

Questions were raised regarding how the list of entities for review were developed. It was noted that the list was developed based on discussions with Board members and others over the past several years and that the list is not exhaustive. If there are other entities that should be reviewed those entity should be identified. While the project is a difficult undertaking, substantial progress needs to be made by the October Board of Governors meeting, given the aggressive timeline.

While the result of the review could potentially result in savings for the Association, the ultimate goal is to organize entities differently in order to achieve a more efficient operation. Questions were raised as to whether the savings identified included staff costs. In response, it was noted that currently the figures do not include staff costs and that there are approximately 500 staff members supported by general operations. It was emphasized that entities could be merged or decreased in size, and not all had to be eliminated.

There being no further business to come before the Committee, the meeting was adjourned.

Respectfully submitted,

Mary L. Smith
Secretary
MINUTES

AMERICAN BAR ASSOCIATION
BOARD OF GOVERNORS
EXECUTIVE COMMITTEE

Mail Ballot
(E-Mail)

September 28, 2017

The Executive Committee of the American Bar Association Board of Governors, by email ballot on September 28, 2017, approved the request from the Section of Business Law to make a $1,000 contribution to a memorial fund from Section funds in memory of William (Bill) Rockers, son of the current Section Chair, Chris Rockers. Bill lost his battle with brain cancer on September 7 at the age of 25. He was a First Lieutenant in the United States Air Force and was stationed at Holloman Air Force Base in Alamogordo, New Mexico, where he worked as an engineer at the Holloman High Speed Test Track.

Respectfully Submitted,

Mary L. Smith
Secretary
AMERICAN BAR ASSOCIATION

REPORT OF THE SECRETARY
ON THE EXERCISE OF BLANKET AUTHORITY

Since the last report to the Board of Governors at the Annual meeting in New York, New York, the Secretary has received a total of seven (7) requests for blanket authority. Four (4) requests were regular and three (3) requested expedited procedures. The requests are set forth below in date order of submission.

1) **Section of Intellectual Property Law – July 17, 2017**

The Section requested blanket authority to submit comments to the United States Patent and Trademark Office on the Patent Trial and Appeal Board Procedural Reform Initiative in response to a request for comments that it received from the aforementioned Office.

Since no objections were raised, the Section of Intellectual Property Law was authorized to submit the comments.

2) **Expedited Section of Taxation – July 18, 2017**

The Section requested expedited blanket authority to submit comments to the House of Committee on Ways and Means, and the Senate Committee on Finance regarding Comments on the Centralized Partnerships Audit Regime Effective Date.

Since no objections were raised, the Section of Taxation was authorized to submit the comments.

3) **Section of Science and Technology Law – August 4, 2017**

The Section requested blanket authority to submit comments to the National Institute of Standards and Technology (“NISTIR”) regarding its Draft NISTIR 8179 Criticality Analysis Process Model.

Since no objections were raised, the Section of Science and Technology Law was authorized to submit the comments.

4) **Section of Antitrust Law Section of International Law – August 18, 2017**

The Sections requested blanket authority to submit joint comments to the National Commission for the Defense of Competition on the Draft Version of the New Argentine Merger Control Guidelines.
Since no objections were raised, the Sections of Antitrust Law and International Law were authorized to submit the comments.

5) **Expedited**
Section of Science and Technology Law – September 8, 2017

The Section requested expedited blanket authority to submit comments to the National Institute of Standards and Technology regarding Initial Public Draft of Revision 5, NIST SP 800-53 Security and Privacy Controls for Information Systems and Organizations.

Since no objections were raised, the Section of Science and Technology Law was authorized to submit the comments.

6) **Section of Antitrust Law – September 13, 2017**

The Section requested blanket authority to submit comments to the Competition and Markets Authority regarding the Proposed Revisions to the United Kingdom Guidance as to the Appropriate Amount of a Penalty.

Since no objections were raised, the Section of Antitrust Law was authorized to submit the comments.

**Expedited**

7) **Section of Intellectual Property Law – September 20, 2017**


Since no objections were raised, the Section of Intellectual Property Law was authorized to submit the comments.

Respectfully submitted,

Mary L. Smith, Secretary

September 2017


Executive Director Jack L. Rives and the following management staff also attended: Elizabeth Andersen, Martin D. Balogh, Alpha M. Brady, Holly Cook, Barry Currier, James Dimos, H. Maria Enright, Michael Kreisberg, William K. Phelan, Jarisse J. Sanborn, Carol Stevens, and Thomas M. Susman.

President Klein called the meeting to order and welcomed the members of the Board and Association staff.

MINUTES OF PREVIOUS MEETING

The ABA Secretary Mary T. Torres, presented the minutes of the June 9-10, 2017, meeting of the FJE Board.

UPON MOTION DULY MADE, SECONDED AND CARRIED:

The minutes of the June 9-10, 2017, meeting of the FJE Board were approved as presented.

FINAL ACCEPTANCE OF GRANT AWARDS

The Association’s Financial Services office requested that the FJE Board review and note the acceptance of the American Bar Association Fund for Justice and Education (ABA/FJE) restricted grants and contributions received or awarded through June 30, 2017, and not previously reported. These grants and contributions are presented under Exhibit 1.5g (ii) of the August 2017 agenda books of the Board.

UPON MOTION DULY MADE, SECONDED AND CARRIED:

The grants and contributions for ABA/FJE, totaling $2,894,792 and received through June 30, 2017, as presented under Exhibit 1.5g (ii) of the August 2017 agenda books of the Board were accepted for the purpose indicated.

There being no further business to come before the FJE Board, the meeting was adjourned.

Respectfully Submitted,

Mary T. Torres,
Secretary
Treasurer’s Report

Michelle A. Behnke
ABA Treasurer
(Separate Distribution)
Treasurer’s Report

The ABA’s FY2017 Finances Through August 31, 2017

American Bar Association Board of Governors
Coconut Grove, FL
October 2017

Michelle Behnke
Madison, Wisconsin
608.233.9024
mbehnke@behnkeassociates.com
In my first report to the Board of Governors as Treasurer, I would like to cover four topics:

1. Preliminary FY17 Operating and Non-Operating Results through August 31, 2017
2. Investment Results and Investment Policy Update
3. Overview of the small pension buyout project and general pension funding issues
4. FY2018 Budget review

1. Preliminary Consolidated FY2017 Operating and Non-Operating Results through August 31, 2017

On a consolidated basis, the ABA reports revenue under four segments: 1) General Operations; 2) Sections, Divisions and Forums; 3) Grants; and 4) Gifts. To view greater detail than summarized in the charts below, please refer to the last few pages of this report. Please note that some minor differences related to rounding may exist.

<table>
<thead>
<tr>
<th></th>
<th>FY17 - Prelim Aug 2017</th>
<th>FY16 - Aug 2016</th>
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<tbody>
<tr>
<td></td>
<td>Actual FYTD</td>
<td>Budget FYTD</td>
</tr>
<tr>
<td>General Operations</td>
<td>$ 97.1</td>
<td>$ 100.3</td>
</tr>
<tr>
<td>Sections</td>
<td>53.0</td>
<td>53.4</td>
</tr>
<tr>
<td>Grants</td>
<td>54.2</td>
<td>54.7</td>
</tr>
<tr>
<td>Gifts</td>
<td>3.3</td>
<td>3.0</td>
</tr>
<tr>
<td>Total</td>
<td>$ 207.5</td>
<td>$ 211.4</td>
</tr>
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</table>

Consolidated operating revenue through August 31, 2017 was $207.5 million, which was $3.9 million below budget. Revenue budget variances are primarily due to unfavorability in General Operations of $3.2 million, Grants of $0.5 million and Sections of $0.4 million. The main drivers of the General Operations revenue shortfall included:

- Dues revenue ($2.9) million
- Advertising ($0.9) million
- Royalties ($0.8) million

Offsetting the General Operations revenue shortfall is $1.6 million of designated reserves that was transferred to operations to offset the Website development for expenses incurred in FY2017, as approved by the Board of Governors (BOG), but is not reflected in the budget. Section
Consolidated operating revenue compared to prior is $0.2 million unfavorable, driven by unfavorable General Operations revenue ($2.4 million) and Gifts ($0.5 million), which is offset by favorability in Grants ($1.8 million) and Sections ($1.0 million). Grant favorability is driven by increased activity in domestic grants, including the fixed fee grants mentioned above. Section revenue is favorable related to an increase in Contributions/Sponsorships. The unfavorability in General Operations is driven by a decrease of $2.4 million in dues revenue which is an unfortunate trend we have seen and will continue to see throughout the upcoming fiscal year.

Consolidated Operating Expense
By Segment ($ in millions)

<table>
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<tr>
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<th>FY17 - Prelim Aug 2017</th>
<th>FY16 - Aug 2016</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Actual FYTD</td>
<td>Budget FYTD</td>
</tr>
<tr>
<td>General Operations</td>
<td>$ 103.8</td>
<td>$ 100.9</td>
</tr>
<tr>
<td>Sections</td>
<td>55.9</td>
<td>60.0</td>
</tr>
<tr>
<td>Grants</td>
<td>52.4</td>
<td>54.8</td>
</tr>
<tr>
<td>Gifts</td>
<td>3.1</td>
<td>4.6</td>
</tr>
<tr>
<td>Total</td>
<td>$ 215.2</td>
<td>$ 220.3</td>
</tr>
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</table>

Through the same period, consolidated operating expense of $215.2 million was $5.1 million favorable to (under) budget, and $1.2 million favorable to (lower than) the prior year.

Favorable expense budget variances are mainly driven by Sections of $4.0 million, Grants of $2.4 million, and Gifts of $1.5 million, offset by unfavorability in General Operations of $2.9 million. The $2.9 million unfavorable General Operations variance reflects $4.1 million in unbudgeted expenses, mainly reflecting the BOG approved web development project, severance expense, and a new state law now requiring payment of administrative leave balances at employee termination. Excluding these unbudgeted expense items, General Operations expense would be about $1.2 million favorable (under) to budget.

Consolidated operating expenses are $1.2 million favorable to prior year. Favorability in Sections of $1.5 million and Gift of $1.1 million are offset by unfavorability in General Operations of $0.8 million (unfavorable across multiple reporting lines) and Grants of $0.6 million, which trends in line with Grant revenue.


### Consolidated Revenue over/(under) Expenses

#### By Segment ($ in millions)

<table>
<thead>
<tr>
<th></th>
<th>FY17 - Prelim Aug 2017</th>
<th>FY16 - Aug 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual FYTD</td>
<td>Budget FYTD</td>
</tr>
<tr>
<td>General Operations</td>
<td>$ (6.7)</td>
<td>$ (0.7)</td>
</tr>
<tr>
<td>Sections</td>
<td>(2.9)</td>
<td>(6.5)</td>
</tr>
<tr>
<td>Grants</td>
<td>1.8</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Gifts</td>
<td>0.2</td>
<td>(1.6)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ (7.7)</td>
<td>$ (8.9)</td>
</tr>
</tbody>
</table>

Through August 31, 2017, on a consolidated basis, Net Operating Revenue under Expenses resulted in a $7.7 million deficit. This deficit by segment consists of a $6.7 million deficit from General Operations and a $2.9 million deficit from Sections, partially offset by a $1.8 million surplus from Grants and a $0.2 million surplus from Gifts. Please note that there are unbudgeted expenses in General Operations of $2.5 million, not offset by reserve/revenue, that include items associated with staff reductions and a new state law now requiring payment of administrative leave balances at employee termination. Also, it is important to understand that many sections do not include investment income in operations and, as such, the Sections have $9.7 million of investment income in FY2017 not included in their operating total. The surplus in Grants is related to fixed fee domestic grants.

**Preliminary Non-Operating Results through August 31, 2017**

As stated above, consolidated operating revenue through August 31, 2017 was $207.5 million, consolidated operating expenses were $215.2 million, resulting in a deficit of $7.7 million, an improvement of $1.0 million over last year’s operating deficit. Despite the operating deficit of $7.7 million and excluding the year end pension liability adjustment, the ABA realized a positive net assets change of $4.9 million (surplus) due to strong investment performance as shown in the chart below.

In addition to the $4.9 million surplus, and based on estimates, our year end pension liability adjustment is expected to add $11.6 million positive net assets change (surplus).
Preliminary Consolidated ABA Results for FY 2017

Amounts in Millions

<table>
<thead>
<tr>
<th></th>
<th>Prelim</th>
<th>Budget</th>
<th>LY</th>
<th>Variance to:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Budget</td>
<td>LY</td>
</tr>
<tr>
<td>Operating Revenues</td>
<td>207.5</td>
<td>211.4</td>
<td>207.7</td>
<td>(3.9)</td>
<td>(0.2)</td>
<td></td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>215.2</td>
<td>220.3</td>
<td>216.4</td>
<td>5.1</td>
<td>1.2</td>
<td></td>
</tr>
<tr>
<td>Operating Deficit</td>
<td>(7.7)</td>
<td>(8.9)</td>
<td>(8.7)</td>
<td>1.2</td>
<td>1.0</td>
<td></td>
</tr>
<tr>
<td>Investment Income not in Operations</td>
<td>15.5</td>
<td>0.5</td>
<td>3.3</td>
<td>15.0</td>
<td>12.2</td>
<td></td>
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<tr>
<td>Other Non-Operating Items</td>
<td>(2.9)</td>
<td>(0.2)</td>
<td>(0.9)</td>
<td>(2.7)</td>
<td>(2.0)</td>
<td></td>
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<tr>
<td>Results before Pension Adjustment</td>
<td>4.9</td>
<td>(8.6)</td>
<td>(6.3)</td>
<td>13.5</td>
<td>11.2</td>
<td></td>
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<tr>
<td>Year-end Pension Adjustment</td>
<td>-</td>
<td>-</td>
<td>(13.3)</td>
<td>-</td>
<td>13.3</td>
<td></td>
</tr>
<tr>
<td>Change in Net Assets</td>
<td>$ 4.9</td>
<td>$ (8.6)</td>
<td>$ (19.6)</td>
<td>$ 13.5</td>
<td>$ 11.2</td>
<td></td>
</tr>
</tbody>
</table>

Investment Income is reported in both operations and in non-operations. The following chart summarizes total funds used for operations:

FY2017 Funding Used for Operations
($ in millions)

<table>
<thead>
<tr>
<th></th>
<th>Gen Ops/ FJE</th>
<th>Sections</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Used for Operations</td>
<td>$ 14.5</td>
<td>$ 1.2</td>
<td>$ 15.7</td>
</tr>
<tr>
<td>Non-Operating</td>
<td>2.5</td>
<td>9.7</td>
<td>12.2</td>
</tr>
<tr>
<td>Total</td>
<td>$ 17.0</td>
<td>$ 10.9</td>
<td>$ 27.9</td>
</tr>
</tbody>
</table>

Breakdown of Gen Ops/FJE Funding:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>5.5% Per Policy</td>
<td>$ 10.9</td>
</tr>
<tr>
<td>Center for Innovation</td>
<td>0.8</td>
</tr>
<tr>
<td>ABE Grant restore</td>
<td>0.4</td>
</tr>
<tr>
<td>To balance budget</td>
<td>0.5</td>
</tr>
<tr>
<td>Website Development Expenses</td>
<td>1.6</td>
</tr>
<tr>
<td>FJE Transfer*</td>
<td>0.3</td>
</tr>
<tr>
<td></td>
<td>$ 14.5 a</td>
</tr>
</tbody>
</table>

*Reimbursement from restricted balances for program costs paid by Gen Ops

As reported above, the ABA earned $27.9 million of investment income in FY2017. Of the $27.9 million in investment income, General Operations/FJE and Sections earned $17.0 million and $10.9 million, respectively. FY2017 was an abnormally strong year for investments and most experts expect that returns will be much lower in upcoming years. As such, we are making the difficult changes necessary to reduce our reliance on investment spending. You will recall that the BOG recently approved a reduction in the percentage of investments used for operations.
Statement of Financial Position (Balance Sheet)

It is also important to understand the components of our Association’s balance sheet in addition to the income statement. Total assets are $344.7 million and Net Assets (after liabilities are subtracted from our assets) are $159.9 million as of preliminary August 31, 2017.

Consolidated Statements of Financial Position
($ in millions)

<table>
<thead>
<tr>
<th></th>
<th>Prelim Aug 2017</th>
<th>August 2016</th>
<th>Change Fav (Unf)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash &amp; Equivalents</td>
<td>$ 15.5</td>
<td>$ 17.9</td>
<td>(2.5)</td>
</tr>
<tr>
<td>Long-Term Investments</td>
<td>296.4</td>
<td>291.6</td>
<td>4.8</td>
</tr>
<tr>
<td>Other Assets</td>
<td>32.9</td>
<td>32.7</td>
<td>0.2</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$ 344.8</td>
<td>$ 342.2</td>
<td>$ 2.6</td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred Revenue and Deferred Rent Abatement</td>
<td>$ 78.0</td>
<td>$ 80.7</td>
<td>2.7</td>
</tr>
<tr>
<td>Pension Liability &amp; Loan to Fund Pension Liability</td>
<td>87.0</td>
<td>89.3</td>
<td>2.3</td>
</tr>
<tr>
<td>Payables and Other Debt</td>
<td>19.9</td>
<td>17.2</td>
<td>(2.7)</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>$ 184.9</td>
<td>$ 187.2</td>
<td>$ 2.3</td>
</tr>
<tr>
<td>Net Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ABA Operating Funds</td>
<td>$ 41.3</td>
<td>$ 43.0</td>
<td>(1.7)</td>
</tr>
<tr>
<td>ABA Section Funds</td>
<td>106.0</td>
<td>100.8</td>
<td>5.2</td>
</tr>
<tr>
<td>Total Unrestricted</td>
<td>147.3</td>
<td>143.8</td>
<td>3.5</td>
</tr>
<tr>
<td>Total Temporarily Restricted</td>
<td>5.2</td>
<td>4.0</td>
<td>1.2</td>
</tr>
<tr>
<td>Total Permanently Restricted</td>
<td>7.4</td>
<td>7.2</td>
<td>0.2</td>
</tr>
<tr>
<td>Total Net Assets</td>
<td>$ 159.9</td>
<td>$ 155.0</td>
<td>4.9</td>
</tr>
<tr>
<td>Total Liabilities and Net Assets</td>
<td>$ 344.8</td>
<td>$ 342.2</td>
<td>$ 2.6</td>
</tr>
</tbody>
</table>

While we have assets of $344.7 million, we have significant liabilities totaling $184.8 million, leaving us with total net assets of $159.9 million. The good news is that our Long-Term Investment balance, our largest asset on the balance sheet, increased by $4.8 million despite over-reliance on investments to support operations.

Recall that the pension liability is one of the ABA’s largest obligations on the balance sheet. As of the writing of this report, the pension liability and related debt, currently reported as $87.0 million, has not been updated for FY2017 year end. However, based on estimates from our actuary’s (Aon) analysis, we expect our pension liability to decrease $11.6 million.

Excluding the pension liability adjustment, our net assets represent approximately nine months of consolidated annual expenses. Of the $159.9 million total net assets, approximately
$106.0 million are Section unrestricted net assets; with the balance of $41.3 million in General Operations and FJE net assets ($12.6 million restricted and $28.7 million unrestricted).

2. Investment Results

Our long-term investment balance fluctuates based on market conditions and is also impacted by our use of these investments to fund operations. The Association’s consolidated investment balance as of August 31, 2017 is $296.4 million (General Operations / FJE $199.9 million and Sections / NJC $96.5 million), up $4.8 million compared to prior year. The chart below shows the fluctuations in the investment balance over time.

![Investment Balance Trending Chart](chart)

FYTD our investment returns on our consolidated portfolio are approximately 10.4%, net of fees. In early 2017, General Operations began investing in Russell's Multi-Asset Core Plus Fund, and, at August 31, 2017, had 38% invested in this fund. General Operations’ FY2018 target is 55%. As we have mentioned on several occasions, our Russell Investments, who serves as our Investment Advisors, recently conducted a spending study to help us understand how we use our investments which would then lead us to consider how we are investment our assets. After that study, the Investment Subcommittee and the Finance Committee were convinced that we were relying too heavily on our investments (spending beyond our means) and recommended the 3.5% spending level for operations.

For clarity sake, I wanted the Board to understand that our assumed return is 7%. The 3.5% is NOT the expected return on investments but rather it is the level of spending that will
allow us to preserve and potentially grow our investments to maintain buying power for key projects and fixed asset capital needs and, further, protect against future market downturns.

3. Small Pension Buyout and General Pension Funding Issues

The ABA is proposing purchasing annuities for all retirees who receive an annual pension benefit of $5,000 or less. The annuities would be provided by a reputable high credit quality financial institution. Of the 1,233 plan participants, there are 147 who are currently receiving an annual benefit of less than $5,000. This proposed transaction will decrease administrative premiums by nearly $90,000 in FY2018, and this cost is on the rise making this transaction even more prudent.

This approach not only protects the participant but reduces some of our annual pension administrative and insurance expense. We may consummate similar transactions in the future in our continuing efforts to manage the ABA’s pension obligation.

In addition to the small pension buyout project, we continue to focus on the larger pension liability and related debt (collectively referred to as “pension liabilities”). If you’ve read my predecessor Nick Casey’s reports, you know that we’ve been discussing this for some time. As you know, these liabilities have increased significantly in recent years and our current obligation is $87.0 million (consisting of both the pension liability and outstanding loan balance). The pension liability is determined only once a year by actuaries who calculate it as of August 31st, and as of the printing of my Treasurer’s Report, our actuary’s (Aon) current estimate is that our pension liability is expected to decrease by $11.6 million. We are scheduled to receive the final report from Aon by the end of October. The current loan balance is $24.0 million, which reflects the recent September 30th loan repayment.

In the past few years, we have taken proactive steps in managing our pension liability. First, we froze the plan to new entrants. Second, we borrowed $40 million to make contributions to fund the pension and thereby make the pension expense more predictable and manageable. Third, last year, we offered a lump sum settlement to terminated vested participants, which significantly reduced PBGC premiums. We also amended the plan to offer lump sum settlements to participants at retirement to further reduce administrative costs.

4. FY2018 Budget

The chart below shows the Consolidated FY2018 budget as approved at the Annual Meeting. We are too early in this fiscal year to report any operating results as it relates to the FY2018 budget. However, you should note that the budget does not contemplate any costs that may be incurred for the OneABA project. Although the FY2018 Budget involved the difficult task of creating a balanced General Operations budget using only 3.5% from investments we already know that there will be some expenses associated with exploring OneABA that are not in the budget.
FY18 Final Budget
($ in millions)

<table>
<thead>
<tr>
<th></th>
<th>Operating Revenue</th>
<th>Operating Expense</th>
<th>Over/(Under) Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Operations</td>
<td>$95.1</td>
<td>$95.1</td>
<td>$</td>
</tr>
<tr>
<td>Sections</td>
<td>53.6</td>
<td>59.8</td>
<td>(6.2)</td>
</tr>
<tr>
<td>Grants</td>
<td>50.4</td>
<td>50.6</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Gifts</td>
<td>3.1</td>
<td>4.4</td>
<td>(1.3)</td>
</tr>
<tr>
<td><strong>Consolidated</strong></td>
<td><strong>$202.2</strong></td>
<td><strong>$209.9</strong></td>
<td><strong>(7.7)</strong></td>
</tr>
</tbody>
</table>

You should also note that as we progress through FY18 we will need to watch our dues revenue. As you know, dues revenue has been declining. Preliminary Consolidated FY2017 dues revenue was $68.7 million, which is $3.1 million below budget and $2.6 million lower than the prior year. FY18 Consolidated dues budget is $68.8 million. Although in line with FY2017, we are continuing to see a decline in FY2018 dues collections. For the week ending September 22, 2017, dues collections are $42.6 million, $1.5 million behind this time last year, or 3.4%.

Having a new lease that will provide savings for the next several years will give us a good leg up on 2019, but it will be important for us to consider carefully how we build and fund the FY2019 budget as that work gets underway. The cuts from FY2018 mean that we will not likely see the savings from the expense side that we've seen over the last few years. We will need to look at structure changes to how we do our work as an Association and how we ultimately increase the revenue stream. Cuts have been important but we can't create a financially stable and healthy organization by cuts alone.

I look forward to serving as your Treasurer for the next three years. Thank you.

Michelle Behnke
## Consolidated Summary

**FY 2017 - Preliminary August 2017 FYTD**

*$ in millions*

### Revenue

<table>
<thead>
<tr>
<th></th>
<th>FY 2017</th>
<th>FY 2017</th>
<th>FY 2016</th>
<th>FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Operations</td>
<td>$97.1</td>
<td>$100.3</td>
<td>$99.4</td>
<td>$99.4</td>
</tr>
<tr>
<td>Section</td>
<td>53.0</td>
<td>53.4</td>
<td>52.0</td>
<td>52.0</td>
</tr>
<tr>
<td>Grants</td>
<td>54.2</td>
<td>54.7</td>
<td>52.4</td>
<td>52.4</td>
</tr>
<tr>
<td>Gifts</td>
<td>3.3</td>
<td>3.0</td>
<td>3.8</td>
<td>3.8</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>207.5</strong></td>
<td><strong>211.4</strong></td>
<td><strong>207.7</strong></td>
<td><strong>207.7</strong></td>
</tr>
</tbody>
</table>

### Expense

<table>
<thead>
<tr>
<th></th>
<th>FY 2017</th>
<th>FY 2017</th>
<th>FY 2016</th>
<th>FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Operations</td>
<td>103.8</td>
<td>100.9</td>
<td>103.0</td>
<td>103.0</td>
</tr>
<tr>
<td>Section</td>
<td>55.9</td>
<td>60.0</td>
<td>57.4</td>
<td>57.4</td>
</tr>
<tr>
<td>Grants</td>
<td>52.4</td>
<td>54.8</td>
<td>51.8</td>
<td>51.8</td>
</tr>
<tr>
<td>Gifts</td>
<td>3.1</td>
<td>4.6</td>
<td>4.2</td>
<td>4.2</td>
</tr>
<tr>
<td><strong>Total Expense</strong></td>
<td><strong>215.2</strong></td>
<td><strong>220.3</strong></td>
<td><strong>216.4</strong></td>
<td><strong>216.4</strong></td>
</tr>
</tbody>
</table>

### Revenues over / (under) Expenses

<table>
<thead>
<tr>
<th></th>
<th>FY 2017</th>
<th>FY 2017</th>
<th>FY 2016</th>
<th>FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Operations</td>
<td>(6.7)</td>
<td>(0.7)</td>
<td>(3.6)</td>
<td>(3.6)</td>
</tr>
<tr>
<td>Section</td>
<td>(2.9)</td>
<td>(6.5)</td>
<td>(5.3)</td>
<td>(5.3)</td>
</tr>
<tr>
<td>Grants</td>
<td>1.8</td>
<td>(0.1)</td>
<td>0.6</td>
<td>0.6</td>
</tr>
<tr>
<td>Gifts</td>
<td>0.2</td>
<td>(1.6)</td>
<td>(0.4)</td>
<td>(0.4)</td>
</tr>
<tr>
<td><strong>Total Revenues over / (under) Expenses</strong></td>
<td><strong>$ (7.7)</strong></td>
<td><strong>$ (8.9)</strong></td>
<td><strong>$ (8.7)</strong></td>
<td><strong>$ (8.7)</strong></td>
</tr>
</tbody>
</table>
# American Bar Association

## Consolidated Statements of Activities and Changes in Net Assets - Comparison to Budget and Prior Year

**Period Ending August 31, 2017 (AD2)**

(US $000’s)

### Description

<table>
<thead>
<tr>
<th></th>
<th>Actual FY 2017</th>
<th>% of Revenue</th>
<th>Budget FY 2017</th>
<th>% of Revenue</th>
<th>vs. Budget FY 2017</th>
<th>% of Budget vs. Prior FY 2016</th>
<th>% of Prior</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Membership Dues</td>
<td>68,671</td>
<td>33.1%</td>
<td>71,781</td>
<td>34.0%</td>
<td>(3,109)</td>
<td>-4.3%</td>
<td>71,781</td>
</tr>
<tr>
<td>Meeting Fees</td>
<td>27,064</td>
<td>13.0%</td>
<td>28,139</td>
<td>13.3%</td>
<td>(1,075)</td>
<td>-3.8%</td>
<td>26,867</td>
</tr>
<tr>
<td>Advertising</td>
<td>2,474</td>
<td>1.2%</td>
<td>3,372</td>
<td>1.6%</td>
<td>(898)</td>
<td>-26.6%</td>
<td>955</td>
</tr>
<tr>
<td>Gifts, Contributions, and Sponsorships</td>
<td>12,355</td>
<td>6.0%</td>
<td>12,630</td>
<td>6.0%</td>
<td>(275)</td>
<td>-2.2%</td>
<td>11,819</td>
</tr>
<tr>
<td>Grants</td>
<td>54,015</td>
<td>26.0%</td>
<td>54,702</td>
<td>25.9%</td>
<td>(687)</td>
<td>-1.3%</td>
<td>52,055</td>
</tr>
<tr>
<td>Publications</td>
<td>7,745</td>
<td>3.7%</td>
<td>8,259</td>
<td>3.9%</td>
<td>(514)</td>
<td>-6.2%</td>
<td>7,739</td>
</tr>
<tr>
<td>Royalties</td>
<td>8,778</td>
<td>4.2%</td>
<td>8,738</td>
<td>4.1%</td>
<td>40</td>
<td>0.5%</td>
<td>9,565</td>
</tr>
<tr>
<td>Accreditation Fees</td>
<td>4,890</td>
<td>2.4%</td>
<td>4,971</td>
<td>2.4%</td>
<td>(81)</td>
<td>-1.6%</td>
<td>4,971</td>
</tr>
<tr>
<td>Miscellaneous Other</td>
<td>3,591</td>
<td>1.7%</td>
<td>3,153</td>
<td>1.5%</td>
<td>438</td>
<td>13.9%</td>
<td>3,153</td>
</tr>
<tr>
<td>Investment income from Operations</td>
<td>12,420</td>
<td>6.0%</td>
<td>12,461</td>
<td>5.9%</td>
<td>(41)</td>
<td>-0.3%</td>
<td>13,582</td>
</tr>
<tr>
<td>Designated Reserve for Operations</td>
<td>3,338</td>
<td>1.6%</td>
<td>1,756</td>
<td>0.8%</td>
<td>1,582</td>
<td>90.1%</td>
<td>1,807</td>
</tr>
<tr>
<td>Net Assets Released from Restrictions</td>
<td>2,181</td>
<td>1.1%</td>
<td>1,412</td>
<td>0.7%</td>
<td>769</td>
<td>54.4%</td>
<td>2,671</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$207,520</td>
<td>100.0%</td>
<td>$211,372</td>
<td>100.0%</td>
<td>$ (3,852)</td>
<td>-1.8%</td>
<td>$211,372</td>
</tr>
</tbody>
</table>

### Expenses

<table>
<thead>
<tr>
<th></th>
<th>Actual FY 2017</th>
<th>% of Revenue</th>
<th>Budget FY 2017</th>
<th>% of Revenue</th>
<th>vs. Budget FY 2017</th>
<th>% of Budget vs. Prior FY 2016</th>
<th>% of Prior</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation</td>
<td>74,943</td>
<td>36.1%</td>
<td>73,854</td>
<td>35.9%</td>
<td>513</td>
<td>1.2%</td>
<td>74,253</td>
</tr>
<tr>
<td>Fringe Benefits and Payroll Taxes</td>
<td>24,336</td>
<td>11.7%</td>
<td>26,359</td>
<td>12.5%</td>
<td>2,023</td>
<td>7.7%</td>
<td>23,534</td>
</tr>
<tr>
<td>Professional Services</td>
<td>31,337</td>
<td>15.1%</td>
<td>28,945</td>
<td>13.7%</td>
<td>(2,392)</td>
<td>-8.3%</td>
<td>32,055</td>
</tr>
<tr>
<td>Meetings and Travel</td>
<td>31,337</td>
<td>15.1%</td>
<td>28,945</td>
<td>13.7%</td>
<td>(2,392)</td>
<td>-8.3%</td>
<td>32,055</td>
</tr>
<tr>
<td>Advertising and Marketing</td>
<td>3,412</td>
<td>1.6%</td>
<td>3,608</td>
<td>1.7%</td>
<td>196</td>
<td>5.4%</td>
<td>3,518</td>
</tr>
<tr>
<td>Transfers</td>
<td>(0)</td>
<td>0.0%</td>
<td>999</td>
<td>0.5%</td>
<td>999</td>
<td>100.0%</td>
<td>999</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>6,781</td>
<td>3.3%</td>
<td>6,753</td>
<td>3.2%</td>
<td>28</td>
<td>0.4%</td>
<td>6,753</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$215,219</td>
<td>103.7%</td>
<td>$220,276</td>
<td>104.2%</td>
<td>$ 5,057</td>
<td>2.3%</td>
<td>$220,276</td>
</tr>
</tbody>
</table>

### Net Operations

<table>
<thead>
<tr>
<th></th>
<th>Actual FY 2017</th>
<th>% of Revenue</th>
<th>Budget FY 2017</th>
<th>% of Revenue</th>
<th>vs. Budget FY 2017</th>
<th>% of Budget vs. Prior FY 2016</th>
<th>% of Prior</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Change in Pension Liability other than Periodic Cost</strong></td>
<td>$ (13,304)</td>
<td>-6.4%</td>
<td>$ 13,304</td>
<td>-6.4%</td>
<td>-100.0%</td>
<td>-</td>
<td>$ 13,304</td>
</tr>
<tr>
<td><strong>Investment Income</strong></td>
<td>14,640</td>
<td>7.1%</td>
<td>14,101</td>
<td>6.7%</td>
<td>539</td>
<td>3.8%</td>
<td>14,101</td>
</tr>
<tr>
<td><strong>Reserve Transfers</strong></td>
<td>(3,338)</td>
<td>-1.6%</td>
<td>(3,338)</td>
<td>-1.6%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Other Non-operating</strong></td>
<td>(66)</td>
<td>0.0%</td>
<td>(77)</td>
<td>0.0%</td>
<td>(10)</td>
<td>-13.3%</td>
<td>77</td>
</tr>
<tr>
<td><strong>Net Change in Unrestricted Net Assets</strong></td>
<td>$ 3,522</td>
<td>1.7%</td>
<td>$ 8,368</td>
<td>4.0%</td>
<td>$ (4,846)</td>
<td>-4.2%</td>
<td>$ 8,368</td>
</tr>
</tbody>
</table>

### Net Changes in Restricted Net Assets

<table>
<thead>
<tr>
<th></th>
<th>Actual FY 2017</th>
<th>% of Revenue</th>
<th>Budget FY 2017</th>
<th>% of Revenue</th>
<th>vs. Budget FY 2017</th>
<th>% of Budget vs. Prior FY 2016</th>
<th>% of Prior</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Change in Temporarily Restricted Net Assets</strong></td>
<td>$ 1,193</td>
<td>0.6%</td>
<td>$ (269)</td>
<td>-0.2%</td>
<td>(1462)</td>
<td>-53.8%</td>
<td>1,462</td>
</tr>
<tr>
<td><strong>Net Change in Permanently Restricted Net Assets</strong></td>
<td>176</td>
<td>0.1%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>157</td>
<td>13.9%</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Net Change in Total Net Assets</strong></td>
<td>$ 4,891</td>
<td>2.4%</td>
<td>$ (8,633)</td>
<td>-4.1%</td>
<td>(13,529)</td>
<td>-56.6%</td>
<td>$ (8,633)</td>
</tr>
</tbody>
</table>
### American Bar Association

**General Operations Statements of Activities and Changes in Net Assets - Comparison to Budget and Prior Year**

*Period Ending August 31, 2017 (AD2)*

*(US $000's)*

<table>
<thead>
<tr>
<th>Description</th>
<th>Year-to-Date Full Year</th>
<th>Actual FY 2017</th>
<th>% of Revenue</th>
<th>Budget FY 2016</th>
<th>% of Revenue</th>
<th>vs. Budget FY 2016</th>
<th>% of Budget</th>
<th>vs. FY 2016</th>
<th>% of Prior</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Membership Dues</td>
<td></td>
<td>56,771</td>
<td>58.9%</td>
<td>59,670</td>
<td>59.5%</td>
<td>(2,899)</td>
<td>-4.9%</td>
<td>59,183</td>
<td>59.5%</td>
</tr>
<tr>
<td>Meeting Fees</td>
<td></td>
<td>5,360</td>
<td>5.6%</td>
<td>6,10</td>
<td>6.1%</td>
<td>(800)</td>
<td>-11.3%</td>
<td>5,437</td>
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<tr>
<td>Advertising</td>
<td></td>
<td>1,820</td>
<td>1.9%</td>
<td>2,551</td>
<td>2.7%</td>
<td>(831)</td>
<td>-32.6%</td>
<td>1,835</td>
<td>1.9%</td>
</tr>
<tr>
<td>Gifts, Contributions, and Sponsorships</td>
<td></td>
<td>4,098</td>
<td>4.3%</td>
<td>5,511</td>
<td>5.4%</td>
<td>(1,413)</td>
<td>-25.6%</td>
<td>3,898</td>
<td>4.0%</td>
</tr>
<tr>
<td>Grants</td>
<td></td>
<td>-</td>
<td>0.0%</td>
<td>-</td>
<td>0.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Publications</td>
<td></td>
<td>2,123</td>
<td>2.2%</td>
<td>2,231</td>
<td>2.2%</td>
<td>(108)</td>
<td>-5.0%</td>
<td>2,651</td>
<td>2.7%</td>
</tr>
<tr>
<td>Royalties</td>
<td></td>
<td>6,840</td>
<td>7.2%</td>
<td>7,635</td>
<td>7.6%</td>
<td>(895)</td>
<td>-11.7%</td>
<td>7,459</td>
<td>7.6%</td>
</tr>
<tr>
<td>Gifts, Contributions, and Sponsorships</td>
<td></td>
<td>4,998</td>
<td>5.2%</td>
<td>5,511</td>
<td>5.4%</td>
<td>(513)</td>
<td>-9.3%</td>
<td>5,242</td>
<td>5.3%</td>
</tr>
<tr>
<td>Grants</td>
<td></td>
<td>-</td>
<td>0.0%</td>
<td>-</td>
<td>0.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Publications</td>
<td></td>
<td>2,231</td>
<td>2.2%</td>
<td>2,231</td>
<td>2.2%</td>
<td>(108)</td>
<td>-5.0%</td>
<td>2,651</td>
<td>2.7%</td>
</tr>
<tr>
<td>Royalties</td>
<td></td>
<td>6,840</td>
<td>7.2%</td>
<td>7,635</td>
<td>7.6%</td>
<td>(895)</td>
<td>-11.7%</td>
<td>7,459</td>
<td>7.6%</td>
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<tr>
<td>Gifts, Contributions, and Sponsorships</td>
<td></td>
<td>4,998</td>
<td>5.2%</td>
<td>5,511</td>
<td>5.4%</td>
<td>(513)</td>
<td>-9.3%</td>
<td>5,242</td>
<td>5.3%</td>
</tr>
<tr>
<td>Grants</td>
<td></td>
<td>-</td>
<td>0.0%</td>
<td>-</td>
<td>0.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Revenues</td>
<td></td>
<td>97,051</td>
<td>100.0%</td>
<td>100,261</td>
<td>100.0%</td>
<td>(3,210)</td>
<td>-3.2%</td>
<td>99,435</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

| **Expenses**                                     |                        |                |              |                |              |                     |             |            |           |
| Compensation                                     |                        | 51,364         | 52.9%        | 50,243         | 50.1%        | (1,121)             | -2.2%       | 50,468     | 50.3%     |
| Fringe Benefits and Payroll Taxes                |                        | 16,498         | 17.0%        | 17,930         | 17.9%        | (1,432)             | -8.1%       | 16,309     | 16.4%     |
| Professional Services                            |                        | 4,444          | 4.6%         | 1,636          | 1.6%         | (2,808)             | -171.6%     | 3,898      | 3.9%      |
| Meetings and Travel                              |                        | 7,779          | 8.0%         | 7,860          | 7.8%         | (81)                | 1.0%        | 7,681      | 7.7%      |
| Advertising and Marketing                        |                        | 4,362          | 4.5%         | 5,810          | 5.8%         | (1,448)             | -24.9%      | 5,362      | 5.4%      |
| Facilities                                       |                        | 4,108          | 4.2%         | 3,996          | 3.9%         | (112)               | -2.8%       | 3,884      | 3.9%      |
| Other Expenses                                   |                        | 3,338          | 3.4%         | 3,171          | 3.1%         | (620)               | -16.7%      | 3,093      | 3.1%      |
| Total Expenses                                   |                        | 103,790        | 106.9%       | 100,933        | 100.7%       | (2,856)             | -2.8%       | 102,991    | 103.6%    |

| **Net Revenues over/(under) Expenses**            |                        | (6,738)        | -6.9%        | (672)          | -0.7%        | (2,902)             | -8.7%       | (3,556)    | -3.6%     |

| **Non-Operating**                                |                        |                |              |                |              |                     |             |            |           |
| Net Change in Pension Liability other than Periodic Cost |              | (4,808)        | 5.0%         | -              | 0.0%         | (4,808)             | -100.0%     | - (3,338)  | -100.0%   |
| Investment Income                               |                        | (3,338)        | -3.4%        | -              | 0.0%         | (3,338)             | -100.0%     | - (3,338)  | -100.0%   |
| Other Non-operating                             |                        | (3,338)        | -3.4%        | -              | 0.0%         | (3,338)             | -100.0%     | - (3,338)  | -100.0%   |
| Net change in Unrestricted Net Assets           |                        | (5,340)        | -5.5%        | (672)          | -0.7%        | (6,008)             | -100.0%     | (13,304)   | -100.0%   |
| Net Change in Temporarily Restricted Net Assets |                        | 4,808          | 5.0%         | -              | 0.0%         | 4,808               | -100.0%     | (3,338)    | -100.0%   |
| Net Change in Permanently Restricted Net Assets |                        | -              | 0.0%         | -              | 0.0%         | -                   |             | - (3,338)  | -100.0%   |

| **Net Change in Total Net Assets**               |                        | (5,340)        | -5.5%        | (672)          | -0.7%        | (6,008)             | -100.0%     | (13,304)   | -100.0%   |

---

*Note: All percentages are rounded to two decimal places.*
<table>
<thead>
<tr>
<th>Description</th>
<th>Actual FY 2017</th>
<th>% of Revenue</th>
<th>Budget FY 2017</th>
<th>% of Revenue</th>
<th>Actual FY 2016</th>
<th>% of Revenue</th>
<th>% of Revenue vs. Budget</th>
<th>% of Revenue vs. FY 2016</th>
<th>Fav/(Unfav) % of Prior</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Membership Dues</td>
<td>$ 11,900</td>
<td>22.4%</td>
<td>$ 12,111</td>
<td>22.7%</td>
<td>$ 12,049</td>
<td>23.2%</td>
<td>$ (211) -1.7%</td>
<td>$ -121 -1.2%</td>
<td>-62 (5.1%)</td>
</tr>
<tr>
<td>Meeting Fees</td>
<td>$ 20,410</td>
<td>38.5%</td>
<td>$ 21,138</td>
<td>39.6%</td>
<td>$ 20,663</td>
<td>39.7%</td>
<td>$ -728 -3.4%</td>
<td>$ -574 -2.8%</td>
<td>475 (23%)</td>
</tr>
<tr>
<td>Advertising</td>
<td>$ 619</td>
<td>1.2%</td>
<td>$ 619</td>
<td>1.2%</td>
<td>$ 627</td>
<td>1.2%</td>
<td>$ 35 5.7%</td>
<td>$ 6 1.0%</td>
<td>-29 (4.5%)</td>
</tr>
<tr>
<td>Gifts, Contributions, and Sponsorships</td>
<td>$ 7,189</td>
<td>13.6%</td>
<td>$ 6,618</td>
<td>12.4%</td>
<td>$ 6,433</td>
<td>12.4%</td>
<td>$ 571 8.6%</td>
<td>$ 243 3.7%</td>
<td>128 (19%)</td>
</tr>
<tr>
<td>Grants</td>
<td>$ 0.0%</td>
<td>0.0%</td>
<td>$ 0.0%</td>
<td>0.0%</td>
<td>$ 0.0%</td>
<td>0.0%</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Publications</td>
<td>$ 5,368</td>
<td>10.1%</td>
<td>$ 5,968</td>
<td>11.2%</td>
<td>$ 4,941</td>
<td>9.5%</td>
<td>$ -599 -10.0%</td>
<td>$ -1,017 -20.5%</td>
<td>-228 (4.5%)</td>
</tr>
<tr>
<td>Royalties</td>
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<td>3.6%</td>
<td>$ 1,102</td>
<td>2.1%</td>
<td>$ 1,888</td>
<td>3.6%</td>
<td>$ 825 74.8%</td>
<td>$ 788 42.5%</td>
<td>-137 (7.3%)</td>
</tr>
<tr>
<td>Accreditation Fees</td>
<td>$ 4,503</td>
<td>8.5%</td>
<td>$ 4,577</td>
<td>8.6%</td>
<td>$ 4,400</td>
<td>8.5%</td>
<td>$ 137 3.0%</td>
<td>$ 375 8.5%</td>
<td>-102 (2.3%)</td>
</tr>
<tr>
<td>Miscellaneous Other</td>
<td>$ (179)</td>
<td>-0.3%</td>
<td>$ (237)</td>
<td>-0.4%</td>
<td>$ (243)</td>
<td>-0.5%</td>
<td>$ 58 -24.6%</td>
<td>$ 64 -26.4%</td>
<td>6 (2.6%)</td>
</tr>
<tr>
<td>Investment income from Operations</td>
<td>$ 1,233</td>
<td>2.3%</td>
<td>$ 1,530</td>
<td>2.9%</td>
<td>$ 1,287</td>
<td>2.5%</td>
<td>$ -297 -19.4%</td>
<td>$ -243 -19.0%</td>
<td>-54 (4.2%)</td>
</tr>
<tr>
<td>Designated Reserve for Operations</td>
<td>$ 0.0%</td>
<td>0.0%</td>
<td>$ 0.0%</td>
<td>0.0%</td>
<td>$ 0.0%</td>
<td>0.0%</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Net Assets Released from Restrictions</td>
<td>$ 0.0%</td>
<td>0.0%</td>
<td>$ 0.0%</td>
<td>0.0%</td>
<td>$ 0.0%</td>
<td>0.0%</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$ 53,006</td>
<td>100.0%</td>
<td>$ 53,427</td>
<td>100.0%</td>
<td>$ 52,044</td>
<td>100.0%</td>
<td>$ (421) -0.8%</td>
<td>$ 1,383 2.7%</td>
<td>-</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensation</td>
<td>$ 8,858</td>
<td>16.7%</td>
<td>$ 10,060</td>
<td>18.8%</td>
<td>$ 9,171</td>
<td>17.6%</td>
<td>$ 1,202 11.9%</td>
<td>$ 1,000 10.9%</td>
<td>-271 (2.9%)</td>
</tr>
<tr>
<td>Fringe Benefits and Payroll Taxes</td>
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<td>5.8%</td>
<td>$ 3,368</td>
<td>6.3%</td>
<td>$ 2,940</td>
<td>5.6%</td>
<td>$ 298 8.9%</td>
<td>$ 428 14.4%</td>
<td>-130 (4.4%)</td>
</tr>
<tr>
<td>Professional Services</td>
<td>$ 4,499</td>
<td>8.5%</td>
<td>$ 3,537</td>
<td>6.6%</td>
<td>$ 3,881</td>
<td>7.5%</td>
<td>$ (962) -27.2%</td>
<td>$ 344 -9.1%</td>
<td>-618 (15.9%)</td>
</tr>
<tr>
<td>Meetings and Travel</td>
<td>$ 24,530</td>
<td>46.3%</td>
<td>$ 25,492</td>
<td>47.7%</td>
<td>$ 25,160</td>
<td>48.3%</td>
<td>$ 962 3.8%</td>
<td>$ 332 0.6%</td>
<td>-631 (2.5%)</td>
</tr>
<tr>
<td>Advertising and Marketing</td>
<td>$ 425</td>
<td>0.8%</td>
<td>$ 409</td>
<td>0.8%</td>
<td>$ 356</td>
<td>0.7%</td>
<td>$ (16) -4.0%</td>
<td>$ 74 20.6%</td>
<td>-58 (19.6%)</td>
</tr>
<tr>
<td>Facilities</td>
<td>$ 5,315</td>
<td>10.0%</td>
<td>$ 6,404</td>
<td>12.0%</td>
<td>$ 5,832</td>
<td>11.2%</td>
<td>$ 1,089 17.0%</td>
<td>$ 572 9.5%</td>
<td>-350 (6.4%)</td>
</tr>
<tr>
<td>Facilities</td>
<td>$ 4,457</td>
<td>8.4%</td>
<td>$ 4,955</td>
<td>9.3%</td>
<td>$ 4,882</td>
<td>9.4%</td>
<td>$ 497 10.0%</td>
<td>$ 73 1.5%</td>
<td>-425 (8.7%)</td>
</tr>
<tr>
<td>Transfers</td>
<td>$ (1,211)</td>
<td>-2.3%</td>
<td>$ (762)</td>
<td>-1.4%</td>
<td>$ 450</td>
<td>0.0%</td>
<td></td>
<td></td>
<td>-312 (6.0%)</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>$ 5,980</td>
<td>11.3%</td>
<td>$ 6,492</td>
<td>12.2%</td>
<td>$ 6,626</td>
<td>12.7%</td>
<td>$ 512 7.9%</td>
<td>$ 134 2.0%</td>
<td>-646 (9.8%)</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$ 55,923</td>
<td>105.5%</td>
<td>$ 59,955</td>
<td>112.2%</td>
<td>$ 57,382</td>
<td>110.3%</td>
<td>$ 4,032 6.7%</td>
<td>$ 2,573 4.4%</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Revenues over/(under) Expenses</strong></td>
<td>$ (2,917)</td>
<td>-5.5%</td>
<td>$ (6,528)</td>
<td>-12.2%</td>
<td>$ 3,611</td>
<td>55.3%</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Change in Pension Liability other than Periodic Cost</strong></td>
<td>$ 0.0%</td>
<td>0.0%</td>
<td>$ 0.0%</td>
<td>0.0%</td>
<td>$ 0.0%</td>
<td>0.0%</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td><strong>Investment Income</strong></td>
<td>$ 9,657</td>
<td>18.2%</td>
<td>$ 542</td>
<td>1.0%</td>
<td>$ 9,115</td>
<td>0.0%</td>
<td>$ 4,515 95.3%</td>
<td>$ 8,673 159.2%</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Change in Unrestricted Net Assets</strong></td>
<td>$ 6,728</td>
<td>12.7%</td>
<td>$ (5,993)</td>
<td>-11.2%</td>
<td>$ 12,722</td>
<td>212.3%</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Change in Temporarily Restricted Net Assets</strong></td>
<td>$ 0.0%</td>
<td>0.0%</td>
<td>$ 0.0%</td>
<td>0.0%</td>
<td>$ 0.0%</td>
<td>0.0%</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Change in Permanently Restricted Net Assets</strong></td>
<td>$ 0.0%</td>
<td>0.0%</td>
<td>$ 0.0%</td>
<td>0.0%</td>
<td>$ 0.0%</td>
<td>0.0%</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Change in Total Net Assets</strong></td>
<td>$ 6,728</td>
<td>12.7%</td>
<td>$ (5,993)</td>
<td>-11.2%</td>
<td>$ 12,722</td>
<td>212.3%</td>
<td></td>
<td></td>
<td>-</td>
</tr>
</tbody>
</table>
## American Bar Association

### Total Grant Statements of Activities and Changes in Net Assets - Comparison to Budget and Prior Year

**Period Ending August 31, 2017 (AD2)**

<table>
<thead>
<tr>
<th>Description</th>
<th>Actual FY 2017</th>
<th>% of Revenue vs. Budget FY 2017</th>
<th>Budget FY 2016</th>
<th>% of Revenue vs. Budget FY 2016</th>
<th>Actual FY 2016</th>
<th>% of Revenue vs. Prior Year</th>
</tr>
</thead>
</table>

### Revenues

<table>
<thead>
<tr>
<th>Description</th>
<th>Actual FY 2017</th>
<th>% of Revenue vs. Budget FY 2017</th>
<th>Budget FY 2016</th>
<th>% of Revenue vs. Budget FY 2016</th>
<th>Actual FY 2016</th>
<th>% of Revenue vs. Prior Year</th>
</tr>
</thead>
</table>

### Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>Actual FY 2017</th>
<th>% of Revenue vs. Budget FY 2017</th>
<th>Budget FY 2016</th>
<th>% of Revenue vs. Budget FY 2016</th>
<th>Actual FY 2016</th>
<th>% of Revenue vs. Prior Year</th>
</tr>
</thead>
</table>

### Net Change in Restricted Net Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Actual FY 2017</th>
<th>% of Revenue vs. Budget FY 2017</th>
<th>Budget FY 2016</th>
<th>% of Revenue vs. Budget FY 2016</th>
<th>Actual FY 2016</th>
<th>% of Revenue vs. Prior Year</th>
</tr>
</thead>
</table>

### Net Change in Total Net Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Actual FY 2017</th>
<th>% of Revenue vs. Budget FY 2017</th>
<th>Budget FY 2016</th>
<th>% of Revenue vs. Budget FY 2016</th>
<th>Actual FY 2016</th>
<th>% of Revenue vs. Prior Year</th>
</tr>
</thead>
</table>

### Year-to-Date Full Year

<table>
<thead>
<tr>
<th>Description</th>
<th>Actual FY 2017</th>
<th>% of Revenue vs. Budget FY 2017</th>
<th>Budget FY 2016</th>
<th>% of Revenue vs. Budget FY 2016</th>
<th>Actual FY 2016</th>
<th>% of Revenue vs. Prior Year</th>
</tr>
</thead>
</table>

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**American Bar Association**
### American Bar Association

Gifts, Contributions, Support Funds, and Endowments Statements of Activities and Changes in Net Assets - Comparison to Budget and Prior Year

Period Ending August 31, 2017 (AD2)

(US $000's)

<table>
<thead>
<tr>
<th>Description</th>
<th>Actual FY 2017 % of Revenue</th>
<th>Budget FY 2017 % of Revenue</th>
<th>Actual FY 2016 % of Revenue</th>
<th>Budget FY 2016 % of Revenue</th>
<th>Actual FY 2016 vs. FY 2017</th>
<th>Budget FY 2016 vs. FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Membership Dues</td>
<td>- 0.0%</td>
<td>- 0.0%</td>
<td>- 0.0%</td>
<td>- 0.0%</td>
<td>- 0.0%</td>
<td>- 0.0%</td>
</tr>
<tr>
<td>Meeting Fees</td>
<td>716</td>
<td>22.0%</td>
<td>891</td>
<td>29.8%</td>
<td>(175) -19.6%</td>
<td>587</td>
</tr>
<tr>
<td>Advertising</td>
<td>- 0.0%</td>
<td>- 0.0%</td>
<td>- 0.0%</td>
<td>- 0.0%</td>
<td>- 0.0%</td>
<td>- 0.0%</td>
</tr>
<tr>
<td>Gifts, Contributions, and Sponsorships</td>
<td>158</td>
<td>4.8%</td>
<td>501</td>
<td>16.7%</td>
<td>(343) -68.5%</td>
<td>129</td>
</tr>
<tr>
<td>Grants</td>
<td>- 0.0%</td>
<td>- 0.0%</td>
<td>10</td>
<td>0.3%</td>
<td>(10) -100.0%</td>
<td>- 0.0%</td>
</tr>
<tr>
<td>Publications</td>
<td>145</td>
<td>4.4%</td>
<td>169</td>
<td>5.6%</td>
<td>(24) -14.1%</td>
<td>146</td>
</tr>
<tr>
<td>Royalties</td>
<td>10</td>
<td>0.3%</td>
<td>0</td>
<td>0.0%</td>
<td>- 0.0%</td>
<td>219</td>
</tr>
<tr>
<td>Accreditation Fees</td>
<td>- 0.0%</td>
<td>- 0.0%</td>
<td>- 0.0%</td>
<td>- 0.0%</td>
<td>- 0.0%</td>
<td>- 0.0%</td>
</tr>
<tr>
<td>Miscellaneous Other</td>
<td>56</td>
<td>1.7%</td>
<td>10</td>
<td>0.3%</td>
<td>46 0.0%</td>
<td>51</td>
</tr>
<tr>
<td>Investment income from Operations</td>
<td>0</td>
<td>0.0%</td>
<td>0</td>
<td>0.0%</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Designated Reserve for Operations</td>
<td>- 0.0%</td>
<td>- 0.0%</td>
<td>- 0.0%</td>
<td>- 0.0%</td>
<td>- 0.0%</td>
<td>- 0.0%</td>
</tr>
<tr>
<td>Net Assets Released from Restrictions</td>
<td>2,175</td>
<td>66.7%</td>
<td>1,412</td>
<td>47.2%</td>
<td>763 54.0%</td>
<td>2,631</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$ 3,260</td>
<td>100.0%</td>
<td>$ 2,993</td>
<td>100.0%</td>
<td>$ 268 8.9%</td>
<td>$ 3,763</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensation</td>
<td>$ 643</td>
<td>19.7%</td>
<td>$ 711</td>
<td>23.8%</td>
<td>68 9.6%</td>
<td>$ 578</td>
</tr>
<tr>
<td>Fringe Benefits and Payroll Taxes</td>
<td>220</td>
<td>6.7%</td>
<td>235</td>
<td>7.9%</td>
<td>15 6.5%</td>
<td>188</td>
</tr>
<tr>
<td>Professional Services</td>
<td>785</td>
<td>24.1%</td>
<td>1,210</td>
<td>40.4%</td>
<td>425 35.1%</td>
<td>870</td>
</tr>
<tr>
<td>Meetings and Travel</td>
<td>1,046</td>
<td>32.1%</td>
<td>1,519</td>
<td>50.8%</td>
<td>473 31.1%</td>
<td>1,445</td>
</tr>
<tr>
<td>Advertising and Marketing</td>
<td>2</td>
<td>0.6%</td>
<td>9</td>
<td>0.3%</td>
<td>7 760.0%</td>
<td>6</td>
</tr>
<tr>
<td>Publishing</td>
<td>196</td>
<td>6.0%</td>
<td>242</td>
<td>8.1%</td>
<td>46 19.1%</td>
<td>204</td>
</tr>
<tr>
<td>Facilities</td>
<td>293</td>
<td>9.0%</td>
<td>202</td>
<td>6.8%</td>
<td>(91) -45.1%</td>
<td>173</td>
</tr>
<tr>
<td>Transfers</td>
<td>(854)</td>
<td>-26.2%</td>
<td>(326)</td>
<td>-7.9%</td>
<td>682 261.8%</td>
<td>323</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>737</td>
<td>22.6%</td>
<td>700</td>
<td>23.4%</td>
<td>(37) -5.3%</td>
<td>420</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$ 3,069</td>
<td>94.1%</td>
<td>$ 4,593</td>
<td>153.5%</td>
<td>$ 1,524 33.2%</td>
<td>$ 4,208</td>
</tr>
<tr>
<td><strong>Net Revenues over/(under) Expenses</strong></td>
<td>$ 191</td>
<td>5.9%</td>
<td>(1,600)</td>
<td>-53.5%</td>
<td>1,792 112.0%</td>
<td>(445)</td>
</tr>
<tr>
<td><strong>Net Change in Pension Liability other than Periodic Cost</strong></td>
<td>$ - 0.0%</td>
<td>- 0.0%</td>
<td>- 0.0%</td>
<td>- 0.0%</td>
<td>- 0.0%</td>
<td>- 0.0%</td>
</tr>
<tr>
<td><strong>Investment Income</strong></td>
<td>177</td>
<td>5.4%</td>
<td>177</td>
<td>0.0%</td>
<td>0.0%</td>
<td>152</td>
</tr>
<tr>
<td><strong>Reserve Transfers</strong></td>
<td>- 0.0%</td>
<td>- 0.0%</td>
<td>- 0.0%</td>
<td>- 0.0%</td>
<td>- 0.0%</td>
<td>- 0.0%</td>
</tr>
<tr>
<td><strong>Other Non-operating</strong></td>
<td>- 0.0%</td>
<td>- 0.0%</td>
<td>- 0.0%</td>
<td>- 0.0%</td>
<td>- 0.0%</td>
<td>- 0.0%</td>
</tr>
<tr>
<td><strong>Net change in Unrestricted Net Assets</strong></td>
<td>$ 368</td>
<td>11.3%</td>
<td>(1,600)</td>
<td>-53.5%</td>
<td>1,969 123.0%</td>
<td>(293)</td>
</tr>
<tr>
<td><strong>Net Change in Temporarily Restricted Net Assets</strong></td>
<td>$ 1,193</td>
<td>36.6%</td>
<td>(269)</td>
<td>-9.0%</td>
<td>1,462 543.8%</td>
<td>(333)</td>
</tr>
<tr>
<td><strong>Net Change in Permanently Restricted Net Assets</strong></td>
<td>$ 176</td>
<td>5.4%</td>
<td>- 0.0%</td>
<td>0.0%</td>
<td>176 0.0%</td>
<td>157</td>
</tr>
<tr>
<td><strong>Net Change in Total Net Assets</strong></td>
<td>$ 1,737</td>
<td>53.3%</td>
<td>(1,869)</td>
<td>-62.5%</td>
<td>3,606 192.9%</td>
<td>(469)</td>
</tr>
</tbody>
</table>

**Non-Operating**

Net Change in Pension Liability other than Periodic Cost

Net Change in Investment Income

Net Reserve Transfers

Net Change in Other Non-operating

Net change in Unrestricted Net Assets

Net Change in Temporarily Restricted Net Assets

Net Change in Permanently Restricted Net Assets

Net Change in Total Net Assets
In my first report to the Board of Governors as Treasurer, I would like to cover four topics:

1. Preliminary FY17 Operating and Non-Operating Results through August 31, 2017
2. Investment Results and Investment Policy Update
3. Overview of the small pension buyout project and general pension funding issues
4. FY2018 Budget review

1. Preliminary Consolidated FY2017 Operating and Non-Operating Results through August 31, 2017

On a consolidated basis, the ABA reports revenue under four segments: 1) General Operations; 2) Sections, Divisions and Forums; 3) Grants; and 4) Gifts. To view greater detail than summarized in the charts below, please refer to the last few pages of this report. Please note that some minor differences related to rounding may exist.

Consolidated Operating Revenue
By Segment ($ in millions)

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY17 - Prelim Aug 2017</th>
<th>FY16 - Aug 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual FYTD</td>
<td>Budget FYTD</td>
</tr>
<tr>
<td>General Operations</td>
<td>$97.1</td>
<td>$100.3</td>
</tr>
<tr>
<td>Sections</td>
<td>$53.0</td>
<td>$53.4</td>
</tr>
<tr>
<td>Grants</td>
<td>$54.2</td>
<td>$54.7</td>
</tr>
<tr>
<td>Gifts</td>
<td>$3.3</td>
<td>$3.0</td>
</tr>
<tr>
<td>Total</td>
<td>$207.5</td>
<td>$211.4</td>
</tr>
</tbody>
</table>

Consolidated operating revenue through August 31, 2017 was $207.5 million, which was $3.9 million below budget. Revenue budget variances are primarily due to unfavorability in General Operations of $3.2 million, Grants of $0.5 million and Sections of $0.4 million. The main drivers of the General Operations revenue shortfall included:

- Dues revenue $(2.9) million
- Advertising $(0.9) million
- Royalties $(0.8) million

Offsetting the General Operations revenue shortfall is $1.6 million of designated reserves that was transferred to operations to offset the Website development for expenses incurred in FY2017, as approved by the Board of Governors (BOG), but is not reflected in the budget. Section
Revenue is unfavorable to budget by $0.4 million due to unfavorability in Meeting Fees, Publications, Investment Income for Operations, and Dues, partially offset by Royalties and Gifts, Contributions & Sponsorships. Lastly, Grant revenue is $0.5 million unfavorable to budget, driven by a slowdown in the political environment for international grants and partly offset by domestic grant favorability.

Consolidated operating revenue compared to prior is $0.2 million unfavorable, driven by unfavorable General Operations revenue ($2.4 million) and Gifts ($0.5 million), which is offset by favorability in Grants ($1.8 million) and Sections ($1.0 million). Grant favorability is driven by increased activity in domestic grants, including the fixed fee grants mentioned above. Section revenue is favorable related to an increase in Contributions/Sponsorships. The unfavorability in General Operations is driven by a decrease of $2.4 million in dues revenue which is an unfortunate trend we have seen and will continue to see throughout the upcoming fiscal year.

Consolidated Operating Expense
By Segment ($ in millions)

<table>
<thead>
<tr>
<th></th>
<th>FY17 - Prelim Aug 2017</th>
<th>FY16 - Aug 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual FYTD</td>
<td>Budget FYTD</td>
</tr>
<tr>
<td>General Operations</td>
<td>$ 103.8</td>
<td>$ 100.9</td>
</tr>
<tr>
<td>Sections</td>
<td>55.9</td>
<td>60.0</td>
</tr>
<tr>
<td>Grants</td>
<td>52.4</td>
<td>54.8</td>
</tr>
<tr>
<td>Gifts</td>
<td>3.1</td>
<td>4.6</td>
</tr>
<tr>
<td>Total</td>
<td>$ 215.2</td>
<td>$ 220.3</td>
</tr>
</tbody>
</table>

Through the same period, consolidated operating expense of $215.2 million was $5.1 million favorable to (under) budget, and $1.2 million favorable to (lower than) the prior year.

Favorable expense budget variances are mainly driven by Sections of $4.0 million, Grants of $2.4 million, and Gifts of $1.5 million, offset by unfavorability in General Operations of $2.9 million. The $2.9 million unfavorable General Operations variance reflects $4.1 million in unbudgeted expenses, mainly reflecting the BOG approved web development project, severance expense, and a new state law now requiring payment of administrative leave balances at employee termination. Excluding these unbudgeted expense items, General Operations expense would be about $1.2 million favorable (under) to budget.

Consolidated operating expenses are $1.2 million favorable to prior year. Favorability in Sections of $1.5 million and Gift of $1.1 million are offset by unfavorability in General Operations of $0.8 million (unfavorable across multiple reporting lines) and Grants of $0.6 million, which trends in line with Grant revenue.
## Consolidated Revenue over/(under) Expenses
### By Segment ($ in millions)

<table>
<thead>
<tr>
<th></th>
<th>FY17 - Prelim Aug 2017</th>
<th>FY16 - Aug 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual FYTD</td>
<td>Budget FYTD</td>
</tr>
<tr>
<td>General Operations</td>
<td>$ (6.7)</td>
<td>$ (0.7)</td>
</tr>
<tr>
<td>Sections</td>
<td>(2.9)</td>
<td>(6.5)</td>
</tr>
<tr>
<td>Grants</td>
<td>1.8</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Gifts</td>
<td>0.2</td>
<td>(1.6)</td>
</tr>
<tr>
<td>Total</td>
<td>$ (7.7)</td>
<td>$ (8.9)</td>
</tr>
</tbody>
</table>

Through August 31, 2017, on a consolidated basis, Net Operating Revenue under Expenses resulted in a $7.7 million deficit. This deficit by segment consists of a $6.7 million deficit from General Operations and a $2.9 million deficit from Sections, partially offset by a $1.8 million surplus from Grants and a $0.2 million surplus from Gifts. Please note that there are unbudgeted expenses in General Operations of $2.5 million, not offset by reserve/revenue, that include items associated with staff reductions and a new state law now requiring payment of administrative leave balances at employee termination. Also, it is important to understand that many sections do not include investment income in operations and, as such, the Sections have $9.7 million of investment income in FY2017 not included in their operating total. The surplus in Grants is related to fixed fee domestic grants.

### Preliminary Non-Operating Results through August 31, 2017

As stated above, consolidated operating revenue through August 31, 2017 was $207.5 million, consolidated operating expenses were $215.2 million, resulting in a deficit of $7.7 million, an improvement of $1.0 million over last year’s operating deficit. Despite the operating deficit of $7.7 million and excluding the year end pension liability adjustment, the ABA realized a positive net assets change of $4.9 million (surplus) due to strong investment performance as shown in the chart below.

In addition to the $4.9 million surplus, and based on estimates, our year end pension liability adjustment is expected to add $11.6 million positive net assets change (surplus).
Preliminary Consolidated ABA Results for FY 2017

Amounts in Millions

<table>
<thead>
<tr>
<th></th>
<th>Prelim</th>
<th>Budget</th>
<th>LY</th>
<th>Variance to:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Budget</td>
</tr>
<tr>
<td>Operating Revenues</td>
<td>$ 207.5</td>
<td>$ 211.4</td>
<td>$ 207.7</td>
<td>$ (3.9)</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>215.2</td>
<td>220.3</td>
<td>216.4</td>
<td>5.1</td>
</tr>
<tr>
<td>Operating Deficit</td>
<td>(7.7)</td>
<td>(8.9)</td>
<td>(8.7)</td>
<td>1.2</td>
</tr>
<tr>
<td>Investment Income not in Operations</td>
<td>15.5</td>
<td>0.5</td>
<td>3.3</td>
<td>15.0</td>
</tr>
<tr>
<td>Other Non-Operating Items</td>
<td>(2.9)</td>
<td>(0.2)</td>
<td>(0.9)</td>
<td>(2.7)</td>
</tr>
<tr>
<td>Results before Pension Adjustment</td>
<td>4.9</td>
<td>(8.6)</td>
<td>(6.3)</td>
<td>13.5</td>
</tr>
<tr>
<td>Year-end Pension Adjustment</td>
<td>-</td>
<td>-</td>
<td>(13.3)</td>
<td>-</td>
</tr>
<tr>
<td>Change in Net Assets</td>
<td>$ 4.9</td>
<td>$ (8.6)</td>
<td>$ (19.6)</td>
<td>$ 13.5</td>
</tr>
</tbody>
</table>

Investment Income is reported in both operations and in non-operations. The following chart summarizes total funds used for operations:

FY2017 Funding Used for Operations
($ in millions)

<table>
<thead>
<tr>
<th></th>
<th>Gen Ops/ FJE</th>
<th>Sections</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Used for Operations</td>
<td>$ 14.5</td>
<td>$ 1.2</td>
<td>$ 15.7</td>
</tr>
<tr>
<td>Non-Operating</td>
<td>2.5</td>
<td>9.7</td>
<td>12.2</td>
</tr>
<tr>
<td>Total</td>
<td>$ 17.0</td>
<td>$ 10.9</td>
<td>$ 27.9</td>
</tr>
</tbody>
</table>

Breakdown of Gen Ops/FJE Funding:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>5.5% Per Policy</td>
<td>$ 10.9</td>
</tr>
<tr>
<td>Center for Innovation</td>
<td>0.8</td>
</tr>
<tr>
<td>ABE Grant restore</td>
<td>0.4</td>
</tr>
<tr>
<td>To balance budget</td>
<td>0.5</td>
</tr>
<tr>
<td>Website Development Expenses</td>
<td>1.6</td>
</tr>
<tr>
<td>FJE Transfer*</td>
<td>0.3</td>
</tr>
<tr>
<td></td>
<td>$ 14.5</td>
</tr>
</tbody>
</table>

*Reimbursement from restricted balances for program costs paid by Gen Ops

As reported above, the ABA earned $27.9 million of investment income in FY2017. Of the $27.9 million in investment income, General Operations/FJE and Sections earned $17.0 million and $10.9 million, respectively. FY2017 was an abnormally strong year for investments and most experts expect that returns will be much lower in upcoming years. As such, we are making the difficult changes necessary to reduce our reliance on investment spending. You will recall that the BOG recently approved a reduction in the percentage of investments used for operations.
Statement of Financial Position (Balance Sheet)

It is also important to understand the components of our Association’s balance sheet in addition to the income statement. Total assets are $344.7 million and Net Assets (after liabilities are subtracted from our assets) are $159.9 million as of preliminary August 31, 2017.

Consolidated Statements of Financial Position
($ in millions)

<table>
<thead>
<tr>
<th></th>
<th>Prelim Aug 2017</th>
<th>August 2016</th>
<th>Change Fav (Unf)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash &amp; Equivalents</td>
<td>$ 15.5</td>
<td>$ 17.9</td>
<td>$(2.5)</td>
</tr>
<tr>
<td>Long-Term Investments</td>
<td>296.4</td>
<td>291.6</td>
<td>4.8</td>
</tr>
<tr>
<td>Other Assets</td>
<td>32.9</td>
<td>32.7</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$ 344.8</td>
<td>$ 342.2</td>
<td>$ 2.6</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred Revenue and Deferred Rent Abatement</td>
<td>$ 78.0</td>
<td>$ 80.7</td>
<td>$ 2.7</td>
</tr>
<tr>
<td>Pension Liability &amp; Loan to Fund Pension Liability</td>
<td>87.0</td>
<td>89.3</td>
<td>2.3</td>
</tr>
<tr>
<td>Payables and Other Debt</td>
<td>19.9</td>
<td>17.2</td>
<td>(2.7)</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$ 184.9</td>
<td>$ 187.2</td>
<td>$ 2.3</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ABA Operating Funds</td>
<td>$ 41.3</td>
<td>$ 43.0</td>
<td>$(1.7)</td>
</tr>
<tr>
<td>ABA Section Funds</td>
<td>106.0</td>
<td>100.8</td>
<td>5.2</td>
</tr>
<tr>
<td>Total Unrestricted</td>
<td>147.3</td>
<td>143.8</td>
<td>3.5</td>
</tr>
<tr>
<td>Total Temporarily Restricted</td>
<td>5.2</td>
<td>4.0</td>
<td>1.2</td>
</tr>
<tr>
<td>Total Permanently Restricted</td>
<td>7.4</td>
<td>7.2</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td>$ 159.9</td>
<td>$ 155.0</td>
<td>$ 4.9</td>
</tr>
<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td>$ 344.8</td>
<td>$ 342.2</td>
<td>$ 2.6</td>
</tr>
</tbody>
</table>

While we have assets of $344.7 million, we have significant liabilities totaling $184.8 million, leaving us with total net assets of $159.9 million. The good news is that our Long-Term Investment balance, our largest asset on the balance sheet, increased by $4.8 million despite over-reliance on investments to support operations.

Recall that the pension liability is one of the ABA’s largest obligations on the balance sheet. As of the writing of this report, the pension liability and related debt, currently reported as $87.0 million, has not been updated for FY2017 year end. However, based on estimates from our actuary’s (Aon) analysis, we expect our pension liability to decrease $11.6 million.

Excluding the pension liability adjustment, our net assets represent approximately nine months of consolidated annual expenses. Of the $159.9 million total net assets, approximately
$106.0 million are Section unrestricted net assets; with the balance of $41.3 million in General Operations and FJE net assets ($12.6 million restricted and $28.7 million unrestricted).

2. Investment Results

Our long-term investment balance fluctuates based on market conditions and is also impacted by our use of these investments to fund operations. The Association’s consolidated investment balance as of August 31, 2017 is $296.4 million (General Operations / FJE $199.9 million and Sections / NJC $96.5 million), up $4.8 million compared to prior year. The chart below shows the fluctuations in the investment balance over time.

FYTD our investment returns on our consolidated portfolio are approximately 10.4%, net of fees. In early 2017, General Operations began investing in Russell's Multi-Asset Core Plus Fund, and, at August 31, 2017, had 38% invested in this fund. General Operations’ FY2018 target is 55%. As we have mentioned on several occasions, our Russell Investments, who serves as our Investment Advisors, recently conducted a spending study to help us understand how we use our investments which would then lead us to consider how we are investment our assets. After that study, the Investment Subcommittee and the Finance Committee were convinced that we were relying too heavily on our investments (spending beyond our means) and recommended the 3.5% spending level for operations.

For clarity sake, I wanted the Board to understand that our assumed return is 7%. The 3.5% is NOT the expected return on investments but rather it is the level of spending that will
allow us to preserve and potentially grow our investments to maintain buying power for key projects and fixed asset capital needs and, further, protect against future market downturns.

3. Small Pension Buyout and General Pension Funding Issues

The ABA is proposing purchasing annuities for all retirees who receive an annual pension benefit of $5,000 or less. The annuities would be provided by a reputable high credit quality financial institution. Of the 1,233 plan participants, there are 147 who are currently receiving an annual benefit of less than $5,000. This proposed transaction will decrease administrative premiums by nearly $90,000 in FY2018, and this cost is on the rise making this transaction even more prudent.

This approach not only protects the participant but reduces some of our annual pension administrative and insurance expense. We may consummate similar transactions in the future in our continuing efforts to manage the ABA’s pension obligation.

In addition to the small pension buyout project, we continue to focus on the larger pension liability and related debt (collectively referred to as “pension liabilities”). If you’ve read my predecessor Nick Casey’s reports, you know that we’ve been discussing this for some time. As you know, these liabilities have increased significantly in recent years and our current obligation is $87.0 million (consisting of both the pension liability and outstanding loan balance). The pension liability is determined only once a year by actuaries who calculate it as of August 31st, and as of the printing of my Treasurer’s Report, our actuary’s (Aon) current estimate is that our pension liability is expected to decrease by $11.6 million. We are scheduled to receive the final report from Aon by the end of October. The current loan balance is $24.0 million, which reflects the recent September 30th loan repayment.

In the past few years, we have taken proactive steps in managing our pension liability. First, we froze the plan to new entrants. Second, we borrowed $40 million to make contributions to fund the pension and thereby make the pension expense more predictable and manageable. Third, last year, we offered a lump sum settlement to terminated vested participants, which significantly reduced PBGC premiums. We also amended the plan to offer lump sum settlements to participants at retirement to further reduce administrative costs.

4. FY2018 Budget

The chart below shows the Consolidated FY2018 budget as approved at the Annual Meeting. We are too early in this fiscal year to report any operating results as it relates to the FY2018 budget. However, you should note that the budget does not contemplate any costs that may be incurred for the OneABA project. Although the FY2018 Budget involved the difficult task of creating a balanced General Operations budget using only 3.5% from investments we already know that there will be some expenses associated with exploring OneABA that are not in the budget.
FY18 Final Budget  
($ in millions)

<table>
<thead>
<tr>
<th></th>
<th>Operating Revenue</th>
<th>Operating Expense</th>
<th>Over/(Under) Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Operations</td>
<td>$95.1</td>
<td>$95.1</td>
<td>$</td>
</tr>
<tr>
<td>Sections</td>
<td>53.6</td>
<td>59.8</td>
<td>(6.2)</td>
</tr>
<tr>
<td>Grants</td>
<td>50.4</td>
<td>50.6</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Gifts</td>
<td>3.1</td>
<td>4.4</td>
<td>(1.3)</td>
</tr>
<tr>
<td><strong>Consolidated</strong></td>
<td><strong>$202.2</strong></td>
<td><strong>$209.9</strong></td>
<td><strong>($7.7)</strong></td>
</tr>
</tbody>
</table>

You should also note that as we progress through FY 18 we will need to watch our dues revenue. As you know, dues revenue has been declining. Preliminary Consolidated FY2017 dues revenue was $68.7 million, which is $3.1 million below budget and $2.6 million lower than the prior year. FY18 Consolidated dues budget is $68.8 million. Although in line with FY2017, we are continuing to see a decline in FY2018 dues collections. For the week ending September 22, 2017, dues collections are $42.6 million, $1.5 million behind this time last year, or 3.4%.

Having a new lease that will provide savings for the next several years will give us a good leg up on 2019, but it will be important for us to consider carefully how we build and fund the FY2019 budget as that work gets underway. The cuts from FY2018 mean that we will not likely see the savings from the expense side that we've seen over the last few years. We will need to look at structure changes to how we do our work as an Association and how we ultimately increase the revenue stream. Cuts have been important but we can't create a financially stable and healthy organization by cuts alone.

I look forward to serving as your Treasurer for the next three years. Thank you.

Michelle Behnke
# Consolidated Summary

**FY 2017 - Preliminary August 2017 FYTD**

$ in millions

<table>
<thead>
<tr>
<th></th>
<th>Vs. Budget</th>
<th>Vs. Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY 2017</td>
<td>FY 2017</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Operations</td>
<td>$ 97.1</td>
<td>$ 100.3</td>
</tr>
<tr>
<td>Section</td>
<td>53.0</td>
<td>53.4</td>
</tr>
<tr>
<td>Grants</td>
<td>54.2</td>
<td>54.7</td>
</tr>
<tr>
<td>Gifts</td>
<td>3.3</td>
<td>3.0</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>207.5</td>
<td>211.4</td>
</tr>
<tr>
<td><strong>Expense</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Operations</td>
<td>103.8</td>
<td>100.9</td>
</tr>
<tr>
<td>Section</td>
<td>55.9</td>
<td>60.0</td>
</tr>
<tr>
<td>Grants</td>
<td>52.4</td>
<td>54.8</td>
</tr>
<tr>
<td>Gifts</td>
<td>3.1</td>
<td>4.6</td>
</tr>
<tr>
<td>Total Expense</td>
<td>215.2</td>
<td>220.3</td>
</tr>
<tr>
<td><strong>Revenues over / (under) Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Operations</td>
<td>(6.7)</td>
<td>(0.7)</td>
</tr>
<tr>
<td>Section</td>
<td>(2.9)</td>
<td>(6.5)</td>
</tr>
<tr>
<td>Grants</td>
<td>1.8</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Gifts</td>
<td>0.2</td>
<td>(1.6)</td>
</tr>
<tr>
<td>Total Revenues over / (under) Expenses</td>
<td>$ (7.7)</td>
<td>$ (8.9)</td>
</tr>
</tbody>
</table>
### American Bar Association

**Consolidated Statements of Activities and Changes in Net Assets - Comparison to Budget and Prior Year**

**Period Ending August 31, 2017 (AD2)**

(US $000's)

<table>
<thead>
<tr>
<th>Description</th>
<th>Actual FY 2017</th>
<th>% of Revenue</th>
<th>Budget FY 2017</th>
<th>% of Revenue</th>
<th>vs. Budget 2017</th>
<th>% of Budget</th>
<th>vs. Budget FY 2016</th>
<th>% of Prior</th>
<th>Fav/(Unfav)</th>
<th>% of Prior</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership Dues</td>
<td>$68,671</td>
<td>33.1%</td>
<td>$71,781</td>
<td>34.0%</td>
<td>($3,109)</td>
<td>-4.3%</td>
<td>$71,232</td>
<td>34.3%</td>
<td>($561)</td>
<td>-0.8%</td>
</tr>
<tr>
<td>Meeting Fees</td>
<td>$27,064</td>
<td>13.0%</td>
<td>$28,139</td>
<td>13.3%</td>
<td>($1,075)</td>
<td>-3.8%</td>
<td>$26,867</td>
<td>12.9%</td>
<td>197</td>
<td>0.7%</td>
</tr>
<tr>
<td>Advertising</td>
<td>$2,474</td>
<td>1.2%</td>
<td>$3,372</td>
<td>1.6%</td>
<td>($898)</td>
<td>-26.6%</td>
<td>$955</td>
<td>4.6%</td>
<td>(790)</td>
<td>-8.2%</td>
</tr>
<tr>
<td>Grants</td>
<td>$54,015</td>
<td>26.0%</td>
<td>$54,702</td>
<td>25.9%</td>
<td>($687)</td>
<td>-1.3%</td>
<td>$52,055</td>
<td>25.1%</td>
<td>1,959</td>
<td>3.8%</td>
</tr>
<tr>
<td>Professional Services</td>
<td>$31,337</td>
<td>15.1%</td>
<td>$28,945</td>
<td>13.7%</td>
<td>($2,392)</td>
<td>-8.3%</td>
<td>$32,055</td>
<td>15.4%</td>
<td>718</td>
<td>2.2%</td>
</tr>
<tr>
<td>Meetings and Travel</td>
<td>$40,722</td>
<td>19.6%</td>
<td>$42,123</td>
<td>19.9%</td>
<td>$1,401</td>
<td>3.3%</td>
<td>$41,749</td>
<td>20.1%</td>
<td>1,027</td>
<td>2.5%</td>
</tr>
<tr>
<td>Facilities</td>
<td>$23,697</td>
<td>11.4%</td>
<td>$22,944</td>
<td>10.9%</td>
<td>($753)</td>
<td>-3.3%</td>
<td>$22,733</td>
<td>10.9%</td>
<td>211</td>
<td>0.9%</td>
</tr>
<tr>
<td>Transfers</td>
<td>($0)</td>
<td>0.0%</td>
<td>($999)</td>
<td>0.5%</td>
<td>100.0%</td>
<td>-</td>
<td>$999</td>
<td>-</td>
<td>11</td>
<td>0.0%</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$207,520</td>
<td>100.0%</td>
<td>$211,372</td>
<td>100.0%</td>
<td>($3,852)</td>
<td>-1.8%</td>
<td>$207,676</td>
<td>100.0%</td>
<td>($156)</td>
<td>-0.1%</td>
</tr>
<tr>
<td>Compensation</td>
<td>$74,943</td>
<td>36.1%</td>
<td>$75,854</td>
<td>35.9%</td>
<td>($911)</td>
<td>1.2%</td>
<td>$74,253</td>
<td>35.8%</td>
<td>(690)</td>
<td>-0.9%</td>
</tr>
<tr>
<td>Fringe Benefits and Payroll Taxes</td>
<td>$24,336</td>
<td>11.7%</td>
<td>$26,359</td>
<td>12.5%</td>
<td>$2,023</td>
<td>7.7%</td>
<td>$23,534</td>
<td>11.3%</td>
<td>(802)</td>
<td>-3.4%</td>
</tr>
<tr>
<td>Professional Services</td>
<td>$31,337</td>
<td>15.1%</td>
<td>$28,945</td>
<td>13.7%</td>
<td>($2,392)</td>
<td>-8.3%</td>
<td>$32,055</td>
<td>15.4%</td>
<td>718</td>
<td>2.2%</td>
</tr>
<tr>
<td>Meetings and Travel</td>
<td>$40,722</td>
<td>19.6%</td>
<td>$42,123</td>
<td>19.9%</td>
<td>$1,401</td>
<td>3.3%</td>
<td>$41,749</td>
<td>20.1%</td>
<td>1,027</td>
<td>2.5%</td>
</tr>
<tr>
<td>Facilities</td>
<td>$23,697</td>
<td>11.4%</td>
<td>$22,944</td>
<td>10.9%</td>
<td>($753)</td>
<td>-3.3%</td>
<td>$22,733</td>
<td>10.9%</td>
<td>211</td>
<td>0.9%</td>
</tr>
<tr>
<td>Transfers</td>
<td>($0)</td>
<td>0.0%</td>
<td>($999)</td>
<td>0.5%</td>
<td>100.0%</td>
<td>-</td>
<td>$999</td>
<td>-</td>
<td>11</td>
<td>0.0%</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>$215,219</td>
<td>103.7%</td>
<td>$226,276</td>
<td>104.2%</td>
<td>($5,057)</td>
<td>2.3%</td>
<td>$216,373</td>
<td>104.2%</td>
<td>1,155</td>
<td>0.5%</td>
</tr>
<tr>
<td>Net Revenues over/(under) Expenses</td>
<td>($7,698)</td>
<td>-3.7%</td>
<td>($8,903)</td>
<td>-4.2%</td>
<td>1,205</td>
<td>13.5%</td>
<td>($8,979)</td>
<td>11.5%</td>
<td>($965)</td>
<td>-10.6%</td>
</tr>
<tr>
<td>Net Change in Pension Liability other than Periodic Cost</td>
<td>-</td>
<td>0.0%</td>
<td>-</td>
<td>0.0%</td>
<td>-</td>
<td>0.0%</td>
<td>($13,304)</td>
<td>-6.4%</td>
<td>13,304</td>
<td>100.0%</td>
</tr>
<tr>
<td>Investment Income</td>
<td>$14,640</td>
<td>7.1%</td>
<td>$542</td>
<td>0.3%</td>
<td>$14,098</td>
<td>2.7%</td>
<td>$2,664</td>
<td>1.3%</td>
<td>11,979</td>
<td>449.7%</td>
</tr>
<tr>
<td>Reserve Transfers</td>
<td>($3,338)</td>
<td>-1.6%</td>
<td>-</td>
<td>0.0%</td>
<td>($3,338)</td>
<td>0.0%</td>
<td>$3,338</td>
<td>0.0%</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Net change in Unrestricted Net Assets</td>
<td>$3,522</td>
<td>1.7%</td>
<td>($3,468)</td>
<td>-4.0%</td>
<td>11,891</td>
<td>142.1%</td>
<td>($19,417)</td>
<td>-9.3%</td>
<td>22,939</td>
<td>118.1%</td>
</tr>
<tr>
<td>Net Change in Temporarily Restricted Net Assets</td>
<td>$1,193</td>
<td>0.6%</td>
<td>($269)</td>
<td>-1.4%</td>
<td>1,462</td>
<td>55.9%</td>
<td>($358)</td>
<td>-2.2%</td>
<td>1,551</td>
<td>433.7%</td>
</tr>
<tr>
<td>Net Change in Permanently Restricted Net Assets</td>
<td>$176</td>
<td>0.1%</td>
<td>-</td>
<td>0.0%</td>
<td>$176</td>
<td>0.0%</td>
<td>$157</td>
<td>0.1%</td>
<td>19</td>
<td>12.0%</td>
</tr>
<tr>
<td>Net Change in Total Net Assets</td>
<td>$4,891</td>
<td>2.4%</td>
<td>($8,637)</td>
<td>-4.0%</td>
<td>13,529</td>
<td>156.6%</td>
<td>($19,417)</td>
<td>-9.4%</td>
<td>24,508</td>
<td>124.9%</td>
</tr>
</tbody>
</table>

### Notes

- **Revenues**
  - Membership Dues
  - Meeting Fees
  - Advertising
  - Grants
  - Publications
  - Royalties
  - Accreditation Fees
  - Miscellaneous Other
  - **Investment Income from Operations**
  - **Designated Reserve for Operations**
  - **Net Assets Released from Restrictions**

- **Expenses**
  - Compensation
  - Fringe Benefits and Payroll Taxes
  - Professional Services
  - Meetings and Travel
  - Facilities
  - Transfers
  - Other Expenses

- **Net Revenues over/(under) Expenses**
- **Net Change in Pension Liability other than Periodic Cost**
- **Investment Income**
- **Reserve Transfers**
- **Net change in Unrestricted Net Assets**
- **Net change in Temporarily Restricted Net Assets**
- **Net Change in Permanently Restricted Net Assets**
- **Net Change in Total Net Assets**
## American Bar Association

### General Operations Statements of Activities and Changes in Net Assets - Comparison to Budget and Prior Year

**Period Ending August 31, 2017 (AD2)**

(US $000's)

<table>
<thead>
<tr>
<th>Description</th>
<th>Year-to-Date Full Year</th>
<th>Actual FY 2017</th>
<th>% of Revenue</th>
<th>Budget FY 2017</th>
<th>% of Revenue</th>
<th>vs. Budget FY 2016</th>
<th>% of Budget</th>
<th>vs. FY 2016</th>
<th>% of Prior</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Membership Dues</td>
<td>$56,771</td>
<td>58.9%</td>
<td>$59,670</td>
<td>59.5%</td>
<td>($2,899)</td>
<td>-4.9%</td>
<td>$59,183</td>
<td>59.5%</td>
<td>($2,412)</td>
</tr>
<tr>
<td>Meeting Fees</td>
<td>5,360</td>
<td>5.6%</td>
<td>6,101</td>
<td>6.1%</td>
<td>($800)</td>
<td>-10.8%</td>
<td>5,377</td>
<td>5.4%</td>
<td>323</td>
</tr>
<tr>
<td>Advertising</td>
<td>1,820</td>
<td>1.9%</td>
<td>2,531</td>
<td>2.5%</td>
<td>($711)</td>
<td>-28%</td>
<td>1,878</td>
<td>1.9%</td>
<td>198</td>
</tr>
<tr>
<td>Gifts, Contributions, and Sponsorships</td>
<td>4,998</td>
<td>5.1%</td>
<td>5,511</td>
<td>5.5%</td>
<td>($513)</td>
<td>-9.3%</td>
<td>4,998</td>
<td>5.1%</td>
<td>244</td>
</tr>
<tr>
<td>Royalties</td>
<td>6,840</td>
<td>7.0%</td>
<td>7,635</td>
<td>7.6%</td>
<td>($795)</td>
<td>-10.4%</td>
<td>6,840</td>
<td>7.0%</td>
<td>183</td>
</tr>
<tr>
<td>Accreditation Fees</td>
<td>387</td>
<td>0.4%</td>
<td>394</td>
<td>0.4%</td>
<td>($6)</td>
<td>-1.6%</td>
<td>387</td>
<td>0.4%</td>
<td>22</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$97,051</td>
<td>100.0%</td>
<td>$100,261</td>
<td>100.0%</td>
<td>($3,210)</td>
<td>-3.2%</td>
<td>$99,435</td>
<td>100.0%</td>
<td>($2,383)</td>
</tr>
</tbody>
</table>

| **Operating Expenses** |                        |               |              |               |              |                  |             |            |           |
| Compensation | $51,364 | 52.9% | $50,243 | 50.4% | ($1,121) | -2.2% | 52,048 | 52.3% | 643 | 1.3% | 50,243 | 52,048 | 1,805 |
| Fringe Benefits and Payroll Taxes | 16,498 | 17.0% | 17,930 | 17.9% | 1,432 | 8.0% | 16,309 | 16.4% | 190 | -1.2% | 17,930 | 16,309 | 1,622 |
| Professional Services | 4,444 | 4.6% | 1,636 | 1.6% | ($2,808) | -171.6% | 3,898 | 3.9% | 546 | -14.0% | 1,636 | 3,898 | 2,262 |
| Meetings and Travel | 7,779 | 8.0% | 7,860 | 7.8% | 81 | 1.0% | 7,681 | 7.7% | 97 | -1.3% | 7,860 | 7,681 | 179 |
| Advertising and Marketing | 2,946 | 3.0% | 3,171 | 3.2% | 226 | 7.1% | 3,112 | 3.1% | 167 | 5.4% | 3,171 | 3,112 | 59 |
| Publishing | 4,362 | 4.5% | 5,810 | 5.8% | 1,448 | 24.9% | 5,001 | 5.0% | 639 | 12.8% | 5,810 | 5,001 | 809 |
| Facilities | 15,389 | 16.0% | 14,007 | 14.0% | ($3,382) | -24.4% | 14,408 | 14.5% | 112 | -0.8% | 14,007 | 14,408 | 401 |
| Transfers | 4,108 | 4.2% | 3,996 | 4.0% | ($112) | -2.8% | 3,504 | 3.5% | 1,622 | -4.4% | 3,996 | 3,504 | 492 |
| **Total Expenses** | $103,790 | 106.9% | $100,933 | 100.7% | ($2,856) | -2.8% | $102,991 | 103.6% | ($799) | -0.8% |

| **Net Revenues over/(under) Expenses** | $6,738 | -6.9% | $100,333 | 100.7% | ($2,856) | -2.8% | $102,991 | 103.6% | ($799) | -0.8% | $100,933 | 102,991 | 2,058 |

| **Non-Operating** |                        |               |              |               |              |                  |             |            |           |
| Net Change in Pension Liability other than Periodic Cost | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% |
| Investment Income | 4,088 | 5.5% | 4,088 | 5.1% | 0.0% | 0.0% | 4,088 | 5.1% | 0.0% | 0.0% | 4,088 | 4,088 | 0.0% |
| Reserve Transfers | 3,338 | 3.4% | 3,338 | 3.4% | 0.0% | 0.0% | 3,338 | 3.4% | 0.0% | 0.0% | 3,338 | 3,338 | 0.0% |
| Other Non-operating | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% |

| **Net change in Unrestricted Net Assets** | ($5,340) | -5.5% | ($672) | -0.7% | ($4,668) | -694.6% | ($20,500) | -20.6% | 15,160 | 74.0% | ($672) | ($20,500) | 19,828 |
| **Net change in Temporarily Restricted Net Assets** | 0 | 0.0% | - | 0.0% | - | 0.0% | 15 | 0.0% | 15 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| **Net change in Permanently Restricted Net Assets** | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% |

| **Net change in Total Net Assets** | ($5,340) | -5.5% | ($672) | -0.7% | ($4,668) | -694.6% | ($20,485) | -20.6% | 15,146 | 73.9% | ($672) | ($20,485) | 19,813 |
## American Bar Association

### Section Statements of Activities and Changes in Net Assets - Comparison to Budget and Prior Year

**Period Ending August 31, 2017 (AD2)**

<table>
<thead>
<tr>
<th>Description</th>
<th>Actual FY 2017</th>
<th>% of Revenue</th>
<th>Budget FY 2017</th>
<th>% of Revenue</th>
<th>w. Budget Fav/(Unfav) % of Budget</th>
<th>Actual FY 2016</th>
<th>% of Revenue</th>
<th>w. FY 2016 Fav/(Unfav) % of Prior</th>
<th>Budget FY 2017</th>
<th>% of Revenue</th>
<th>FY 2016 Full Year vs. FY 2016 Fav/(Unfav) % of Budget</th>
</tr>
</thead>
<tbody>
<tr>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Membership Dues</td>
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<td>22.4%</td>
<td>$12,111</td>
<td>22.7%</td>
<td>(211) -1.7%</td>
<td>$12,049</td>
<td>23.2%</td>
<td>(149) -1.2%</td>
<td>$12,111</td>
<td>22.4%</td>
<td>$12,049 $62</td>
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<td>$21,138</td>
<td>39.6%</td>
<td>(728) -3.4%</td>
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<td>$21,138</td>
<td>38.5%</td>
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<td>$627 -4%</td>
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<td>6,618</td>
<td>12.4%</td>
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<td>571</td>
<td>8.6%</td>
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<td>6,618</td>
<td>13.6%</td>
<td>-</td>
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<td>0.0%</td>
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<td>0.0%</td>
<td>0.0%</td>
<td>-</td>
</tr>
<tr>
<td>Publications</td>
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<td>5,968</td>
<td>11.2%</td>
<td>(599) -10.0%</td>
<td>4,941</td>
<td>9.5%</td>
<td>427 8.6%</td>
<td>6,618</td>
<td>13.6%</td>
<td>$599 $62</td>
</tr>
<tr>
<td>Royalties</td>
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<td>1,102</td>
<td>2.1%</td>
<td></td>
<td>1,888</td>
<td>3.6%</td>
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<td>1,102</td>
<td>2.1%</td>
<td>-</td>
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<tr>
<td>Royalties</td>
<td>1,927</td>
<td>3.6%</td>
<td>1,102</td>
<td>2.1%</td>
<td></td>
<td>1,888</td>
<td>3.6%</td>
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<td>1,102</td>
<td>2.1%</td>
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<tr>
<td>Miscellaneous Other</td>
<td>(237)</td>
<td>-0.7%</td>
<td>(237)</td>
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<td>(237)</td>
<td>-0.7%</td>
<td></td>
<td>(237)</td>
<td>-0.7%</td>
<td>-</td>
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<tr>
<td>Designated Reserve for Operations</td>
<td>5,368</td>
<td>10.1%</td>
<td>5,968</td>
<td>11.2%</td>
<td>(599) -10.0%</td>
<td>4,941</td>
<td>9.5%</td>
<td>427 8.6%</td>
<td>6,618</td>
<td>13.6%</td>
<td>$599 $62</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
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<td>100.0%</td>
<td>$53,427</td>
<td>100.0%</td>
<td>(421) -0.8%</td>
<td>$52,044</td>
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<td>$53,427</td>
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</tr>
</tbody>
</table>

| **Expenses**                     |                |              |                |              |                                   |                |              |                                   |                |              |                                                 |
| Compensation                     | $8,858         | 16.7%        | $10,060        | 18.8%        |                                   | $9,171         | 17.6%        |                                   | $10,060        | 18.8%        | $9,171 $1,171                                    |
| Fringe Benefits and Payroll Taxes| 3,070          | 5.8%         | 3,368          | 6.3%         |                                   | 2,960          | 5.6%         |                                   | 3,368          | 5.8%         | $368 $240                                      |
| Professional Services            | 4,499          | 8.5%         | 4,577          | 8.6%         |                                   | 3,881          | 7.5%         |                                   | 4,499          | 8.5%         | $499 $522                                      |
| Meetings and Travel              | 24,530         | 46.3%        | 25,492         | 47.7%        |                                   | 25,160         | 48.3%        |                                   | 25,492         | 47.7%        | $332 $332                                      |
| Advertising and Marketing        | 425            | 0.8%         | 409            | 0.8%         |                                   | 409            | 0.8%         |                                   | 425            | 0.8%         | -                                                |
| Publishing                       | 5,315          | 10.0%        | 6,404          | 12.0%        |                                   | 5,832          | 11.2%        |                                   | 5,315          | 10.0%        | -                                                |
| Facilities                       | 4,477          | 8.4%         | 4,955          | 9.3%         |                                   | 4,882          | 9.4%         |                                   | 4,477          | 8.4%         | -                                                |
| Transfers                        | (1,211)        | -2.3%        | (762)          | -1.4%        |                                   | (1,466)        | -2.8%        |                                   | (1,211)        | -2.3%        | -                                                |
| Other Expenses                   | 5,990          | 11.3%        | 6,490          | 12.2%        |                                   | 6,626          | 12.7%        |                                   | 5,990          | 11.3%        | -                                                |
| **Total Expenses**               | $55,923        | 105.5%       | $59,955        | 112.2%       |                                   | $57,382        | 110.3%       |                                   | $59,955        | 112.2%       | -                                                |

| **Net Revenues over(under) Expenses** | (2,917) | -5.5% | (6,528) | -12.2% | 3,611 | 55.3% | (5338) | -10.3% | 2,421 | 45.4% | (6,528) | (5338) | -13.9% |

| **Net Change in Pension Liability other than Periodic Cost** | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | - | - |
| **Investment Income** | 9,657 | 18.2% | 542 | 1.0% | 9,115 | 0.0% | 6,073 | 11.7% | 3,584 | 59.0% | 9,115 | 0.0% | -1350 |
| **Reserve Transfers** | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | - | - |
| **Other Non-operating** | (12) | 0.0% | (7) | 0.0% | (5) | -63.3% | (0) | 0.0% | (12) | 310% | (7) | (7) | - |

| **Net change in Unrestricted Net Assets** | 6,728 | 12.7% | (5,993) | -11.2% | 12,722 | 212.3% | 735 | 1.4% | 5,994 | 815.9% | (5,993) | 735 | (6728) |

<p>| <strong>Net Change in Temporarily Restricted Net Assets</strong> | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | - | - |
| <strong>Net Change in Permanently Restricted Net Assets</strong> | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | - | - |
| <strong>Total Change in Net Assets</strong> | 6,728 | 12.7% | (5,993) | -11.2% | 12,722 | 212.3% | 735 | 1.4% | 5,994 | 815.9% | (5,993) | 735 | (6728) |</p>
<table>
<thead>
<tr>
<th>Description</th>
<th>Actual FY 2017</th>
<th>% of Revenue</th>
<th>Budget FY 2017</th>
<th>% of Revenue</th>
<th>vs. Budget</th>
<th>Favorable/(Unfavorable) % of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Membership dues</td>
<td>$ -0.0%</td>
<td>$ -0.0%</td>
<td>$ -0.0%</td>
<td>$ -0.0%</td>
<td>$ -0.0%</td>
<td>$ -0.0%</td>
</tr>
<tr>
<td>Meeting fees</td>
<td>$0.3%</td>
<td>-0.0%</td>
<td>$0.0%</td>
<td>$-0.0%</td>
<td>-1.4%</td>
<td>-1.4%</td>
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<td>Advertising</td>
<td>-0.0%</td>
<td>-0.0%</td>
<td>-0.0%</td>
<td>-0.0%</td>
<td>-100.0%</td>
<td>-100.0%</td>
</tr>
<tr>
<td>Gifts, Contributions, and Sponsorships</td>
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<td>-0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>-33.3%</td>
<td>-33.3%</td>
</tr>
<tr>
<td>Grants</td>
<td>$99.7%</td>
<td>100.0%</td>
<td>(677) -1.2%</td>
<td>52.055</td>
<td>99.3%</td>
<td>99.3%</td>
</tr>
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<td>Publications</td>
<td>-0.0%</td>
<td>-0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>-100.0%</td>
<td>-100.0%</td>
</tr>
<tr>
<td>Royalties</td>
<td>-0.0%</td>
<td>-0.0%</td>
<td>-0.0%</td>
<td>-0.0%</td>
<td>-100.0%</td>
<td>-100.0%</td>
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<td>-0.0%</td>
<td>-0.0%</td>
<td>-100.0%</td>
<td>-100.0%</td>
</tr>
<tr>
<td>Miscellaneous Other</td>
<td>-0.0%</td>
<td>-0.0%</td>
<td>-0.0%</td>
<td>-0.0%</td>
<td>-100.0%</td>
<td>-100.0%</td>
</tr>
<tr>
<td>Investment income from Operations</td>
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<td>-0.0%</td>
<td>-0.0%</td>
<td>-0.0%</td>
<td>-100.0%</td>
<td>-100.0%</td>
</tr>
<tr>
<td>Designated Reserve for Operations</td>
<td>-0.0%</td>
<td>-0.0%</td>
<td>-0.0%</td>
<td>-0.0%</td>
<td>-100.0%</td>
<td>-100.0%</td>
</tr>
<tr>
<td>Net Assets Released from Restrictions</td>
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<td>-0.0%</td>
<td>-0.0%</td>
<td>-100.0%</td>
<td>-100.0%</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
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<td>(489) -0.9%</td>
<td>$52,435</td>
<td>100.0%</td>
<td>100.0%</td>
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<td><strong>Expenses</strong></td>
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<td><strong>Net Revenue over/(under) Expenses</strong></td>
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<td>1,868</td>
<td>1820.8%</td>
</tr>
<tr>
<td><strong>Net Change in Total Net Assets</strong></td>
<td>$1,765</td>
<td>3.3%</td>
<td>(103)</td>
<td>-0.2%</td>
<td>1,868</td>
<td>1820.8%</td>
</tr>
<tr>
<td><strong>Net Change in Pension Liability other than Periodic Cost</strong></td>
<td>-0.0%</td>
<td>-0.0%</td>
<td>-0.0%</td>
<td>-0.0%</td>
<td>-100.0%</td>
<td>-100.0%</td>
</tr>
<tr>
<td><strong>Change in Restricted Net Assets</strong></td>
<td>$1,765</td>
<td>3.3%</td>
<td>(103)</td>
<td>-0.2%</td>
<td>1,868</td>
<td>1820.8%</td>
</tr>
<tr>
<td><strong>Change in Unrestricted Net Assets</strong></td>
<td>$1,765</td>
<td>3.3%</td>
<td>(103)</td>
<td>-0.2%</td>
<td>1,868</td>
<td>1820.8%</td>
</tr>
<tr>
<td><strong>Total Change in Net Assets</strong></td>
<td>$1,765</td>
<td>3.3%</td>
<td>(103)</td>
<td>-0.2%</td>
<td>1,868</td>
<td>1820.8%</td>
</tr>
</tbody>
</table>
### American Bar Association

**Gifts, Contributions, Support Funds, and Endowments Statements of Activities and Changes in Net Assets - Comparison to Budget and Prior Year**

**Period Ending August 31, 2017 (AD2)**

<table>
<thead>
<tr>
<th>Description</th>
<th>Actual FY 2017</th>
<th>% of Revenue</th>
<th>Budget FY 2017</th>
<th>% of Revenue</th>
<th>vs. Budget</th>
<th>% of Budget</th>
<th>Actual FY 2016</th>
<th>% of Revenue</th>
<th>vs. FY 2016</th>
<th>% of Prior</th>
<th>Budget FY 2017 Full Year</th>
<th>vs. FY 2016</th>
<th>% of Prior</th>
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</tr>
<tr>
<td>Membership Dues</td>
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<td>0.0%</td>
<td>$ -</td>
<td>0.0%</td>
<td>-</td>
<td>-</td>
<td>$ -</td>
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<td>-</td>
<td>-</td>
<td>$ -</td>
<td>0.0%</td>
<td>-</td>
<td>-</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Gifts, Contributions, and Sponsorships</td>
<td>$ 158</td>
<td>4.8%</td>
<td>$ 501</td>
<td>16.7%</td>
<td>(343)</td>
<td>-68.5%</td>
<td>$ 146</td>
<td>3.9%</td>
<td>6</td>
<td>11.3%</td>
<td>$ 501</td>
<td>129</td>
<td>372</td>
</tr>
<tr>
<td>Grants</td>
<td>$ -</td>
<td>0.0%</td>
<td>$ 10</td>
<td>0.3%</td>
<td>(10)</td>
<td>-100.0%</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$ 10</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Publications</td>
<td>$ 145</td>
<td>4.4%</td>
<td>$ 169</td>
<td>5.6%</td>
<td>24</td>
<td>14.1%</td>
<td>$ 146</td>
<td>3.9%</td>
<td>6</td>
<td>11.3%</td>
<td>$ 169</td>
<td>146</td>
<td>22</td>
</tr>
<tr>
<td>Royalties</td>
<td>$ 10</td>
<td>0.3%</td>
<td>$ -</td>
<td>0.0%</td>
<td>10</td>
<td>100.0%</td>
<td>$ 219</td>
<td>5.8%</td>
<td>(209)</td>
<td>-95.4%</td>
<td>$ 219</td>
<td>146</td>
<td>22</td>
</tr>
<tr>
<td>Accreditation Fees</td>
<td>$ -</td>
<td>0.0%</td>
<td>$ -</td>
<td>0.0%</td>
<td>-</td>
<td>-</td>
<td>$ -</td>
<td>0.0%</td>
<td>-</td>
<td>-</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous Other</td>
<td>$ 56</td>
<td>1.7%</td>
<td>$ 10</td>
<td>0.3%</td>
<td>46</td>
<td>46.0%</td>
<td>$ 51</td>
<td>1.3%</td>
<td>-1</td>
<td>-1.0%</td>
<td>$ 10</td>
<td>51</td>
<td>40</td>
</tr>
<tr>
<td>Investment income from Operations</td>
<td>$ 0</td>
<td>0.0%</td>
<td>$ -</td>
<td>0.0%</td>
<td>0</td>
<td>0.0%</td>
<td>$ 0</td>
<td>0.0%</td>
<td>0</td>
<td>-113.8%</td>
<td>$ 0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Designated Reserve for Operations</td>
<td>$ -</td>
<td>0.0%</td>
<td>$ -</td>
<td>0.0%</td>
<td>-</td>
<td>-</td>
<td>$ -</td>
<td>0.0%</td>
<td>-</td>
<td>-</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net Assets Released from Restrictions</td>
<td>$ 2,175</td>
<td>66.7%</td>
<td>$ 1,412</td>
<td>47.2%</td>
<td>763</td>
<td>54.0%</td>
<td>$ 2,631</td>
<td>69.9%</td>
<td>(456)</td>
<td>-17.3%</td>
<td>$ 1,412</td>
<td>2,631</td>
<td>(1,219)</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$ 3,260</td>
<td>100.0%</td>
<td>$ 2,993</td>
<td>100.0%</td>
<td>$ 268</td>
<td>8.9%</td>
<td>$ 3,763</td>
<td>100.0%</td>
<td>(502)</td>
<td>-13.4%</td>
<td>$ 2,993</td>
<td>$ 3,763</td>
<td>$ (770)</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensation</td>
<td>$ 643</td>
<td>19.7%</td>
<td>$ 711</td>
<td>23.8%</td>
<td>68</td>
<td>9.6%</td>
<td>$ 578</td>
<td>15.4%</td>
<td>(65)</td>
<td>-11.2%</td>
<td>$ 711</td>
<td>578</td>
<td>(133)</td>
</tr>
<tr>
<td>Fringe Benefits and Payroll Taxes</td>
<td>$ 220</td>
<td>6.7%</td>
<td>$ 235</td>
<td>7.9%</td>
<td>15</td>
<td>6.5%</td>
<td>$ 188</td>
<td>5.0%</td>
<td>(32)</td>
<td>-16.9%</td>
<td>$ 235</td>
<td>188</td>
<td>(47)</td>
</tr>
<tr>
<td>Professional Services</td>
<td>$ 785</td>
<td>24.1%</td>
<td>$ 1,210</td>
<td>40.4%</td>
<td>425</td>
<td>35.1%</td>
<td>$ 870</td>
<td>23.1%</td>
<td>(120)</td>
<td>-45.4%</td>
<td>$ 1,210</td>
<td>870</td>
<td>(340)</td>
</tr>
<tr>
<td>Meetings and Travel</td>
<td>$ 1,046</td>
<td>32.1%</td>
<td>$ 1,519</td>
<td>50.8%</td>
<td>473</td>
<td>31.1%</td>
<td>$ 1,445</td>
<td>38.4%</td>
<td>390</td>
<td>27.6%</td>
<td>$ 1,210</td>
<td>870</td>
<td>(340)</td>
</tr>
<tr>
<td>Advertising and Marketing</td>
<td>$ 196</td>
<td>6.0%</td>
<td>$ 242</td>
<td>8.1%</td>
<td>46</td>
<td>19.1%</td>
<td>$ 204</td>
<td>5.4%</td>
<td>8</td>
<td>3.9%</td>
<td>$ 242</td>
<td>173</td>
<td>(69)</td>
</tr>
<tr>
<td>Facilities</td>
<td>$ 203</td>
<td>9.0%</td>
<td>$ 202</td>
<td>6.8%</td>
<td>(9)</td>
<td>-45.1%</td>
<td>$ 173</td>
<td>4.6%</td>
<td>(120)</td>
<td>-65.4%</td>
<td>$ 202</td>
<td>173</td>
<td>(29)</td>
</tr>
<tr>
<td>Transfers</td>
<td>$ (854)</td>
<td>-26.2%</td>
<td>$ (236)</td>
<td>-7.9%</td>
<td>688</td>
<td>261.8%</td>
<td>$ 323</td>
<td>8.6%</td>
<td>1,177</td>
<td>364.4%</td>
<td>$ (236)</td>
<td>323</td>
<td>550</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>$ 737</td>
<td>22.6%</td>
<td>$ 700</td>
<td>23.4%</td>
<td>(37)</td>
<td>-5.3%</td>
<td>$ 420</td>
<td>11.2%</td>
<td>(137)</td>
<td>-75.4%</td>
<td>$ 700</td>
<td>420</td>
<td>(280)</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$ 3,069</td>
<td>94.1%</td>
<td>$ 4,593</td>
<td>153.5%</td>
<td>1,524</td>
<td>33.2%</td>
<td>$ 4,208</td>
<td>111.8%</td>
<td>1,139</td>
<td>27.1%</td>
<td>$ 4,593</td>
<td>$ 4,208</td>
<td>(385)</td>
</tr>
<tr>
<td><strong>Net Revenues over/(under) Expenses</strong></td>
<td>$ 191</td>
<td>5.9%</td>
<td>$ (1,600)</td>
<td>-53.5%</td>
<td>$ 1,792</td>
<td>112.0%</td>
<td>$ (445)</td>
<td>-11.8%</td>
<td>636</td>
<td>143.0%</td>
<td>$ (1,600)</td>
<td>$ (445)</td>
<td>(1,155)</td>
</tr>
<tr>
<td><strong>Net Change in Pension Liability other than Periodic Cost</strong></td>
<td>$ -</td>
<td>0.0%</td>
<td>$ -</td>
<td>0.0%</td>
<td>-</td>
<td>-</td>
<td>$ -</td>
<td>0.0%</td>
<td>-</td>
<td>-</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Change in Unrestricted Net Assets</strong></td>
<td>$ 1,193</td>
<td>36.6%</td>
<td>$ (269)</td>
<td>-9.0%</td>
<td>$ 1,462</td>
<td>543.8%</td>
<td>$ (333)</td>
<td>-8.8%</td>
<td>$ 1,526</td>
<td>-58.7%</td>
<td>$ (269)</td>
<td>$ (333)</td>
<td>64</td>
</tr>
<tr>
<td><strong>Net Change in Temporarily Restricted Net Assets</strong></td>
<td>$ 176</td>
<td>5.4%</td>
<td>$ -</td>
<td>0.0%</td>
<td>$ 176</td>
<td>0.0%</td>
<td>$ 157</td>
<td>4.2%</td>
<td>$ 19</td>
<td>12.0%</td>
<td>$ -</td>
<td>$ 157</td>
<td>(157)</td>
</tr>
<tr>
<td><strong>Net Change in Total Net Assets</strong></td>
<td>$ 1,777</td>
<td>53.3%</td>
<td>$ (1,869)</td>
<td>-62.5%</td>
<td>$ 3,606</td>
<td>192.9%</td>
<td>$ (469)</td>
<td>-12.5%</td>
<td>$ 2,206</td>
<td>470.4%</td>
<td>$ (1,869)</td>
<td>$ (469)</td>
<td>(1,400)</td>
</tr>
</tbody>
</table>
REPORT OF THE EXECUTIVE DIRECTOR
TO THE
BOARD OF GOVERNORS

(Submitted September 28, 2017)

Introduction

Along with most other large professional organizations, the American Bar Association faces significant membership and financial challenges, rooted in demographic, technological, and cultural changes. We must seize on the challenges and treat them as opportunities to examine new and innovative approaches to increase membership and revenues. With the Baby Boomer generation retiring, and a reluctance among millennials to join professional groups, it is critical for us to adapt to the changing times and offer a new model that better engages the dynamic, mobile marketplace. This report will highlight “OneABA,” an approach the Board has authorized to enhance the membership experience and streamline the process.

Following the June Board meeting, I appointed a staff working group led by Deputy Executive Director Jim Dimos to identify issues to be resolved and begin to examine options. At the Section Officers Conference (SOC) in mid-September, we invited SOC entities to directly participate in all upcoming meetings of the staff task force. The Standing Committee on Membership (SCOM) is also heavily engaged in these discussions and its members are invited to attend the working group calls as well. We will continue close staff/member collaborations as we develop OneABA. Member input and feedback are vital to the concept’s success. As you know, we are also in the process of hiring a marketing firm to help evaluate the acceptance of the OneABA concept by the profession, shape our messaging, and better articulate our current and future value proposition. (An update on the marketing firm will be provided to the Board in Miami.)

As currently envisioned, the OneABA membership model has five objectives, which will be discussed later in this report:
We want to make membership a seamless, simpler, more valuable experience that allows members to take better advantage of the benefits we offer. It is essential for us to have more members who are engaged with the Association. As we move forward with OneABA, I welcome and encourage your suggestions. I look forward to working closely with the Board on the very dynamic prospects for this historic proposal.

Membership

As noted my memorandum to the Board on September 1, the ABA finished FY 2017 with a 2.4 percent increase in membership, to 412,505, which is just short of the record 416,982 reached two years ago. Law students drove the growth, and for the first time ever, we surpassed 100,000 student members. Our market share of law students continued to rise, increasing from 15 percent two years ago to nearly 80 percent as of the end of FY 2017. Unfortunately, our lawyer membership continued its recent decline, falling by about 3 percent by the end of FY 2017 to just below 300,000 members.

When viewed over a 10-year period, our systemic membership challenges and successes become very apparent. From FY 2008 to FY 2017, our overall membership total has fluctuated around the 400,000 level. During this period, our lawyer membership declined by about 16 percent, which was offset by gains in student and associate members. A decade ago, lawyers made up 87 percent of ABA members and students were 11 percent; today lawyers comprise 71 percent of the Association, while a record high 24 percent are students. The ABA’s recruitment and retention activities are focused on building on our exceptional progress with students and associates, while reversing the decline in lawyer members.

The ABA is revising the Member Census to learn more about our members’ practice settings and size (and also to assure the accuracy of their contact information). In the past, the Association sent the Census along with membership cards to those who had paid their dues the previous month. The form was quite lengthy and the response rates were quite low -- less than 2 percent. The ABA discontinued the Census two years ago so we could develop a new approach and an improved form. Our Membership team is currently finalizing a much shorter and simpler Member Census form. It will be easier to complete and will provide helpful information on our members’ needs. The new form will focus on four major goals: more accurate communication channels; more areas of interest on file; an enhanced understanding of members’ practice settings; and securing greater numbers of e-mailable members.
Our new auto-renew enrollment option has already exceeded 2,000 members. The latest FY 2018 dues reports show 2.8 percent (2,074 of 72,650 individual dues paying members) have chosen this option, and we continue to add 50 to 100 each week. This initiative will help with retention efforts for dues-paying members.

At the end of FY 2017, ABA Group Billing stood at 74,048 members, a 1 percent increase over the prior year, and Group dues revenue for the fiscal year totaled $19,706,729. Our Full Firm program included 26,223 members at the end of FY 2017, a 6.3 increase from the end of FY 2016, and Full Firm revenues were $5,247,513. Currently, 100 firms participate in the Full Firm program.

With support from Litigation Section Chair Koji Fukumura, Palo Alto, California-based Cooley LLP joined the Full Firm program in July and will enroll nearly 300 new ABA members. And special thanks to Board member David Houghton, who led his firm, Houghton Bradford Whitted PC, LLO (based in Omaha, Nebraska) to Full Firm membership in August.

Our law student outreach program now includes 102 law schools in the ABA’s Full School Enrollment Program. We will continue to work with leadership to secure more full school enrollments, and with our sections, divisions, and forums on their programs for students, in order to better showcase the value of membership.

In its first year, some 15,435 law student members enrolled in the Premium Program, which offers students a range of special benefits and substantial cost-savings for a $25 annual fee. For example, Premium members save $250 on the BARBRI Bar Review. An additional Premium benefit was announced at the Annual Meeting: For a reduced fee, students can purchase the newly launched Quimbee Platinum Plan, which includes three years of ABA Premium membership and unlimited access to Quimbee’s law school study resources online (800 video lessons, more than 200 practice exams, and over 12,500 case briefs). The plan bundles over $1,000 of value over the course of a student’s law school experience for a one-time discounted rate of $499.

OneABA

To help address our membership and financial challenges, we are pursuing plans under OneABA. (Note that the marketing firm we are in the process of hiring may recommend a different name. While “OneABA” resonates among current members, another label may well be more effective with non-members.) The staff working group has engaged in more than two dozen meetings and conference calls, and SOC, SCOM, and other members are now directly involved in the discussions. Member involvement and input will remain a crucial aspect of the process as we move forward.

The OneABA changes under consideration are backed by research and data. We contracted with a recognized pricing expert, Dr. Jean-Pierre Dubé, a Professor of Marketing at the University of Chicago. Dr. Dubé assisted the ABA in 2009 and 2010 with an earlier version of the survey. Our Willingness to Pay Study, which shows how the probability of joining or
renewing ABA membership shifts as dues pricing and membership benefit packages change, received over 16,000 responses.

As noted in the introduction, the working group established five objectives. The first is to clarify and enhance the value of ABA membership for more attorneys. Given the ABA’s large and complex nature, it can be daunting for potential members to take advantage of that value. To make ABA membership more accessible and to “unlock” that value, we are refining ABA membership. In addition to the current benefits of ABA membership, features identified to enhance value include membership in two entities at no additional cost, along with unlimited access to our CLE Library and online ABA content.

The second objective is to reduce the complexity of the ABA dues structure. Currently, the ABA has 157 different dues categories and pricing options. While some flexibility is necessary to deal with exceptional situations, moving to a simpler, transparent, and understandable structure will make joining easier for potential members.

The third objective involves making membership easier for those members who are in firms, legal departments, courts, governmental agencies, the military, and public service organizations. A significant number of our dues paying members come to the ABA through a group. This has proven to be an effective and efficient way for entities to manage their memberships and for the Association to recruit, retain, and serve its members. Retention rates improve when a member is part of a group program. Accordingly, we are examining ways to improve such programs as Full Firm and Group Billing and enhance the engagement of the individual members in those groups.

The fourth objective would establish a new membership billing and renewal cycle. The Association’s current practice has the same membership year for every member, from September 1 through August 31. But of course, members do not join or change their membership with the ABA on such a schedule. While necessary in the days of paper invoices and hard copy ledger books, technology allows us to provide members with the convenience to engage with the Association without the constraint of the “bar year.” A change to anniversary billing will also simplify member communications, reduce the need for free trials and proration of dues, and can make year-round recruiting easier.

The fifth objective is to collaborate much more effectively. OneABA will be designed to increase membership in the Association and its entities. The larger number of members will result in greater opportunities for non-dues revenue from conferences, publications, fee-based CLE, and other revenue streams. The key is serving our members better than we have, and to really be successful, all facets of the ABA must work together.

OneABA seeks to dramatically improve the Association’s recruitment and retention of lawyers and to enhance everyone’s member experience. The rate of market adoption, or how quickly we can increase market share, is of course critical. While our plans come with some short-term risks, including an initial drop in dues revenue, those risks have been carefully calculated through our analyses of many factors, including the help of statistics and the efforts of Dr. Dubé and the Willingness to Pay Study.
We will also be assisted by the hiring of an outside marketing agency. The Board was briefed on August 15 and understands that successful execution of OneABA depends on a comprehensive and effective marketing strategy. The marketing agency will also validate the OneABA model in the marketplace with projections on membership growth rates.

OneABA requires additional work and refinement. It is a complex package of proposals, and while we are receiving broad consensus on many of the possible decisions, detailed analysis is required for many of the options. Continued collaboration between the staff working group, our members, and our volunteer leaders in coming weeks and months will be critical.

Website Redesign

I’m pleased to report our extensive website update is on track for launch late in the first quarter of calendar year 2018. We have completed design work, and content development is scheduled to be finished by the end of October. The eCommerce website will be finalized by the end of December. We will then undertake a comprehensive testing and debugging process. Staff training for the new website began in late September with informational sessions in both our Chicago and DC offices.

A special thanks goes to ABA members and staff who collaborated closely to enable us to develop a modern, streamlined website that meets the needs of our Association and its members. Among the features of the new website:

- Mobile-friendly with new contemporary design
- New search capabilities
- Enhanced tagging with Topic Pages to recirculate content
- Entity microsites with recommended best practice navigation and limited ability to customize for entity needs
- Faster, more intuitive eCommerce capabilities

ABA Email

The Association has enjoyed considerable success in our efforts to reduce the voluminous number of emails we send. At the end of FY 2017, the ABA was responsible for 173,920,388 emails, down from 280,551,474 the prior year, a drop of 38 percent -- more than 100 million.

We have adopted new business practices to lessen the frequency at which groups send emails to the same recipients. Through multi-messaging, bundling, and the use of social media, the basic goal is to limit member contacts by any individual entity to no more than once a week. This will help to repair the bad reputation segments of the ABA have developed on email platforms (such as Gmail and Yahoo), which use algorithms that look at total volume, frequency, and user engagement. Far too many have unsubscribed and designated the ABA as spam.
Free Legal Answers

ABA Free Legal Answers (https://www.freelegalanswers.org) is our virtual legal advice clinic, created to help low income individuals with their civil legal questions. As of August 31, 11,893 client questions had been submitted to ABA Free Legal Answers since launch of the website in August 2016, and 3,581 pro bono attorneys are registered to assist with civil legal matters. Currently, 38 states are connected to the site and actively providing responses to eligible clients.

In response to the legal needs of Hurricane Harvey victims, the Texas Free Legal Answers site (https://texas.freelegalanswers.org) temporarily increased its client income/asset maximum and began to register out-of-state attorneys to respond to hurricane-related questions. In the three weeks following Harvey’s August 25 landfall, 206 questions were sent to the Texas site, increasing the state’s total questions submitted by 30 percent in that time. During the same period, attorney registrations increased by 198 percent to a total of 325 registered volunteer attorneys on the Texas site.

Help for Hurricane Victims

Many ABA members rallied with pro bono assistance to help the victims of Hurricanes Harvey, Irma, and Maria. Members of our profession are stepping up to help those impacted with legal assistance on such issues as landlord/tenant problems, insurance claims, FEMA claims, and consumer matters such as contractor fraud.

Our Young Lawyers Division Disaster Legal Services (DLS) team continues to make a significant difference, working diligently on the recovery efforts for the disaster areas impacted by Hurricanes Harvey, Irma, and Maria, including Texas, Louisiana, the US Virgin Islands, Puerto Rico, and Florida. The Division’s 2017-2018 DLS team has collaborated with such groups as the Federal Emergency Management Agency (FEMA), the ABA Standing Committee on Disaster Preparedness, the Texas Young Lawyers Association, and the ABA Office of the President in this effort.

Andrew VanSingel, Coordinator for the DLS program, has been provided exceptional leadership. He stepped outside of his role as Coordinator to visit several recovery centers in Texas and to volunteer and provide support to the survivors of Harvey.

Newly-appointed DLS team members have been working hard to set up DLS hotlines and coordinate lawyer legal aid. The team’s goal is to ensure that all states have disaster plans in place and are prepared when the next emergencies strike.

Center for Innovation

The Center’s inaugural class of Fellows began on August 28 with an intense and successful week-long “boot camp.” The Fellows are experienced attorneys, recent law school graduates, and non-attorney legal professionals who will spend time working on innovative legal services projects. They joined several ABA leaders for training on the people, processes, and
technology skills necessary to innovate the ways legal services are delivered. Among other topics, the boot camp included sessions on how to use technology to deliver legal services in new ways, fundraising, branding, and advanced writing and speaking techniques.

Projects being developed by the Center include:

• A Hate Crimes app was recently launched. The app instructs hate crime victims on the law in their states and connects them with organizations that specialize in assisting specific types of hate crime victims, such as the Anti-Defamation League, the Gay & Lesbian Alliance Against Defamation, and American Civil Liberties Union.

• The Center continues development of a *Miranda* warning app for law enforcement to inform persons with limited English proficiency of their constitutional rights. The design team has met with public defenders, prosecutors, police, and formerly incarcerated persons to receive their feedback. The Center is focused on two concepts: (1) a low-tech, paper-based *Miranda* warning that incorporates an improved translation and pictographic representation; and (2) a *Miranda* app that translates the warnings into multiple languages, employs prerecorded translations, and uses pictographs.

• The Center has also worked with Stanford Law School, Southeast Louisiana Legal Services, LSU Law School and other collaborating partners to create a FloodProof app for Louisianans affected by the August 2016 flooding. While the app is currently limited to Louisiana, discussions are underway to expand its scope to other jurisdictions to help more flood victims obtain disaster aid. The app is now available at no cost in the Apple Store and Google Play. A web-based platform was also developed with the same content in order to make the FloodProof tool more accessible to flood victims; you can find that version at [https://floodproofapp.org/](https://floodproofapp.org/).

  • In the hours before Hurricane Harvey made landfall, the Center was already working on replicating various FloodProof tools for use in Texas. A website and app geared to Texas victims are currently being developed, and the Center is working to secure local legal services that are ready and able to assist those in need. The Texas Floodproof tools are expected to be released in the coming weeks.

**MCLE Accreditation Service**

We continue to improve the MCLE Accreditation Service, a promising source of non-dues revenue launched this summer. Similar to ABA Leverage, it uses existing staff expertise to provide MCLE accreditation for other entities. The enhanced system enables us to support additional external customers. Much of the work of our MCLE team is being automated, allowing for greater efficiencies. The upgraded system will also better support our customers, allowing for more current access to information and providing electronically-supplied certificates.

7
as a result of syncing with the new website. The Accreditation Service had a strong month in August, with the finalization of four new contracts with law firms and law schools valued at a total of $45,000.

**ABA Annual Meeting**

The Meetings and Travel logistics team managed a successful ABA Annual Meeting, with 5,361 registrants (total attendance: 6,040). This compares to 4,549 registrants in 2016 (total attendance: 5,256) in San Francisco. Highlights included an inspiring ABA Rally for the Legal Services Corporation by Broadway performers; a General Assembly where former Fordham University Law School Dean John Feerick received the ABA Medal; and an extremely festive President’s Reception in Rockefeller Center. The new CLE in the City Series drew local attorneys from the tristate region, as well as our Annual Meeting attendees, to high-level CLE programming, hosted by premier New York City midtown law firms.

**Finances**

Detailed information on finances are provided in the Treasurer’s Report. The following highlights some of the significant matters for the Board’s consideration.

As of the date this report was submitted, the ABA has completed its *preliminary* financial projections for FY 2017. The results are preliminary for two reasons. First, they do not yet include the year-end adjustments to our pension obligation currently being calculated. Our pension obligation is very significant ($61 million before the year-end adjustment), and it has a substantial effect on our financials. And secondly, the results have yet to be audited.

*Preliminary Consolidated Results*

In FY 2017, our preliminary figures show the ABA generated revenues of $207.5 million and incurred expenses of $215.2 million, which resulted in an operating deficit of $7.7 million. That’s an improvement of $1 million over last year’s operating deficit. Despite the $7.7 million operating deficit, the ABA realized a positive change in net assets (income) of $4.9 million in FY 2017 due to a strong investment performance. Understanding investment income is complicated because it is reported in both operations and as a non-operating item (to the extent the ABA and entities budget investment income to support their operations, that amount is included in operations; the remainder is reported as a non-operating item).

*Investment Income*

The ABA earned $27.9 million of investment income in FY 2017, which greatly exceeded the budget (by $14.9 million) and the prior year (by $11 million). FY 2017 was an abnormally strong year for investments, and most experts expect that returns will be much lower in upcoming years. Thus, we are making the difficult changes necessary to reduce our reliance on investment spending.
General Operations

Our preliminary data shows general operations produced revenue of $97.1 million and incurred expenses of $103.8 million in FY 2017, which results in an operating deficit of $6.7 million. General operations revenue is $3.2 million short of budget due to shortfalls in dues ($2.9 million), advertising ($900,000), and royalties ($800,000). This unfavorability is partially offset by Board-approved increased reserve funding for operations of $1.6 million to fund the website redesign project. General operations expense is $2.9 million unfavorable to budget as we incurred $4.1 million of unbudgeted expenses. The primary drivers of the unbudgeted expenses were the website redesign project, severance costs resulting from staff reductions necessary to achieve the tight balanced budget for FY 2018, and recognition of an employee sick leave obligation due to a change in Illinois law. Excluding these unbudgeted items, general operations expenses would be $1.2 million lower than budgeted expenses.

Sections, Grants, and Gifts

In FY 2017, ABA Sections generated revenue of $53.0 million and incurred expenses of $55.9 million, which resulted in an operating deficit of $2.9 million. Section revenue is unfavorable to budget by $400,000, mainly reflective of unfavorability in meeting fees ($700,000), publications ($600,000), investment income for operations ($300,000), and dues ($200,000). This unfavorability is partially offset by favorability in royalties ($800,000) and gifts, contributions, and sponsorships ($600,000). Section expenses were $4.0 million favorable to budget due to personnel costs (compensation and fringe -- $1.5 million), Publishing expenses ($1.1 million), Meetings and Travel expenses ($1.0 million) and other expenses ($500,000).

Grants generated revenue of $54.2 million and incurred expenses of $52.4 million, which resulted in a surplus of $1.8 million. The surplus is mainly due to favorability in domestic grants (mainly due to positive fixed bid grants).

Gifts generated revenue of $3.3 million and incurred expenses of $3.1 million, which resulted in an operating surplus of $200,000.

Publishing

ABA Publishing had a very successful FY 2017. The preliminary end-of-the-year figures indicate it generated more than $4.3 million in revenues, up $471,000 (12 percent) from the final FY 2016 numbers. And profits for Publishing also saw a significant improvement in FY 2017, at almost $1.8 million, up $491,000 (38 percent) compared to the prior year. Publishing released 98 books in FY 2017 and planning for 115 to 120 books in FY 2018.

ABA Journal

The Journal’s preliminary end-of-the-year budget figures for FY 2017 show actual general operations spending of $3,748,894, compared to the budgeted amount of $3,651,821. While this amounts to spending $97,073 over budget (a 2.7 percent variance), it is a significant
improvement over FY 2016, when general operations support was $1,301,002 higher (total general operations spending last year was $5,049,896).

The Journal is improving ad sales as well. For example, MM.LaFleur, a high-end women’s business clothing company, agreed to buy six full-page ads in the magazine alongside the Journal’s new “Making It Work” column in 2018.

Beginning with the August issue, the ABA Journal has a new feature. “Members Who Inspire” is a monthly profile of an ABA member doing inspiring work and helping those in need. The “Members Who Inspire” project is a collaboration between the Journal and ABA Membership. If you know of a legal professional whose work inspires others, please share their story and contact inspire@abajournal.com.

Chicago Headquarters Lease Renegotiation

The renegotiated lease on the ABA’s Chicago Headquarters was signed on August 16. As previously reported to the Board, the Association will obtain substantial savings through this action. Since the ABA will have a smaller footprint in the building, affected staff began the moving process in August, and thus far 202 staff members have moved to their new and/or temporary locations. To help minimize disruptions to staff members’ work routines, we’re moving them in stages rather than all at once. We have completed two of four waves of moves, with the final move to come next spring. During the transition, meeting and training space at ABA Headquarters is limited; however, our Meetings and Travel Group has plans to address the situation and can assist with whatever arrangements need to be made.

ABA Insurance

ABA Insurance, one of our valuable member benefits, now offers significant member savings on more than 20 different offerings. Our start-up program ended FY 2017 with 3,526 policies and its website (http://www.abainsurance.com) finished the fiscal year with more than 132,000 page views. In FY 2018, the Association will work with our third party administrator, USI Affinity, to focus insurance marketing on solo and small firms and increase collaboration with ABA entities. USI is also creating new campaigns to help us better convert non-members to ABA members through our insurance products.

Diversity

The Office of Diversity and Inclusion recently met with the Standing Committee on Publishing Oversight’s (SCOPO) Diversity Committee chair and staff to discuss strategies to enhance SCOPO’s diversity and inclusion efforts, including increasing the diversity of authors for ABA books and publications. Several ideas were identified, including adding fields to the new ABA Diverse Speakers Directory to allow diverse lawyers to provide information about their writing expertise and experience; hosting or facilitating outreach to leadership of the National Affinity Bar Associations; and soliciting/collaborating Goal III demographic information from authors to track status and progress.
The Office of Diversity and Inclusion is collaborating with representatives from the Bank of America (BOA) in Chicago to explore how the ABA can assist them with their internal staff diversity efforts. The ABA will record a short message on diversity and inclusion that will be shared in September with BOA’s specialized industry team that handles large clients in the non-profit, higher education, sports, and health care sectors.

The Office of Diversity and Inclusion met with the Diversity Committee of the Memphis Bar Association and University of Memphis School of Law in July to provide input on and identify ABA resources that can assist with a full day diversity program they are planning to host in 2018 focused on implicit bias. One specific tool mentioned was the ABA Diversity and Inclusion 360 Commission’s award-winning implicit bias videos and toolkits for judges, prosecutors, and public defenders.

The Commission on Racial and Ethnic Diversity in the Profession finalized the Fall 2017 edition of its e-Newsletter -- “Innovator”. It focused on the Commission on the Diversity and Inclusion 360’s Resolution 113 and accompanying Model Diversity Survey. Former ABA President Paulette Brown was the featured columnist, and she addressed Resolution 113. Passed by the ABA House at the 2017 Annual Meeting, the Resolution urges all providers of legal services to expand and create opportunities at all levels of responsibility for diverse attorneys and clients to assist in the facilitation of opportunities for diverse attorneys, and to direct a greater percentage of the legal services they purchase, both currently and in the future, to diverse attorneys.

The Coalition on Racial and Ethnic Justice (COREJ) planned, organized, and fundraised for “Justice Hack New York” during the 2017 Annual Meeting -- August 12 at Fordham University Law School. Approximately 145 participants attended the Hackathon. The Digital Justice Initiative Project seeks to use Hackathons to bring together communities of color, persons with disabilities, and the legal, law enforcement, and technology sectors to devise innovative technological solutions to address conflicts between communities of color, people with disabilities, and law enforcement. COREJ will issue a report with recommendations regarding the findings, solutions, and available apps that were created and designed during the Hackathons.

Advocacy

The Governmental Affairs Office (GAO) promoted the Legal Aid Defender campaign at the Annual Meeting to enlist members who had not yet signed up. GAO distributed promotional cards, which included a Defender badge sticker that attendees could add to their name badge to indicate that they were Legal Aid Defenders. Through those efforts more than 500 additional Legal Aid Defenders signed up to send messages to their congressional representatives through our website. In total, the campaign has delivered over 20,000 Legal Aid Defender cards to the Congress to support funding for the LSC.

On August 15, the ABA sent a letter to U.S. Attorney General Jeff Sessions concerning former military service members who had been suffering from an undiagnosed trauma injury at the time they had been discharged from the military under other than honorable conditions. Among other things, such undesirable discharges render those persons ineligible for VA health
services for their service connected trauma. Attached to the letter was ABA House of Delegates Report 120, approved the day before, which identified steps the administration could take to provide special review of these cases through the exercise of clemency.

Communications

Following the swearing in of new ABA President Hilarie Bass at the Annual Meeting, the Communications and Media Relations Division (CMR) conducted personalized media pitches to reporters and issued an August 15 news release on Bass’ initiatives, including one of her major focuses: ABA Legal Fact Check. These efforts resulted in almost a dozen interviews, including more than five hours of back-to-back interviews the day after the Annual Meeting ended. Coverage appeared in The Miami Herald, Tacoma Daily News, Law360, New York Law Journal, and Market Insiders, among several news outlets.

News on Bass’ presidency was among 25 news releases issued by CMR on Annual Meeting developments and activities, reaching 3,191 reporters at 2,008 news outlets nationwide. More than 50 reporters from outlets such as NBC News, CBS News, Reuters, and Above the Law registered for onsite media credentials, with New York Law Journal, Law360, and Legal Talk Network providing pre-meeting coverage that promoted the meeting’s unique CLE in the City series.

During the Annual Meeting, CMR hosted a standing-room-only crowd of about 120 attendees who heard Jewish scholar David Dalin and religious liberties lawyer Nathan Lewin speak at the Paul Weiss law firm on August 10 during “Jewish Justices of the Supreme Court: From Brandeis to Kagan.” CMR also organized and implemented a popular panel discussion for the Standing Committee on Governmental Affairs, during which two high-profile journalists provided insights on “How to Change Minds in the Current Political Environment.” New York Times editorial writer Carol Giacomo and MSNBC commentator Robert Traynham offered their advice and took questions from the audience.

To recognize the 45th anniversary of the passing of Title IX, CMR drafted and placed an op-ed on behalf of then-President Klein on the landmark anti-discrimination law. The piece ran in several news outlets nationwide, including The Philadelphia Inquirer, New York Newsday, The Herald & News, the Las Vegas Sun, and Inside Sources, a content syndicator for 300 U.S. news outlets, reaching 25 million readers. In it, Klein highlights the law’s role in helping to increase the number of female lawyers in the United States, but notes that Title IX’s protections are still needed.

Rule of Law Initiative (ROLI)

ROLI has been informed by the US Department of State, Secretary’s Office on Global Women’s Initiatives (S/GWI) that its proposal to lead a global consortium to advance women’s rights has been successful. This is the first time that ROLI has led a global consortium bid as the prime grant recipient. The ABA will head the Consortium, which will also include the U.S. Chamber of Commerce’s Center for International Private Enterprise, Search for Common
Ground, and the Grameen Foundation. ROLI also assembled commitments from more than 40 “resource partners” who will contribute to the program on an as-needed basis.

In Tanzania, ROLI co-convened a high level judicial symposium on August 7 in Arusha on the subject of “Judicial Independence -- A Foundation for Combatting International and Transnational Crimes” with the Wayamo Foundation. The symposium featured Justice Sonia Sotomayor, who engaged in an opening conversation with ROLI’s Board Chair Margaret McKeown, and then participated on the first panel of the symposium on Judicial independence and ethics in the fight against transnational crime alongside the acting Chief Justice of Tanzania, the former Chief Justice of Tanzania, the Deputy Chief Justice of Uganda, a Judge of the Supreme Court of Rwanda, and the Chief Justice of Zanzibar. Former ABA President Paulette Brown gave opening remarks. The symposium was followed on August 8 by a judicial retreat at which participants could delve more deeply into the topics of the first day’s panel discussions.

On August 9, Dr. Susan Brems, Mission Director for the United States Agency for International Development for the Philippines, visited the Cebu City Hall of Justice to view a demonstration of an e-Court. ROLI has now implemented eCourt in nine cities throughout the Philippines, relieving congested dockets and streamlining access to the court system in some of the most burdened trial courts in the country. The innovations demonstrated during Dr. Brems’ visit included the public information kiosk, which grants public access to case information at each eCourt-enabled courthouse, and eCourt’s customizable dashboard feature, which assists executive judges in daily management and decision making by displaying critical information updated in real-time.

Also in the Philippines, ROLI (in partnership with the Philippine Judicial Academy and the Supreme Court Special Committee on Speedy Trial), completed trainings this summer on the Revised Guidelines for Continuous Trial in three cities: Cagayan de Oro, Tuguegarao City, and Davao City. The Revised Guidelines make targeted changes to civil and criminal procedure rules to reduce delays during trial, part of a broader effort to ease the burden on congested dockets and enhance the effectiveness of the court system. Over 700 judges, clerks of court, mediators, public prosecutors, and public attorneys from Regional Trial Courts participated in the trainings.

ROLI organized the fourth Asia-Pacific Economic Cooperation (APEC) Pathfinder Dialogue during the third Senior Officials Meeting in Ho Chi Minh City, Vietnam on August 19 and 20 to discuss critical efforts to combat corruption and associated illegal trafficking in timber and wildlife. Over 100 participants attended the conference, representing APEC member economies; timber and wildlife trafficking non-government organizations (NGOs); and major international organizations such as the UN Office on Drugs and Crime (UNODC), the Organization for Economic Co-operation and Development, the Asia/Pacific Group on Money Laundering, and the World Bank.

In Egypt, ROLI implemented a training session in August for 270 new judges as part of a month-long induction program. Topics delivered to smaller groups of 25 judges included instruction on file organization, judicial deliberation, and decision writing. Nine Egyptian judges, including two women, have been trained and coached by ROLI over the past year and
were responsible for designing the three courses, choosing instructional techniques, and organizing course content and activities.

In Armenia, ROLI hosted six Syrian-Armenians in July at its Refugee Legal Assistance Center (RLAC) for a group discussion on social benefits; business-related state regulations; free medical assistance; job and housing opportunities; and financial support opportunities for displaced people. Two of the group’s participants, a husband and wife, are disabled and were living in a hut devoid of minimal hygienic conditions in Armenia after fleeing the war in Syria. Later in July, the RLAC staff found a free housing opportunity for the couple in a region outside of the Armenian capital.

In Turkey, ROLI held 16 legal information sessions for Syrian refugees in July. It responded to 296 requests for legal assistance through the SMS helpline. ROLI also held a training session for 36 attorneys and 23 NGO staff which was its first activity in partnership with the Ankara Bar Association.

**Professional Services**

During the 2017 Annual Meeting, the Civil Rights and Social Justice Section held its annual fundraiser, the Thurgood Marshall Dinner, which was attended by 250 people, to honor Award recipient Judge Robert Katzmann, Chief Judge of the U.S. Court of Appeals for the Second Circuit since 2013. At the time of his appointment to the federal bench in 1999, he was the Walsh Professor of Government, Professor of Law, and Professor of Public Policy at Georgetown University; a Fellow of the Governmental Studies Program of the Brookings Institution; and president of the Governance Institute.

This summer, the Death Penalty Due Process Review Project participated in or hosted three educational events around the country, with more than 200 people in attendance. Staff spoke on a panel at the Kentucky Bar Association convention to discuss its work; hosted a CLE panel discussion on severe mental illness and the death penalty in Boise, Idaho; and presented at the National Alliance on Mental Illness’ National Convention in Washington, DC.

The Section of Antitrust Law launched its redesigned Leadership Portal. The website has become streamlined, more visually appealing, and easier to navigate.

The Business Law Section selected 19 individuals in August to participate in the 2017 Business Law Fellows Program. The Fellows Program supports the involvement of young lawyers, lawyers of color, and lawyers with disabilities in the work of the Section. This year’s class of Fellows was selected from a pool of 78 applicants, the highest number of applicants in recent years. The Fellows Program provides special leadership opportunities and mentorships to participants ensuring their long-term engagement in the Business Law Section.

The Standing Committee on Law and National Security has created a new podcast series, “National Security Law Today.” Each episode features an interview with a national security law expert, conducted by members of the Committee. The first year’s theme is national security and private practice, and the podcast focuses on the laws and regulations that impact practitioners and their clients.
The Health Law Section presented J. A. “Tony” Patterson with a Lifetime Achievement Award at the ABA Annual Meeting in New York on August 11. Mr. Patterson, an ABA member since 1973, has served in over 70 leadership roles within the Section, including as Chair from 2004 to 2005, and most recently as a Section Delegate to the House of Delegates for the past nine years. In 2012, Tony was instrumental in successfully transitioning the ABA’s Standing Committee on Substance Use Disorders Group, where it is now active and vibrant part of the Section’s operations. Additionally, Tony served as SOC Chair from 2005 to 2006.

The Judicial Division’s (JD) Fighting Implicit Bias Committee presented its new book *Enhancing Justice, Reducing Bias*, at the Annual Meeting on August 12. In addition to discussing the book, Committee co-chairs Judge Bernice Donald and Ms. Sarah Redfield spoke to all JD members about future implicit bias training that will be offered for judges, lawyers, and court administrators.

Congratulations to the Section of Infrastructure and Regulated Industries, which celebrated its 100th anniversary this summer. The Section was formed at the 1917 ABA Annual Meeting in Saratoga Springs, New York.

On July 18, ABA President Klein presented the 60th annual Silver Gavel Awards for Media and the Arts at the National Press Club in Washington, DC. More than 100 people attended the event, whose featured speaker was Brooke Gladstone, Managing Editor and Cohost of “On the Media,” syndicated on public radio. The awards presentation video, program booklet, and other information are available at [www.ambar.org/gavelawards](http://www.ambar.org/gavelawards).

Conclusion

Benjamin Franklin once observed, “when you’re finished changing, you’re finished.” This is especially true in today’s world. We’re undergoing profound economic, societal, and technological change. For large professional associations, techniques that attracted members in the past do not necessarily work today. We must develop innovative approaches to improve the ABA experience.

While it’s still in its conceptual phase, OneABA offers a path forward, driven by data, to more effectively recruit and retain members. ABA staff will collaborate closely with members and volunteer leaders to ensure OneABA is member-focused as we work to improve the Association’s value and ease of access. I will, of course, keep the Board apprised of developments as we move forward, and I welcome and encourage your input and guidance as we better position the ABA for our changing 21st century world.

Respectfully submitted,

Jack L. Rives
Executive Director
Discussion Regarding OneABA and Request for Sense of Board Resolution

Tracy A. Giles, Chair
Standing Committee on Membership

Jack L. Rives, Executive Director

James Dimos, Deputy Executive Director

Bob Domenz, Chief Executive Officer, Avenue

Michael Kreisberg, Chief Membership Officer
MEMORANDUM

To: ABA Board of Governors

From: Jack L. Rives

Re: OneABA (Request for Sense of the Board Resolution)

Following our discussions at the June Board of Governors meeting, I appointed a staff working group led by Deputy Executive Director Jim Dimos to focus on the OneABA concept and begin to flesh out the details as a draft plan for additional member review, input, revision, and eventual consideration. As envisioned, the new OneABA membership model:

I. Unlocks the tremendous value of ABA membership for more lawyers;
II. Reduces the complexity of the ABA’s current dues structure;
III. Makes membership more convenient for those members who are in firms, legal departments, courts, governmental agencies, the military, and public service organizations;
IV. Creates a more intuitive membership billing/renewal cycle; and,
V. Establishes a genuine collaboration among all parts of the ABA to serve members effectively.

The OneABA concept was presented to the Section Officers Conference (SOC) last week in Chicago. Representatives of Sections, Divisions, and Forums, along with other member-leaders, are being added to the working group to continue to work on recommendations for the OneABA concept.

The value of entity membership is a critical aspect of the membership experience. A consensus has been reached for the inclusion of two entity memberships as a facet of everyone’s basic Association membership. A great deal of discussion has focused on how to develop a revenue sharing methodology that is fair, transparent, aligns everyone on the same goals, and can be adapted both to the likely early revenue shortfalls and the anticipated future revenue gains.

To facilitate useful discussions on OneABA and avoid extensive speculation, proposals, and counter-proposals during the overall development of this dynamic new model, I recommend a phased approach to revenue sharing. For the first two years of OneABA, I propose the entities that currently charge dues receive precisely the same amount from general operations as they
receive in entity dues in the fiscal year immediately preceding implementation of the OneABA model. During that time, entities will evaluate options and will work with Association leadership to determine a fair allocation for revenue sharing. This process will avoid the extensive and controversial efforts that would be needed to try to resolve this issue as OneABA is otherwise developed. Ultimately, the Board of Governors will determine the allocation of revenues for future years.

For example, assume consolidated dues revenue in FY 2019 will be $68,775,000, with $57,175,000 in general dues revenue and $11,600,000 in entity dues revenue. If OneABA were to become effective in FY 2020, under this proposal we would provide $11,600,000 in funding to the entities in fiscal years 2020 and 2021. Each dues-charging entity would receive the same amount from general operations as they had received in dues in FY 2019. And we would begin to implement the new revenue-sharing model beginning in FY 2022.

It is important to keep in mind that the ABA will experience a significant reduction of dues revenue until enough nonmembers join the ABA to make up for the reduced dues revenue. We will look to our marketing consultant to provide projections as to “market adoption” — how soon nonmembers will choose to join the ABA. Until we increase our market share, we will need to operate the Association with the revenues received, additional cost reductions, and use of our reserves. I recommend the Board consider using reserves to fund any revenue shortfall in the first fiscal year OneABA is in place. For the second year, I recommend the Board evaluate projected incoming revenue, cost savings, and reserves to strike the appropriate balance to operate the Association.

As we have briefed SOC, SCOM, and other groups, our current plan is to present OneABA for Board approval at the 2018 Midyear Meeting in Vancouver and for House of Delegates adoption at the Annual Meeting in Chicago next August. Although this proposal does not need formal Board approval at this time, I believe it would be extremely useful to reach a tentative understanding of the Board’s intent regarding these aspects of OneABA when we meet in Miami in October.

Accordingly, I respectfully request a Sense of the Board Resolution as follows:

Subject to the finalization and adoption of OneABA, it is the sense of the Board that, for the first two years of the OneABA program, entities that charge dues will receive general revenue funding at the same level as the amount of dues the entity collected in the fiscal year immediately preceding the implementation of OneABA. In addition, it is the sense of the Board that it will consider using only reserves to fund any revenue shortfall in the first fiscal year that OneABA is in place and that, for the second year, the Board will evaluate incoming revenue, cost savings, and reserves to strike the appropriate balance to operate the Association.
COMMENTS FROM SECTIONS/DIVISION REGARDING OneABA
MEMORANDUM

To: Michael Bergmann, SOC Chair
From: Hilary H. Young, Chair, ABA Health Law Section
Date: September 26, 2017
Subject: Comments on OneABA (Request for Sense of the Board Resolution)

The officers of the ABA Health Law Section have reviewed the September 20, 2017 memorandum from Jack Rives to the ABA Board of Governors requesting a Sense of the Board Resolution on OneABA at the Board of Governors’ meeting on October 20, 2017. We provide our comments in response.

As a threshold matter, we have strong reservations about the Board of Governors (BoG) being asked for the “sense of the Board” regarding ideas discussed by the staff working group before any of the SOC members have become involved in the process. Presenting a resolution at this juncture could have the effect of solidifying Board Members’ thinking on issues that still need to be discussed and fleshed out. Our sense from the SOC meeting is that there are many questions to be asked and ideas to be discussed before asking the BoG to take even a tentative position on details of the OneABA initiative.

Additionally, in asking the BoG for a response at this point, the proposal essentially tries to lock in certain facets of OneABA while “kicking the can down the road” with respect to long-term revenue-sharing with the SOC entities. The memorandum does not address that question, which should be examined, discussed, and fleshed out with all the other issues in the full working group before any proposal is presented to the BoG.

The memorandum says that a consensus on including two entity memberships has been reached—but the working group has included only staff to this point. This consensus may be premature and bears discussion by the full working group before presenting such a consensus to the BoG.

Finally, the memorandum mentions "goals" and being aligned on goals without elaborating on what those goals include. One stated goal is to "avoid extensive speculation, proposals, and counter-proposals during the overall development of this dynamic new model." But development of an effective dynamic new model requires a thorough review and negotiation process that includes detailed financial terms. While the ideas in the memorandum are worth considering, they should be considered and fleshed out by the full working group rather than being presented in this premature form to the BoG.

There are several specific issues that the proposal does not address and that should be worked out in the full working group before being presented to the BoG. These issues include:

- Will the revenue-sharing described in the memorandum be the only funding for the entities from General Operations, or will the entities receive normalization funding from General Operations plus the OneABA funding as described in the memorandum?
• Given that the memorandum’s proposal for the first year would have the ABA dipping only into reserves to cover any funding decrease from lowering the dues, does this mean the BoG would be willing and able to reverse the position it took in 2016-2017 not to dip into reserves more than 3.5%, and to spend whatever is necessary out of reserves?

• If so, then what percentage would the BoG be willing to spend out of reserves in the second year, and what effect could that have on normalization funding?

• If a member wants to join one or more additional entities beyond whatever is included in the basic ABA membership, what should that cost be, and will the additional entity(ies) receive all of the membership dues or a portion?
Dear Michael and Susan, Thanks for the opportunity to provide comments on the OneABA resolution. On behalf of the Section of International Law, we offer the following thoughts/concerns:

1. The incentives of any revenue sharing scheme should continue to be to increase Section (and hence ABA) membership, so sections should continue to receive (shared) revenue in proportion to their membership numbers;
2. The proposal should address what use will be made of our Section’s reserves in the interim period (until membership rises to break-even), so we can plan accordingly for this new system (e.g., to hire a marketing consultant); and
3. Consider making the Section of International Law a default choice for international members.

Steven M. Richman

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FROM: American Bar Association, Judicial Division

TO: Michael Bergmann, Esq.
Chair, American Bar Association

Section Officers Conference

SUBJECT: OneABA Resolution

1. Thank you for the opportunity to provide comments regarding the “Sense of the Board” Resolution which is to be considered at the Board of Governors meeting on October 20.

2. The Judicial Division has consistently asked for clarification of three primary issues related to OneABA. The communication forwarded for comment does not adequately address the three concerns we have consistently raised regarding the revised pricing structure, and as such, until clarity is provided, the Judicial Division would urge that the Board of Governors reject the current proposal.

3. The Judicial Division is fully cognizant of the urgency of the ABA’s financial circumstances. There are many options available to resolve the financial health of the organization, but taking funds away from Sections/Divisions and Forums is short-sighted and will not contribute meaningfully to the long-term health of the organization.

4. The three issues which the Judicial Division requests clear short term, and long-term answers to before it can endorse the OneABA pricing structure are these:

   a. Dues split. In this memorandum, the Executive Director appears to propose dipping into ABA Reserves to provide the Sections/Divisions and Forums with funding at the current dues split level for only two years. There does not appear to be any clarity beyond the two-year point. If this is a proposal to phase out the work done by Sections/Divisions and Forums over the next two years, or to reduce funding or require funding through non-dues revenue over the next two years, the plan is not acceptable to the Judicial Division. It is at best difficult to assess the plan when there is a lack of transparency as to what will occur beyond the two-year plan outlined in the memorandum.

   b. Group membership. This proposal does not address the concerns raised by the Judicial Division regarding continuation of the public service group membership reduced pricing which has been a primary source of growth in JD membership. The JD is unable to support any proposal which does not sustain the public service group membership pricing strategy which has resulted in the Judicial Division being one of the few entities in the ABA experiencing membership growth.
c. Reduced pricing for Judges. The JD has consistently reminded the ABA of its own House of Delegates’ policies which highlight the underfunding and inadequate compensation of our courts and the judges serving in them. The proposal contained in the memorandum would result in an increase in dues for judges currently members of the ABA and the Judicial Division under public service group pricing strategies, resulting in a $55 increase in the dues rate being charged to judges who have joined under public service group membership pricing. This presents the worst of all cases for the Judicial Division, as we will experience a price increase for members in current public service group pricing status, and in two years we would likely also lose revenue as the result of the elimination or revision of the revenue generated from division dues.

5. The Judicial Division has worked hard to build its membership, particularly focusing on the Law Student and Young Lawyers Divisions, because we understand that this is where true long-term growth for the ABA resides. However, when the ABA modified its Law Student Division pricing, giving all Law Student members free membership and free section memberships, the Judicial Division, and in particular the Lawyers Conference of the Judicial Division, suffered a significant drop in its revenues. Meanwhile, in order to provide member value for these non-dues paying members, despite getting no revenue from the ABA for its efforts, we ramped up programming activities designed to attract millennials, law students and young lawyers. While this effort has succeeded in growing our overall membership, the concomitant reduction in revenue share cannot be sustained long term and may require that we reconsider our efforts to bring these future long-term members into our Division and into our Conferences unless dues split is reconsidered where “free section” memberships are offered by the ABA.

6. The Judicial Division provides quality programming, including numerous ABA showcase CLE programs, publications which encompass the scholarly Judges Journal issued on a quarterly basis; and services to and by its members such as training within and outside the ABA, and our Judicial Outreach Network, which sponsors a Judicial Outreach Week during which Judges interact with the public in informal sessions both in their courthouses and in their communities. This combination of services is available to, and sought after, by other ABA Sections, Divisions, and Forums. We have formed valuable partnerships with the Law Student Division through our ongoing support of the Minority Clerkship Program, and also with both the Law Student and Young Lawyer Divisions with our work in the Standing Committee on Minorities in the Judiciary, as well as our “Planting the Seed” programs, designed to inform and encourage younger ABA members, and in particular minorities, to explore the judiciary as a professional path. Reducing our revenues – whether now or in two years – will directly reduce member benefits. We are, therefore, unable to support the current OneABA proposal and urge the Board of Governors to look at other aspects of ABA’s current expenses by which to resolve its financial concerns.
SEER Comments on 9/20/17 “OneABA (Request for Sense of the Board Resolution)”
From Jack Rives to the ABA Board of Governors

To: Mike Bergmann, SOC Chair
From: John Milner, Chair of the Section of Environment, Energy and Resources (SEER)

At the outset, SEER very much appreciates the intent and timing of the September 20, 2017 memorandum and proposed resolution. We agree with Jack Rives that taking the revenue-sharing methodology component of the current version of OneABA “off the table” will “facilitate useful discussions on OneABA and avoid extensive speculation, proposals, and counter-proposals during the development” of OneABA through meaningful discussions among the members of the ABA Board of Governors (BOG), the ABA Executive Leadership, the Sections, Divisions and Forums (SDFs) leadership and the leadership of other entities within ABA. This resolution will save an inordinate amount of unnecessary time that can be usefully devoted to candid discussions of OneABA now and going forward into this 2017-2018 ABA year.

In that context, SEER would now like to respectfully provide the following significant comments regarding the proposed resolution for immediate consideration due to the need to expedite input for BOG review.

As a threshold matter, SEER first points out that the draft resolution to the BOG presupposes that OneABA will be adopted by the BOG. While BOG may decide to do so, in some future OneABA version, that is a prerogative of the BOG. Consequently, SEER proposed to amend the resolution to state that the resolution’s substantive requests are “[s]ubject to the Board’s consideration of the adoption of the OneABA program at the ABA Annual Meeting in August, 2018 and for purposes of the Board’s evaluation of the current and subsequent drafts of OneABA until that time ….” This language, which was incorporated in the SEER proposed revisions to the resolution below (and in the attached redlined version) respects the BOG’s authority to (1) finally adopt OneABA or decide not to do so and (2) evaluate the merits of OneABA between now and the 2018 Annual Meeting.

Subject to this threshold comment, SEER provides the following key substantive comments regarding the proposed resolution:

1. SEER questions the feasibility and logic train of (1) establishing a revenue-sharing model for OneABA at the August, 2018 ABA Annual Meeting, (2) then delaying its implementation for two (or more) years, and (3) then subsequently implementing the model when no one can predict the conditions under which ABA will be operating at that later time. The entire revenue-sharing model development or consideration should be suspended so that ABA can focus instead this year on marketing and branding in order to ensure that the OneABA goal of membership increases actually happens. If we have 200,000 more ABA members in 2020, then 2021’s revenue sharing will be a different conversation than if we have 20,000 new ABA members, or even 2 million. In short, if
the revenues for SDFs do not change for two (or more) years, ABA should not lock in a revenue-sharing plan for two years from now when the world we're working within could be entirely different. Consequently, SEER has proposed a resolution amendment that states that the “ABA/SDFs revenue-sharing model development and implementation should be suspended for the first three years of the OneABA program.

2. A key question is - will the general operations block grant remain the same? An SDF’s dues plus its general operations block grant funding is what an SDF should receive from the ABA. That continued dual funding is what needs to be assured in the resolution’s language. This resolution cannot limit SDF general operations funding to past SDF dues revenue. That would result in the elimination of SDF block grant funding.

3. A two-year guarantee is not sufficient. Restoring ABA membership and dues revenues will take longer than two years. The charts of expected new-member growth showed 3-4 year horizons. To the extent they do, an SDF’s previous dues revenue cannot end up being our de facto allocation – SDFs should share in any gains as well. Consequently, we have proposed to increase the timeframe for the suspension of the revenue-sharing model component development and implementation from two years to three years.

4. ABA and SOC cannot wait to discuss the feasibility of a revenue-sharing model component until the end of the suspension period. Consequently, we have proposed that the ABA/SOC discussions about this issue be initiated at the beginning of the third year of the suspension period.

5. There is no “safety valve” in the current OneABA explanation to “opt out” if OneABA isn't turning around membership declines. How will this 2-year (or 3-year as we propose in our amendment version) promise of increased base funding for SDFs (during the suspension of the timeframe for the development and implementation of the revenue-sharing component) be affected in that worst-case scenario? This needs to be addressed.

6. There's language in the resolution about use of “reserves” to make up ABA shortfalls during the two-year “moratorium” period on revenue sharing. The resolution should very clearly state that the reserves are not SDFs’ reserves, but are the ABA’s reserves. Our proposed amendment adds that clarification.

In order to correlate these comments to the proposed language of Jack Rives’ proposed resolution, SEER proposed that the resolution should be amended to read as follows:

Subject to the Board’s consideration of the adoption of the OneABA program at the ABA Annual Meeting in August, 2018 and for purposes of the Board’s evaluation of the current and subsequent drafts of OneABA until that time, it is the sense of the Board that:

(1) the development and implementation of an ABA/SDFs revenue-sharing model should be suspended for the first three years of the OneABA program, while initiating ABA/SOC discussions about the feasibility of such a revenue-sharing model at the beginning of the third year of this suspension period;
(2) during the three-year suspension period, entities that charge dues would receive total general revenue funding at the same level as:

(a) the general operations block grant funding, combined with
(b) the amount of dues the entity collected in the fiscal year immediately preceding the implementation of OneABA; and

(3) the Board would use only non-SDF reserves to fund any ABA revenue shortfall in the first and second fiscal years that OneABA would be in place and that, for the third year, the Board would evaluate incoming ABA revenue, cost savings and non-SDF reserves to strike the appropriate balance to operate the Association.

A redlined version of the proposed revisions to the resolution is attached for reference and specificity.

Thank you for the opportunity to submit these comments.
Subject to the finalization and Board’s consideration of the adoption of the OneABA program at the ABA Annual Meeting in August, 2018 and for purposes of the Board’s evaluation of the current and subsequent drafts of OneABA until that time, it is the sense of the Board that:

1. the development and implementation of an ABA/SDFs revenue-sharing model should be suspended for the first three years of the OneABA program, while initiating ABA/SOC discussions about the feasibility of such a revenue-sharing model at the beginning of the third year of this suspension period;

2. during this three-year suspension period entities that charge dues will receive total general revenue funding at the same level as:
   (a) the general operations block grant funding, combined with
   (b) the amount of dues the entity collected in the fiscal year immediately preceding the implementation of OneABA; and

3. In addition, it is the sense of the Board would use that it will consider using only non-SDF reserves to fund any ABA revenue shortfall in the first and second fiscal years that OneABA would be in place and that, for the second third year, the Board will evaluate incoming ABA revenue, cost savings, and non-SDF reserves to strike the appropriate balance to operate the Association.
Report on Commission on the Future of Legal Education

Dean Patricia White, Chair
Commission on the Future of Legal Education
Reports From Committee Chairs

Hon. Ramona G. See, Chair
Profession, Public Service and Diversity

Ilene K. Gotts, Chair
Finance

Andrew J. (Josh) Markus, Chair
Member Services
MEMORANDUM

TO: Members of the Board of Governors

FR: Alpha M. Brady

RE: Consent Calendar

DT: October 5, 2017

The Consent Calendar is comprised of the Report of the Committee Chairs of the Board. This Report will be distributed to you at the Board meeting on Friday, October 20, 2017. Following the oral reports from each of the Chairs of the Board Committees, the Consent Calendar will be approved without discussion except for those items that have been removed from the Consent Calendar.

Should you wish to remove an item from the Consent Calendar, please notify me the morning of Friday, October 20, 2017.
Report on Realignment Project

Andrew J. (Josh) Markus, Chair
Member Services

Hon. Ramona G. See, Chair
Profession, Public Service and Diversity
Report on Strategic Planning

William R. Bay, Chair
Strategic Planning Working Group
Update Regarding Membership Directory

Benjamin E. Griffith, Board Liaison
to Standing Committee on Lawyer Referral
and Information Services

James Dimos, Deputy Executive Director
Section 33.2 of the ABA Bylaws requires that “the proceedings of the Board of Editors shall be reported to the Board of Governors, which, by a majority vote of its entire membership, may disapprove, change or rescind any action or appointment of the Board of Editors.” This report covers the Sept. 12-13, 2017 Board of Editors meeting held in Chicago, Ill.

Board Action: Directed Study of Paywall Pros and Cons for Journal

After a lively discussion, the Board appointed a new Digital Committee to explore the issue of paywalls and how the Journal would be impacted if all or part of the Journal’s content was placed behind a members-only paywall. The decision to task the matter to the Digital Committee came after a paywall presentation featuring other ABA flagship publications and after a lengthy discussion the Board had with Editor and Publisher Molly McDonough and Executive Director Jack Rives. Questions arose about whether the Journal should be behind a paywall at all, the process and authority for making that determination, and the general effectiveness of paywalls for digital publications. The Digital Committee will study what impact an ABA Journal paywall will have on the influence of the ABA, what impact a paywall would have on the Journal’s ad revenue, and whether a Journal paywall fits the publication’s mission to enable the ABA to reach a wide legal audience and be the voice for all legal professionals. McDonough was directed to develop a pros/cons for paywalls that would be presented to the full Board of Editors at its next meeting in January.

Preliminary Finance Report: FY17 ABA Apportionment Will Be Near Target

Through August, the Journal was closing FY17 in better shape than earlier trends indicated. While initial reports showed the Journal down in revenue by as much as 60% below budget, updated preliminary reports reflect the Journal closing out the year 37% below the revenue budget, which is a substantial improvement from FY16. The improvement in revenue from FY16 directly reduces the portion paid by the ABA General Revenue fund for the print magazine, website, newsletters and podcasts. Advertising is the primary Journal revenue source; importantly there is no direct allocation from the General Revenue
fund of a subscription fee per member for the Journal. Rather, at its February 2017 meeting, the ABA Board of Governors elect to forego a subscription model and continue to directly fund a portion of the ABA Journal’s expenses from the ABA General Revenue fund. For FY 2017, the ABA’s apportionment is preliminarily projected to be $3,738,872, which represents a decline of $1,311,024 since FY16. The Journal’s Board of Editors commended Molly McDonough and her staff for accomplishing such savings while maintaining the Journal’s award-winning, multi-platform journalism.

**Advertising Revenue Details:** Year to date, overall revenue was $1,572,805, but budgeted at $2,510,971 (i.e. $938,166 below budget). In November 2016, responding to the industry-wide freefall in advertising revenue, and to reduce risk and overhead expense, the Journal eliminated its advertising sales positions, and engaged a commission-based outside ad sales agency: Network Media Partners (NMP). The month-to-month trends indicate that NMP largely accomplished its year-one goal of stabilizing ad sales for the Journal. Indeed, August ad revenue actuals ($154,357) were greater than budget ($152,707).

**Expense Reductions:** For FY17 the Journal also significantly lowered its expenses. The Journal’s expense budget was $6,162,792 ($976,953 below FY16’s budget of $7,139,745). Actuals for FY17 are $5,325,034 or $837,758 below budget.

**Bottom Line:** The ABA’s budgeted apportionment for the Journal was $3,651,821 and actuals are $3,738,872, or $87,051 above budget, according to early year-end figures.

**Free and Discounted ABA Entity Advertising in Journal**

Since November 2016, the Journal began tracking the free advertising it gives to ABA entities, it has comped $98,644 in free advertising to six entities. Primary beneficiaries have been ABA Blueprint ($28,495) and ABA Publishing ($21,450). Amounts are based on the 75% discounted ABA entity rates (if outside advertising rates are used, the true “value” of the free advertising is $394,576). Another seven entities placed paid advertising in the Journal, bringing in approximately $256,000 in intrafund transfers as a credit against Journal expenses using the 75% discounted ABA entity rates (if outside advertising rates are used, the true “value” of the discounted advertising would have been approximately, $1,204,000, $768,000 more than the amount reflected as a credit against Journal expenses). In summary, in exchange for a credit of approximately $256,000 against expenses, the Journal provided ABA entities with approximately $1,600,000 in advertising for the time period of November 2016 through August 2017.

**Strategic Planning Exercise: What if we were launching the ABA Journal today?**

The Board continued its strategic planning process, meeting with ABA Journal staff for an open discussion on what the Journal would look like if it were created in 2017. The discussion homed in on a vision of a Journal that thrives both online and as a showcase of high-impact articles in print.

Chair Hopkins directed the Board to further study the Strategic Plan, which now has staff members assigned and timelines attached. Board members will be asked before the January meeting to liaise with staff on specific projects outlined in the plan. The Board commended Strategic Planning Committee Chair Judy Toyer, along with McDonough and the Journal’s staff for developing and commencing execution of a comprehensive and prescient mission statement and strategic plan.

**Editorial Review Summary**

Managing Editor Reginald Davis presented his editorial report of the magazine and Editorial Committee Chair Alice Richmond followed with a comprehensive and critical review of the June, July and August
issues of the magazine. While written content reviews were consistently favorable, the Board expressed concern that the Journal has cut art too much for budgetary reasons and the impact of the design is suffering. Board comments also noted, *inter alia*: The President’s Message column was well written and inspiring this year; YourABA content has vastly improved; the new “Making It Work” column should be more diverse on topics and sources; and all the issues’ longer features were impressive for their depth and often inspiring. The Board directed McDonough to pass along the Board’s specific comments on the President’s Message column, so that future authors will benefit from knowing what works best in that space.

**Editor and Publisher’s Report Highlights**

McDonough reported on special Hurricane 2017 coverage at ABAJournal.com and coordination with FJE to provide free advertising in the newsletters and online. FJE reported to McDonough there had been an uptick in donations thanks to that advertising campaign. Journal staff wrote 33 articles online and devoted parts of the August, September and October issues to Annual Meeting coverage.

McDonough introduced two new sections of the magazine, “Making It Work” which features first-person accounts from women and men balancing work and life, and “Members Who Inspire” which features ABA members doing inspiring, service-oriented work.

The Journal’s outsourced ad agency, Network Media Partners, has largely succeeded in stabilizing ad sales for FY17. Their efforts show promise for FY18, given 75% of ads sold were to advertisers new to the Journal and the ABA. NMP predicts a steady growth of about 10% in ad sales, which would fall short of finance targets for FY18. As the Board previously communicated, it remains concerned about the gap between the finance targets and NMP’s revenue growth projections. The Board directed McDonough to request an NMP representative handling the Journal’s account attend the Board’s winter meeting in Florida (at NMP’s expense), to further discuss NMP’s plans for the Journal in FY18 and FY19.

**Future Meetings: New Caps on Expenses for Board Members**

The Board’s next meeting is scheduled to be in Fort Lauderdale, Fla., January 3-4. As recommended by the ABA SCOPE Committee, the Board will coincide its spring meeting, June 23-24, with the Board of Governors meeting in Denver.

Chair Hopkins announced that Board members would be subject to a new cap on Journal-related travel expenses. The new cap, which is consistent with the policies used by numerous other ABA entities, caps reimbursement at $500 for travel and $100/day for lodging.
Re: ABA Journal Board of Editors Fall 2017 Meeting

Dear Colleagues,

As Chair of the ABA Journal Board of Editors (BOE), I concurrently submitted the Report of Proceedings of the BOE’s Sept. 12 and 13 meeting in Chicago, for your consideration and comment. I am writing separately to call to your attention a key issue raised at that meeting.

During the BOE’s meeting, it conducted a preliminary discussion on paywalls, and Journal staff presented a high-level review of how paywalls are being used by various other member associations with flagship magazines. The paywall issue had been previously identified for investigation and consideration by the BOE in its strategic planning initiative. However, there is a new sense of urgency to address the issue because on Sept. 13 the BOE learned that member-only access to the Journal and all its electronic products and platforms are being discussed in conjunction with OneABA.

On Sept. 13, Executive Director Jack Rives addressed the BOE on the topic. The BOE then discussed the issue and concluded that it had insufficient time or data to send a thoughtful and informed resolution to the Board of Governors regarding the application of paywalls to some or all of the Journal’s content. The BOE requested its newly appointed Digital Committee, chaired by Ret. Judge Herbert Dixon, confer with Journal staff, investigate this topic further, ascertain its ramifications, and then provide informed recommendations to the full BOE for action. During the BOE meeting, the board observed that restricting the Journal to ABA members only will have an immediate, detrimental impact on ad revenue. BOE members also expressed concern that limiting all content to members only would stifle the ABA’s influence in the greater legal profession and threaten the Journal’s editorial independence.
This matter also led the BOE to voice its larger overarching concern that numerous business decisions (e.g., paywall, advertising restrictions and deals, subscription decisions, etc.) are being made that directly affect the Journal by other ABA departments, staff or volunteers without appropriate BOE input or oversight – which contradicts the ABA Bylaws requirement of BOE oversight of the Journal, including the Journal’s financial and editorial aspects.

Accordingly, on behalf of the BOE I respectfully request that (a) the Board of Governors urge appropriate ABA staff to elicit and include the BOE’s advanced input regarding decisions that impact the Journal’s financial operations and editorial independence; and (b) when the Board of Governors consider initiatives and decisions that affect the Journal, that it confirm the BOE’s advanced approval of such actions. Should there be a disagreement with the BOE about any specific initiative or decision, ABA Bylaw 33.2 affords the Board of Governors the ability to override the BOE’s decision by a majority vote, but to get to that step the BOE must first have made a decision.

Finally, please rest assured that the BOE fully appreciates the urgency of the ABA’s current position. The BOE will be a helpful, responsive partner in the ABA’s efforts to increase membership and stabilize finances, including by continuing to provide members with the ABA’s key member benefit: the award-winning ABA Journal. Should you have any questions regarding the concerns raised in this letter, feel free to contact me directly at 206-625-0404 or khopkins@rp-lawgroup.com.

Very truly yours,

Real Property Law Group PLLC

Kathleen J. Hopkins
MEMORANDUM

TO: Board of Governors

FROM: Chauntis Jenkins Floyd, Chair

DATE: 22 September 2017

RE: Update on ABA Response to Hurricanes Harvey, Irma, and Maria

The Standing Committee on Disaster Response and Preparedness (SCDRP) is writing to report on the status of the ABA’s response to Hurricanes Harvey, Irma, and Maria. SCDRP is working with several member entities to coordinate the ABA response to these disasters in Houston, Florida, Puerto Rico, the US Virgin Islands, and elsewhere. We endeavor to create an efficient and ongoing response by the ABA to prevent duplication of efforts by the many different entities responding to this enormous and ongoing crisis. SCDRP is dedicated to working with lawyers and law firms in the disaster areas and elsewhere in the ongoing recovery process.

ABA Response to Hurricane Harvey

Hurricane Harvey was the first major hurricane of the 2017 Hurricane season. It first touched down on U.S. soil on August 25, 2017 with severe and lasting damage to southwest Texas and Louisiana. Texas was declared a Major Disaster area, and the southwestern low-lying parishes in Louisiana were declared an Emergency area. Harvey lingered for days, predominantly in Texas and then moved on to Louisiana with its wrath ending on September 1, 2017. Many have predicted that at least a decade of legal services and other assistance may be needed. As a reference of the actual time that it takes to fully address all legal needs stemming from a disaster, we need only remember Hurricane Katrina’s effect on Louisiana and Mississippi. Hurricane Katrina was the costliest natural disaster in 2005 and many areas still have unresolved legal matters pending 12 years later.

We are happy to report that the ABA’s response was swift. The Disaster Legal Services (DLS) program, a joint program of the Young Lawyers Division (YLD) and Federal Emergency Management Agency (FEMA), was activated immediately to provide immediate temporary legal assistance to disaster survivors at no charge. DLS has been working with the State Bar of Texas and Houston Volunteer Lawyers to help recruit pro bono attorneys for local Legal Service Corporation (LSC) grantees Lone Star Legal Aid, Texas RioGrande Legal Aid, and Legal Aid of NorthWest Texas in Texas and Acadiana Legal Service Corporation in Louisiana. The volunteer Director of DLS, Andrew VanSingel, an employee of the Internal Revenue Service, is a true asset to the ABA. He has been tireless in his effort to provide daily updates on relief efforts and
connect individuals within local, state legal and non-legal organizations in order to facilitate a steady stream of urgent information and prevent duplication of efforts. Also, the Center for ProBono activated ABA Free Legal Answers in Texas, which allows volunteer attorneys to provide pro bono the answers to legal questions via the internet.

Additionally, the Texas Supreme Court issued an order allowing out of state attorneys to temporarily practice in Texas. Note, Texas did not adopt the ABA Model Court Rule on Provision of Legal Services Following Determination of Major Disaster (Katrina Rule), thus the Supreme Court had to issue a temporary order allowing out of state attorneys to provide pro bono assistance. This model rule is definitely a good example of the ABA’s wisdom and anticipation of future needs for the legal profession.

In order to provide a central location of timely and reliable information and resources for attorneys and Hurricane Harvey survivors, SCDRP developed an initial website www.ambar.org/harvey. The website contains many local, government and NGO, as well as legal aid resources, and is also being used to highlight ABA work done in support of Harvey relief efforts. Additionally, SCDRP will be working with the Commission on Hispanic Legal Rights on translation of the website. In the meantime, we have provided links to several Spanish language resources that represent government entities, such as FEMA and the CDC, as well as legal aid and other NGO’s.

SCDRP has been monitoring the activities of several ABA entities in response to Hurricane Harvey. Their accomplishments in a short period of time are impressive. Note, the summary below is not exclusive, and only includes the efforts of which we are aware. We ask that the SOC report their member entity activities to us that are related to Hurricanes Harvey or Irma so that we can publicize their good work and provide links on the Disaster Relief homepage. The following is a brief summary of the ABA activities of which SCDRP is aware:

- The Office of the President worked with Fund for Justice and Education on a fundraising plea to assist the Association in providing direct legal services by highlighting the work of DLS; the Center for Innovation’s Flood Proof App, which is being adapted for use in Texas; as well as ABA Free Legal Answers

- Center for Professional Development (CPD) made available 2 free CLE webinars created by SCDRP, Representing Disaster Survivors, Part I and Part II. These CLEs were previously cosponsored with, Sections of Litigation and TIPS, YLD, and the Center for Professional Responsibility

- Center for Innovation has worked to revise its original Louisiana Flood App, for use in Texas and for other such disasters, by aiding flood victims gather the necessary documents to establish home ownership and complete FEMA submissions; the app also directs them to appropriate legal services in the region, based on their income qualifications

- Center for Pro Bono worked with the State Bar of Texas to activate Texas Free Legal Answers, a method by which attorneys can volunteer remotely to answer legal questions

- Section of Tort Trial and Insurance Practice (TIPS) provided an insurance clarification on a Texas Bill HB1774, which took effect on September 1, 2017, this summary was posted on the Harvey webpage
• Section of Litigation (Litigation) Insurance Coverage Committee created a Taskforce dedicated to Hurricane insurance issues. The Taskforce provided an insurance checklist for property damage and business interruption claims. Additionally, a free Roundtable on the post-storm insurance claims process, was held on Sept. 11 and cosponsored with SCDRP. Litigation has additional webinars scheduled in the future on Hurricane issues.

• Forum on Affordable Housing Law published a post-Hurricane Sandy publication Building Community Resilience Post-Disaster, it is currently out of stock.

• Additionally, several entities have provided resources for inclusion on the website – and have included Spanish resources where available.

• SCDPR is planning a 3-part webinar, "Surviving a Disaster Series: Is Your Law Firm Prepared", tentatively scheduled in October. We plan to request co-sponsorship of this event with GP Solo, Business Law, Litigation, Law Practice Management, and TIPS.

• SCDRP is reviewing the 2010-11 ABA Protocol to Respond to Major Disasters, prepared by the Committee. We hope to provide recommendations soon.

ABA Response to Hurricane Irma
Hurricane Irma first touched US soil, on September 5, 2017 in the Caribbean, causing catastrophic devastation to the US Virgin Islands (USVI), St. Thomas and St. John, and to islands of Culebra and Vieques of Puerto Rico, both of which were declared as a Major Disaster. On September 9, 2017 Irma hit the continental US, causing significant damage to the Florida Keys and many other areas. The state of Florida was declared a major disaster, and Georgia and Alabama were declared Emergencies. Eventually, the storm was downgraded to a tropical storm causing significant damage in Alabama, Georgia, North Carolina and South Carolina.

In response to Hurricane Irma, the ABA's response was again instantaneous with the Disaster Legal Services program being launched immediately. As a result of Hurricane Irma, SCDRP revised the disaster relief website to www.ambar.org/disasterrelief as a combined resource page for both hurricanes.

We continue to work with ABA YLD DLS, FEMA, the Center for Pro Bono to evaluate the impact of Maria and the needs of the affected areas. We have updated the disaster relief website with information related to Irma and we will continue to move forward to provide additional resources and access to legal services and benefits.

ABA Response to Hurricane Maria
On September 20, Hurricane Maria created enormous devastation to St. Croix in the US Virgin Islands and to Puerto Rico, both of which were declared as a Major Disaster on the same day. As of the date of this submission, Puerto Rico and the US Virgin Islands are still in the process of responding to the immediate disaster – communication has already begun with regard to possible relief and recovery efforts, but those efforts must wait until the islands are more stable and we can truly assess the best method of delivery of legal services through the YLD-DLS program. A hotline had been established for USVI and parts of Puerto Rico from the previous Hurricane Irma, so that number can be used for Hurricane Maria. We imagine that we will follow the same path and strategy with DLS and the Center for Pro Bono regarding the provision of legal services as has been contemplated for Hurricane Irma.
**Collaboration with other Entities in Response to All Disasters and Future Anticipated Needs**

As part of our desire to promote recovery and resilience for survivors of disasters, SCDRP is cultivating a relationship with the Small Business Administration (SBA). We have been asked to publicize short-term (6 months) employment opportunities for legal professionals (both lawyers and paralegals) with SBA to assist in their claims process following Harvey, Irma, and Maria. We are hoping that this will present an opportunity to survivors who may be temporarily displaced or unable to work in their current positions. We have forwarded this information on to YLD and SLD, and we are working with Bar Services to share with affected bar associations. The positions have also been posted with high priority on the ABA Job Board. We are also helping to prioritize resumes of lawyers affected by these disasters with the SBA, to give them a higher priority. We are working to facilitate access for survivors to SBA for reduced interest loans for business and personal purposes by providing readily accessible resources and links.

We are also working collaboratively with the FJE, YLD, Center for Pro Bono, and Center for Innovation to develop funding proposals for Association work related to the delivery of legal services preceding, during, and following a disaster.

We have contacted ABA Member Advantage to explore the possibility of providing additional discounts to members affected by Irma and Harvey. We have also served as a conduit between Support of Lawyers/Legal Personnel - All Concern Encouraged (SOLACE) and the US Virgin Islands Bar, who immediately after Hurricane Irma had limited contact outside of the island.

We recently launched a Twitter feed [@ABAResilience](https://twitter.com/ABAResilience). We have found, especially in times of crisis, that Twitter has emerged as the best and most efficient way to share information and alerts. We have tried to follow many SOC and ABA entities, and we ask that you encourage ABA entities to follow us, so that we may reach the broadest possible audience. This will also allow us to share the good work of the Association in support of disaster survivor

The SCDRP is committed to increasing resilience after a disaster and we working to find new ways to provide assistance for lawyers, especially solo and small firm lawyers, to continue to practice in the aftermath of a disaster.

The ABA response, and in fact the response of the national legal community, has been impressive and has received much praise, but our work is far from over. Our commitment to public service will be tested in new ways and expanded in the months and years to come and deserves as much support as possible.

We anticipate that the need for disaster relief and resources will increase and continue indefinitely. Educating the legal community about how to prepare for a disaster and spreading the resources available to do so is paramount.

Thank you for the opportunity to provide this update to the Board of Governors. Your feedback and guidance are welcomed. Additionally, we encourage you to help us shine a light on the compassionate and diligent efforts of member entities in support of Hurricane Harvey, Hurricane Irma, and Hurricane Maria relief.
MEMORANDUM

To: Board of Governors

From: Rochelle E. Evans

Subject: Requests for Bylaws Amendments

Date: October 4, 2017

a. Senior Lawyers Division: requests approval to amend its bylaws which are required due to the conversion of the Division from a dues-supported entity to an entity consisting of all Association members over 62 and others interested in the elder law field. The Division presently has over 63,000 members.

b. Section of Labor and Employment: requests approval to amend its bylaws to clarify that Associates who are elected to the Council will have the right to vote and to rename the “Strategic Planning Committee” to “Executive Committee” to more accurately reflect the role of the Committee. These proposed amendments were approved by the Section Council at the August 11, 2017, meeting and by the Section members at the August 12, 2017, Section Business Meeting.

c. Appellate Judges Conference: requests approval to amend its bylaws to provide clarification in various Articles including, but not limited to, membership eligibility, meetings, voting and Executive Committee powers and functions. These proposed amendments were approved by the Judicial Division on September 14, 2017.

d. National Conference of State Trial Judges: requests approval to amend its bylaws to indicate that membership shall be open to any member of the Judicial Division of the American Bar Association (Division) who is a judicial officer of a state court exercising general jurisdiction and to clarify the eligibility for membership for a member that retires from judicial office, a former member in good standing, military judges, and international judges. These proposed amendments were approved by the Judicial Division on September 14, 2017.
Date: September 15, 2017

To: ABA Board of Governors

From: Tracy Giles, Chair
Standing Committee on Membership

Re: Proposal for ABA Advantage Program with Shred-It

RECOMMENDATION

At its August 12, 2017, meeting the ABA Standing Committee on Membership voted to seek Board of Governors’ approval to add Shred-It document services to the ABA Advantage program.

Specifics of the proposal follow.

BACKGROUND

While law firms’ increasing use of technology has led to a decreasing reliance on paper, the practice of law remains far from paperless. Firms still must determine not only how to store and protect active documents, but also how to safely dispose of paper when it is no longer needed.

Shred-It is a secure document destruction service that helps firms get rid of outdated paper. Founded in the mid-1980s, when regulations for secure document destruction were being developed, Shred-It merged with Cintas document destruction business about two years ago and now is a wholly owned subsidiary of Stericycle. The Chicago-based company has more than 5,400 employees in locations around the world, and offers hard drive and media destruction, as well as paper shredding.

Shred-It customers may choose regular services or one-time purge services. With regular service, Shred-It schedules weekly, monthly or quarterly visits to pick up and shred documents and provide receipts for chain of custody. One-time purges, as the name implies, are single visits to destroy large amounts of information – often on hard drives.

PROGRAM

1. Benefit to ABA members
ABA members will receive a minimum 15% discount on Shred-It services, although local branches may opt to charge even less.
2. **Revenue to ABA**  
Shred-It will pay the ABA royalties of 5% of total revenue.

The company will participate at the Silver ($15,000) marketing level.

3. **Reputation**  
Shred-It is the world’s largest document destruction company, with operations in 18 countries. It is certified by the National Association for Information Destruction, which is the standards-setting body for the industry. Certification requires compliance with FACTA, HIPAA and PCI regulations and includes unannounced audit visits to ensure ongoing compliance.

The company is rated A- by the Better Business Bureau and is highly rated by reviewers and customers.

4. **Commitment**  
The initial contract term will be one year.

**CONCLUSION**

Shred-It is a reputable document destruction service that offers ABA members a cost-effective option for document and data management. It does not compete with existing ABA Advantage offers, and in fact is the first company of its kind to be included in the program. The Standing Committee on Membership recommends adding Madwire to the ABA Advantage program for one year, with the option to renew if the offering is successful.
Exhibit 3.3

Date: September 14, 2017
To: ABA Standing Committee on Membership
From: ABA Section of Real Property, Trust and Estate Law
Re: Proposal to Offer Member Benefit from WealthCounsel

At its September 13, 2017, conference call, the ABA Standing Committee on Membership approved a proposal for the Section of Real Property, Trust and Estate Law to enter into an arrangement with WealthCounsel to provide a benefit to RPTE members. Specifics of the proposal follow.

BACKGROUND
WealthCounsel provides members access to document drafting solutions, educational programs, and legal marketing resources — all with the support of a nationwide member network. Members pay a monthly fee between $397 and $995 to join. In March 2017 WealthCounsel contacted the ABA Advantage team to investigate entry into the Advantage program. Since the product is focused on a specific practice area, they were referred to the RPTE Section. The RPTE Section’s executive committee entered into negotiations with WealthCounsel and decided to offer the discounted membership as a benefit to their members. WealthCounsel does not currently offer any other discounts.

PROGRAM

1. Benefit to members
RPTE members will receive a 15% discount on all regular-priced WealthCounsel products purchased through the RPTE program.

2. Revenue to RPTE
WealthCounsel will pay RPTE royalties totaling 4% of the net sales made through the RPTE Program. Royalty payments will be made quarterly, within 30 days after the end of each contract year quarter. WealthCounsel will pay RPTE a marketing fee of $13,500 to market the benefit to RPTE members.
3. Reputation
Members of RPTE Trust and Estate Division are familiar with the services of WealthCounsel and consider them excellent.

4. Commitment
The initial contract term will be one year.

CONCLUSION
RPTE has not previously provided any specific outside benefit programs to their members. Because of the excellent reputation of WealthCounsel and the desire to build non-dues revenue streams, RPTE would like to have a one year arrangement with WealthCounsel and expects excellent results for both groups.
Date: September 15, 2017
To: ABA Board of Governors
From: ABA Standing Committee on Meetings and Travel
Subject: ABA Annual Meeting

The 2017 Annual Meeting debuted a focused effort to attract local attorneys to the ABA Annual Meeting by offering low-cost CLE held at exciting venues and premier law firms in Midtown Manhattan. Programming was developed by the New York legal community to showcase substantive topics and speakers who are experts within that practice area. With some modifications, we propose this outreach is repeated at the 2018 Annual Meeting. In addition, we propose a change to the format of the Annual Meeting with respect to the ABA Expo, as well as slight modifications to the registration and ticket pricing.

It has been decided to eliminate the ABA Expo beginning with the 2018 Annual Meeting and replace it with a networking area which will allow ABA entities to showcase their products and services. This will also allow for sponsorship opportunities from vendors which have key interest in the type of registrant in attendance. The Expo is no longer a profitable non-dues revenue source and most remaining vendors have not been pleased with the attendance and return on investment.

We request your approval of the proposed registration fees for the 2018 Annual Meeting. It is a revenue neutral proposal with minor modifications in two registration categories:

1. Registration Fees
   Modify the pricing structure for the ABA Annual Meeting to include a $25 increase in the Standard Registration rate, from $225 to $250. This category includes access to the President’s Reception and should be adjusted to better reflect the increase in cost and individual ticket price for this event.

   All other registration rates would remain the same and as follows:

   **Limited registration rate**
   $95 – Member/Affiliate
   $295 – Non-Member
   (Includes all governance meetings, Plenary Session/ABA Rally and the General Assembly)

   **Standard registration rate**
   $250 – Member/Affiliate
   $450 – Non-Member
   (Includes all governance meetings, Plenary Session/ABA Rally, General Assembly, President’s Reception and a 20% discount on ABA tours)
All-Access registration rate
$495 – All-Access CLE Registration
$695 –Non-Member
(Includes access to all Annual Meeting CLE programs (both entity and showcase), governance meetings, Plenary Session/ABA Rally, General Assembly, President’s Reception and a 20% discount on ABA tours)

2. Guest Registration
Reduce the number of Guest Registration rate options to just one, but at a lower price point of $50. With the elimination of the ABA Expo, we would be eliminating one social event that was previously included in the $95 Guest Registration which is the reason we propose a lower price. This price is applicable to all guests, including children.

Limited registration rate
$50 –Member/Affiliate
$250 –Non-Member
(Includes Plenary Session/ABA Rally and the General Assembly)

3. Ticket Prices
Again, it is our recommendation to modify ticket prices to more reflect the value being offered. This involves reducing the Showcase CLE program tickets, reducing the President’s Reception ticket prices and increasing the CLE in the City ticket prices.

Individual tickets for guests, and those that have purchased the Limited and Standard Registrations will be available for purchase at the following prices:

**Showcase CLE Program Tickets**
$75 General Attendee – Admittance to one CLE Showcase Program
$35 Judges, Government/Military Lawyers – Admittance to one CLE Showcase Program

**Individual Tickets**
$185 – President’s Reception
$50 – President’s Reception (17 and under)

**Local Attorney Individual Ticket Sales**
As was done for the first-time last year, individuals living in the Tri-State areas of Illinois, Wisconsin and Indiana will be given the opportunity to purchase a ticket to an ABA event, without paying an Annual Meeting registration fee. This offer is limited to one ABA ticket per attendee, and will add a service charge of up to $10 to each ticket price.

4. CLE in the City
The CLE in the City Series attracted 985 tri-state area lawyers to the meeting, many of whom would not typically attend an ABA meeting. We propose this outreach is repeated for the 2018 Annual Meeting emphasizing participation and planning by law firms and state and local bar associations, to develop programming that will include 6-10 tracks and showcase experts within the Chicago legal community.

CLE in the City Attendees did not pay a meeting registration fee, however sessions were priced at $25 and lunch events were $20. We recommend some modification to the format and pricing structure of the CLE in the City as follows:
a) Reduce the number of program tracks to a maximum of six to be held on just one day, Thursday, August 2, 2018. Each track would contain two programs with an informal, networking lunch in between. The timing would be as follows:

Program #1 - 10:30 a.m. – 12:00 p.m.
Networking Lunch – 12:00 p.m. – 1:00 p.m.
Program #2 – 1:15 p.m. – 2:45 p.m.

b) Increase the cost of the CLE sessions to $35, and $20 for the networking lunches. CLE in the City sessions will also be available to individuals on a complimentary basis who have registered at the All-Access registration rate. We will offer a limited number of complimentary CLE session tickets for hosting law firms.

5. Scheduling
It remains our goal to avoid scheduling conflicts at the Annual Meeting and deliver high-level programming with broad appeal across all levels of the Association. Once again there will be just one black-out time for the General Assembly, Saturday, August 4, 4:30 – 6:00 p.m. During this time, no entity can hold CLE programs, and are not allowed to hold high profile events.

We hope these proposed changes will continue to enhance the Annual Meeting experience to our members as well as to the local legal community. Thank you for your consideration.
MEMORANDUM

TO: ABA Board of Governors

FROM: Steven M. Richman
Chair

DATE: September 15, 2017

RE: Request to Charge a Registration Fee for Section Program at the 2018 Midyear Meeting

The Section of International Law along with the Judicial Division respectfully requests approval to charge a registration fee for a program to be held at the 2018 Midyear Meeting in Vancouver as follows:

THURSDAY, FEBRUARY 1, 2018
3:00 PM – 4:30 PM View From the Bench: The State of International Law
An esteemed panel of judges will explore the current status of international law in judicial decision-making, including cross border enforcement of judgments, international precedent, and the continuing relevance of, and attacks on, the place of international law in American courtrooms.

We request permission to charge a fee to cover the costs of presenting the program. The registration fee will not exceed $50 per person.

Thank you for your consideration of this request.

Cc: The Honorable Eileen A. Kato
Board Liaison, Section of International Law
The Section of International Law requests approval for the ABA, on behalf of the Section, to enter into a memorandum of understanding with the International Development Law Organization (IDLO) to provide pro bono assistance as requested through its work with the Investment Support Programme for the Least Developed Countries from the least developed countries (LDCs) and the UN Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States.

**International Development Law Organization: Investment Support Program for the LDCs**

The Investment Support Programme for the LDCs (ISP/LDCs) aims to provide on-demand legal and professional assistance to governments of the LDCs and under-resourced LDC firms to help them in investment-related negotiations and dispute settlement. The Programme’s objective is to establish an international scheme for legal aid and expert assistance.

More specifically, the Programme will provide negotiation and dispute-settlement advisory and representation services to requesting LDC government and eligible private sector entities through arranging for multi-disciplinary teams to assist them in preparing for, and conducting, negotiations and participating in arbitral proceedings or alternative dispute resolution methods. The Programme will also arrange complementary training and capacity building activities on demand.

The ISP/LDCs will harness the services of lawyers and other experts (e.g. in tax management, tendering and procurement, accounting and financial analysis, environmental management) who are ready to provide support to the LDCs on a “pro bono” or reduced-fee basis, including in the context of corporate social responsibility initiatives of the organizations to which they are affiliated, thus catalyzing the readiness of professionals worldwide to contribute to their expertise to the sustainable development of the poorest members of the international community.

**ABA Participation**

The ABA, through the Section of International Law’s International Legal Resource Center (ILRC), would support the LDCs in a wide array of areas.* At the request of LDCs, the ILRC intends to provide guidance on support as outlined above. We may also work with ROLI on longer-term capacity-building projects.
ISP/LDCs or other appropriate funding sources will be used to finance specific country-level technical assistance activities, including travel, daily subsistence allowance and other direct costs. Where appropriate, the ABA volunteers will provide technical assistance services on a pro bono basis. This request aligns with the Association’s Goal IV, “to advance the rule of law,” as well as provides additional pro bono opportunities for ABA members.

The MOU contains no financial obligations; neither Section funds nor ABA general revenue are required. The ABA’s participation with the ISP/LDCs and IDLO will not result in policy statements which could be attributed to the ABA without prior approval of the ABA House of Delegates or Board of Governors. Approval of this request will be subject to review and approval of the MOU by the ABA General Counsel’s Office. A copy of the MOU template is attached for reference.

Memorandum

To: ABA Board of Governors

From: Danielle Spinelli, Chair, Standing Committee on Amicus Curiae Briefs

Re: ABA Standing Committee on Amicus Curiae Briefs: Proposed Revision of Policies and Procedures Regarding Amicus Curiae Briefs

Date: October 6, 2017

The Standing Committee on Amicus Curiae Briefs ("Standing Committee") has recently reviewed the policies and procedures governing the preparation and filing of amicus curiae briefs on behalf of the ABA ("ABA Amicus Brief"). Those policies and procedures direct the Standing Committee with respect to the filing of an ABA Amicus Brief as follows:

2. Filing an Association Amicus Curiae Brief

The filing of an amicus brief in the name of the Association must be authorized by the Board of Governors. The Board will only consider authorizing a proposed brief if it is submitted by Association entities authorized to make recommendations to the House of Delegates or by other organizations represented in the House, and if the Association President has received the Standing Committee's certification, as discussed in Section 1, above.

The brief will be filed only in the name of the Association and not in the name of an Association entity. The Association President appears as counsel of record at the Association headquarters address. The names of the lawyers who wrote the brief are customarily added, but without their firm affiliation or local addresses.

Coordination of the review and filing process has been assigned to the Association’s General Counsel’s Office. Notice requirements and submission of the application and proposed brief to the Board of Governors are the responsibility of the Policy Administration Office.

Because Association amicus briefs are public communications to the courts, the press, the public and the Association’s members, every effort should be made to ensure that there is sufficient time for thorough consideration of an application and the proposed brief by the Board of Governors, the Standing Committee and Association entities that have an interest in the issues presented. Accordingly, as soon as an entity begins to consider a request that an amicus brief be filed in a matter, the General Counsel's Office should be contacted.
Members of the Standing Committee have recently discussed the Greenbook requirement that drafters of ABA Amicus Briefs add their individual names to the filed briefs, but omit their firm affiliations or local addresses. The Standing Committee unanimously supports changing this policy to allow drafters to add their firm names and addresses to ABA Amicus Briefs they have drafted.

Our drafters contribute substantive time and resources to the preparation and filing of ABA Amicus Briefs. It is typical for a law firm to donate hundreds of pro bono hours in the preparation of an ABA Amicus Brief, which often represents tens of thousands, and sometimes in excess of a hundred thousand, dollars in attorney time. Our drafters’ law firms also usually absorb the costs associated with preparing and filing a brief, which includes fees charged by a commercial printing service for formatting and filing an ABA Amicus Brief, in addition to other costs such as in-house printing, copying, and research fees. Drafting an ABA Amicus Brief is a significant undertaking of both time and absorbed costs, and the Standing Committee believes that allowing drafters to put their law firm affiliations and addresses on the briefs recognizes the law firm’s contributions as well as those of the individual drafters.

To further the ABA’s recognition of our amicus drafters’ contributions, the Standing Committee recommends revising the policy to read as follows:

2. Filing an Association Amicus Curiae Brief

The filing of an amicus brief in the name of the Association must be authorized by the Board of Governors. The Board will only consider authorizing a proposed brief if it is submitted by Association entities authorized to make recommendations to the House of Delegates or by other organizations represented in the House, and if the Association President has received the Standing Committee’s certification, as discussed in Section 1, above.

The brief will be filed only in the name of the Association and not in the name of an Association entity. The Association President appears as counsel of record at the Association headquarters address. The names of the lawyers who wrote the brief are customarily added, along with their law firm affiliation and local addresses, at the option of the drafters and their law firms.

Coordination of the review and filing process has been assigned to the Association’s General Counsel’s Office. Notice requirements and submission of the application and proposed brief to the Board of Governors are the responsibility of the Policy Administration Office.

Because Association amicus briefs are public communications to the courts, the press, the public and the Association’s members, every effort should be made to ensure that there is sufficient time for thorough consideration of an application and the proposed brief by the Board of Governors, the Standing Committee and Association entities that have an interest in the issues presented. Accordingly, as soon as an entity begins to consider a request that an amicus brief be filed in a matter, the General Counsel’s Office should be contacted.
The Member Services Committee of the Board of Governors of the American Bar Association met on Thursday, August 10, 2017, at the New York Hilton Midtown Hotel in New York, New York. Chair Alan Van Etten presided. The following members of the Committee were in attendance: William R. Bay, Hon. William C. Carpenter, Jr., Scott C. LaBarre, Andrew Joshua Markus, Lorelie S. Masters, John L. McDonnell, Jr., Darcee S. Siegel, Mary L. Smith, and Mary T. Torres. Section Officers Conference Liaison Peter Winograd, and staff member Carri L. Kerber also attended.

A. MATTTERS FOR REVIEW BY THE BOARD

3.1 Requests to Amend Bylaws

a. Section of Family Law: requested approval to amend its bylaws to direct the Chair of the Section to implement the goals of the Section in accordance with their Strategic Plan; eliminate the duty of the Vice-Chair to make an appointment to the Long Range Planning Committee; reduce the size of the Council from 9 to 6 at-large members, to be done over a period of 3 years; eliminate the Scope and Correlation Committee and replace it with the Strategic Planning Committee; eliminate the Long Range Planning Committee; and reduce the number of at-large Council positions from 3 to 2 who are elected at the Annual Meeting.

UPON MOTION DULY MADE, SECONDED AND CARRIED:

The Member Services Committee recommended approval of the request from the Section of Family Law to amend its bylaws to direct the Chair of the Section to implement the goals of the Section in accordance with their Strategic Plan; eliminate the duty of the Vice-Chair to make an appointment to the Long Range Planning Committee; reduce the size of the Council from 9 to 6 at-large members, to be done over a period of 3 years; eliminate the Scope and Correlation Committee and replace it with the Strategic Planning Committee; eliminate the Long Range Planning Committee; and reduce the number of at-large Council positions from 3 to 2 who are elected at the Annual Meeting.

b. Law Practice Division: requested approval to amend its bylaws to correct the inadvertent omission of the word “telephonically” in two places within the Division’s by-laws when addressing Section Council meeting attendance requirements and delete the language addressing the employment of Division staff or outside support.

UPON MOTION DULY MADE, SECONDED AND CARRIED:

The Member Services Committee recommended approval of the request from the Law Practice Division to amend its bylaws to correct the inadvertent omission of the word “telephonically” in two places within the Division’s by-laws when addressing Section Council meeting attendance requirements and to delete the language addressing the employment of Division staff or outside support.

3.2 Request from American Bar Endowment for Exception to ABA Email Policy

The Board of Directors of the American Bar Endowment (“ABE”) requested an exception to the email policy set out in the ABA Policy and Procedures Handbook, which would allow ABE to promote their plans to ABE’s members using the ABA’s email address lists from September 1, 2017 to August 31, 2018.
UPON MOTION DULY MADE, SECONDED AND CARRIED:

The Member Services Committee recommended approval of the request from the Board of Directors of the American Bar Endowment (“ABE”) that the ABA Board of Governors grant the ABE an exception to the email policy in the ABA Policy and Procedures Handbook, which would allow ABE to promote its plans to ABE’s members via the ABA’s email distribution system from September 1, 2017 to August 31, 2018. ABE’s use of the ABA’s email services will remain subject to approval of the Member Services Committee and must comply with current ABA policies and procedures on email marketing as determined by the Executive Director. ABE has no right to use ABA email address information other than via the ABA’s email distribution system. ABE will reimburse ABA for these services.

3.3 Request Regarding Normalization of Section/Division/Forum Funding

The Member Services Committee requested approval of a normalization formula for Sections, Divisions, and Forums (“S/D/F”) general revenue funding. If approved, the Board will annually establish the total amount of general revenue funds to be distributed to section entities (the “General Revenue Pool”) that will be a clear line item in the budget and will discontinue the ‘allocation offset by holdback’ model currently in use where general revenue funds are allocated to an entity and the entity “gives back” a certain percentage to general revenue. The General Revenue Pool would be divided among the participating S/D/F entities in a manner prescribed by the Board of Governors (“Allocation Criteria”). This new model will be implemented for FY2019. Each entity included in normalization will receive a fixed amount of General Revenue support in the amount of $225,000. Entities included in normalization will have the opportunity to increase their amount of general revenue support as the result of success in recruiting and retaining dues paying members to the Association and its entities. The count includes ABA dues paying lawyer and international associate members. The amount per dues paying member will vary each year based upon the General Revenue Pool and the number of dues paying members. In an accompanying illustration, the number is $8.25 per dues paying member. Given their unique nature, three Sections (Civil Rights and Social Justice, Legal Education and Admission to the Bar, and Taxation) will be excluded from normalization. In addition, the Divisions also will be excluded. The Forums are included in normalization but treated as a single entity. The application of the formulaic approach will be transitioned over two years.

UPON MOTION DULY MADE, SECONDED AND CARRIED:

The Member Services Committee recommended that the Board of Governors approve a normalization formula for Sections and Forums general revenue funding to be transitioned over two years.

3.4 Request from Forum on Construction Law to Enter Into Memoranda of Understandings

The Forum on Construction Law requested approval to enter into the following Expression of Mutual Interest Agreement and Memorandum of Understanding:

a. Construction Manager’s Association of America

The Construction Manager’s Association of America (“CMAA”) promotes the profession of Construction Management and the use of qualified Construction Managers on capital projects and programs. As the country’s largest organization of construction lawyers, the Forum on Construction Law (“Forum”) serves the design and construction industry on many fronts based on the Forum’s mission of building the best construction lawyers. Both organizations believe that collaboration will benefit each organization’s membership and the construction industry at large. The Expression of Mutual Interest agreement will strive to:

1. Promote cooperation and mutual understanding among owners, program and construction managers, and the broader construction communities and their respective professional and trade associations.
2. Promote public understanding and awareness of the beneficial contributions of the legal, owner, and construction management communities.
3. Promote diversity within the ranks of owner, construction management, and legal personnel associated with the construction industry.
4. Promote and encourage careers and training in the construction industry.
5. Promote the commitment to the education and training of CMAA and Forum members, including joint education and publication opportunities addressing areas of mutual interest.
6. Promote the development and implementation of innovative and cost-effective project delivery methods, sustainable design and construction, and the principle that a fair and reasonable allocation of risk and responsibility is an essential aspect of design and construction contracts.
7. Promote open dialogue between the organizations at all levels of leadership, committee, and membership.

UPON MOTION DULY MADE, SECONDED AND CARRIED:

The Member Services Committee recommended approval of the request from the Forum on Construction Law to enter into an Expression of Mutual Interest Agreement with the Construction Manager’s Association of America, subject to review and approval of the Expression of Mutual Interest Agreement by the ABA Office of General Counsel and a signed copy provided to the Policy and Planning Division.

b. Associated General Contractors of America

The Associated General Contractors of America (“AGC”) is the leading association for the construction industry. AGC represents more than 26,000 firms, including over 6,500 of America’s leading general contractors, and over 9,000 specialty-contracting firms. AGC publishes a periodically updated “State Law Matrix” of construction law issues covering all 50 states, the District of Columbia and Puerto Rico available for a fee to the public and AGC members and to AGC national and chapter staff for free. AGC will work with the Forum on an on-going basis to update the legal research in the State Law Matrix and the Forum will collaborate with AGC to provide all support for the legal research, drafting and final content to update the State Law Matrix for the benefit of their respective memberships and the architecture, engineering, and construction industry at-large.

UPON MOTION DULY MADE, SECONDED AND CARRIED:

The Member Services Committee recommended approval of the request from the Forum on Construction Law to enter into a Memorandum of Understanding (“MOU”) with the Associated General Contractors of America, subject to review and approval of the MOU by the ABA Office of General Counsel and a signed copy provided to the Policy and Planning Division.

3.5 Request for Expansion of Executive Committee

President-Elect Hilarie Bass requests that the jurisdictional statement of the Executive Committee be amended to expand its size to include a representative from each of the three Board classes. If approved, each year, the president-elect would identify a member from each class to serve for a one-year term on the Executive Committee. These three voting members would be in addition to the current composition of the Executive Committee which includes the President, President-Elect, Chair of the House of Delegates, Secretary, Treasurer and chairs of the Member Services, Finance, and Profession, Public Service and Diversity committees. If approved, the change would become effective at the conclusion of the 2017 Annual Meeting.

The question was raised regarding whether each Board class should select its representative to the Executive Committee. President-Elect Bass explained that expansion of the Executive Committee would permit additional input from the Board on matters being considered by the Executive Committee. When asked, President-Elect Bass indicated her acceptance of approval of the expansion for one year.
After further discussion, and

UPON MOTION DULY MADE, SECONDED AND CARRIED:

The Member Services Committee recommended approval of the request from President-Elect Hilarie Bass to amend the jurisdictional statement of the Executive Committee to expand its size to include a representative from each of the three Board classes for 2017-2018. The representatives would be appointed by President-Elect Bass.

3.6  Request from President-Elect Hilarie Bass to Continue Special Advisor to A-E-F-C Pension Plan Administration Committee

President-Elect Hilarie Bass requests approval to continue Timothy Bouch of Charleston, South Carolina, as special advisor to the A-E-F-C Pension Plan Administration Committee.

UPON MOTION DULY MADE, SECONDED AND CARRIED:

The Member Services Committee recommended approval of the request from President-Elect Hilarie Bass to continue Timothy Bouch of Charleston, South Carolina, as special advisor to the A-E-F-C Pension Plan Administration Committee for 2017-2018.

3.7  Request from Standing Committee on Publishing Oversight to Terminate Agreement of ABA Library at Northwestern University Law Library

The Standing Committee on Publishing Oversight requested approval to terminate the ABA's agreement with the ABA Library at Northwestern University Pritzker School of Law Library. In 1983, the ABA entered into an agreement with Northwestern University Pritzker School of Law Library to maintain the ABA archival collection of publications. For many years it has been used as a foundation for outstanding research utilized by students and those practicing in the legal profession. As both the ABA and the publishing industry overall have undergone significant changes since the original agreement was signed nearly 35 years ago, the ABA has been forced to analyze and reconsider the benefit and return on investment associated with maintaining this library at the current rate of $30,000 annually. This decision comes at a time when the ABA is facing financial challenges and is seeking reductions to its existing operating expense structure. As this relationship does not bring any revenue to the ABA and the most recent ABA Publications are all available in both print and digital formats through many channels, the Standing Committee on Publishing Oversight recommends that the ABA terminate the relationship with Northwestern University Pritzker School of Law Library.

UPON MOTION DULY MADE, SECONDED AND CARRIED:

The Member Services Committee recommended approval of the request from the Standing Committee on Publishing Oversight to terminate the ABA's agreement with the ABA Library and Northwestern University Pritzker School of Law Library, subject to an evaluation of what is archived and how to preserve it, if appropriate.

There being no further business to come before the Committee, the meeting was adjourned.

Respectfully submitted,

Alan Van Etten, Chair
Member Services Committee
MEMORANDUM

TO: ABA Board of Governors

FROM: Rochelle E. Evans

SUBJECT: Nominations

DATE: October 2, 2017

Consortium for Citizens with Disabilities:

The term of Arnettia S. Wright, Washington, DC, as the ABA representative to the Consortium for Citizens with Disabilities expires in November 2017. The Commission on Disability Rights requests the election of Deepinder (Deepa) K. Goraya, Washington, DC, as the ABA representative to the Consortium for Citizens with Disabilities for a three-year term beginning in November 2017 and expiring in November 2020.
To: ABA Board of Governors
From: Elizabeth Andersen, Associate Executive Director
Cc: Jack Rives, ABA Executive Director
     Alpha Brady, Senior Associate Executive Director and Chief Governance Officer
     Jarisse Sanborn, Associate Executive Director and General Counsel
     Margaret McKeown, Chair, ABA ROLI Board of Directors
     Bernice Donald, Chair, Center for Human Rights Board of Directors

Date: September 15, 2017

Re: Proposed Amendment to Approved Countries of Operation and Registration, Donors and Thematic Program Areas

On behalf of the Rule of Law Initiative and the Center for Human Rights, I would like to request the Board of Governors review and approve the attached updated list of Approved Countries of Operation, Donors, and Thematic Program Areas.

Donors

ABA ROLI and CHR are looking to diversify donors to include the following partners:

1. **The Clooney Foundation for Justice** was established in late 2016 to advance justice in courtrooms, communities, and classrooms around the world. It is developing an initiative focused on monitoring, reporting on, and responding to trials around the world which pose a high risk of human rights violations, including trials where the defendant is a critic of the government or a member of a minority or disenfranchised group. The Foundation invited the ABA Center for Human Rights to submit a proposal to be the main implementing partner for this initiative. The proposal would augment the Center’s existing trial observation program.

2. **American Arbitration Association - International Center for Dispute Resolution (AAA-ICDR).** AAA/ICDR was established in 2015 with the purpose to fund critical projects, domestically and internationally. This effort fills important needs in the ADR community by expanding the use of alternative dispute resolution (ADR), improving the process, increasing access to ADR for those who cannot afford it, and sharing knowledge across different cultures. The Foundation is a separate 501(c)(3) not-for-profit organization from the AAA and is able to solicit donations and provide grants to fund a range of worthy causes that promote the Foundation’s wide-reaching mission. The Foundation is not involved in any way in the oversight, administration or decision making of the AAA/ICDR cases or in the maintenance of the AAA/ICDR's various rosters of arbitrators and
mediators. ABA ROLI would like to prepare a statement of interest for an ADR program in Armenia in response to the AAA-ICDR's annual grant solicitation for expanding the use of alternative dispute resolution in the USA and internationally. ABA's FJE and Young Lawyers Division have previously won awards from AAA-ICDR, to establish "ABA Free Legal Answers" and to support the Young Lawyers' annual Law Student Arbitration Competition.

3. Corporación-América S.A. is a holding company, engaged in airport, infrastructure, energy, agroindustry, bank, and technology businesses. It operates airport and cargo terminals in Latin America and Europe with activities, such as airport operations and commercial management, as well as fueling, cargo, and related services and a bank that holds the concession of the official postal services. The company also grows cereals and oilseeds, and winemaking crops, as well as livestock; and explores and produces hydrocarbon. In addition, it operates various road routes in Argentina, as well as constructs road works, runways, and airport terminals; and manufactures semiconductors and devices, such as silicon, chips, smart cards, and LED lighting. It is based in Buenos Aires, Argentina with a representative office in New York.

The CEO of Corporacion-America is Eduardo Eurnekian, is a member of the Armenian diaspora. Via Corporacion America, Mr. Eurnekian has contributed greatly to Armenia in recent years, refurbishing its international airport, investing in a wine company, and modernizing the Armenian postal service. Due to his investments in Armenia, Mr. Eurnekian was named the United Nations Development Program’s first-ever national goodwill ambassador for Armenia. Corporacion America has recently expressed interest in supporting the development of alternative dispute resolution in Armenia, to help make business dealings more stable and foreign investment more appealing in a country known for rampant judicial corruption. In partnership with one of ABA ROLI’s Armenia Advisory Board members, ABA ROLI would like to prepare a proposal for Corporacion America’s consideration.

Thank you for your consideration of this request, if you have any questions, please feel free to contact me at 202-662-1960 or Elizabeth.Andersen@Americanbar.org.
APPROVED COUNTRIES, DONORS AND THEMATIC PROGRAM AREAS

The countries and donors in **bold** are new additions to the list that was approved by the ABA Board of Governors Executive Committee in August 2017.

I. Approved Countries or Areas Authorized Registration of Representative or Branch Offices

**AFRICA**

Angola
Benin
Botswana
Burkina Faso
Burundi
Cameroon
Cape Verde
Central African Republic
Congo-Brazzaville
Cote d'Ivoire
Democratic Republic of Congo
Equatorial Guinea
Ethiopia
Gambia
Gabon

**AFRICA**

Ghana
Guinea-Conakry
Kenya
Liberia
Lesotho
Madagascar
Malawi
Mali
Mauritania
Mozambique
Namibia
Niger
Nigeria
Republic of Congo, Brazzaville

**AFRICA**

Sao Tome and Principe
Senegal
Sierra Leone
Somalia
South Africa
South Sudan
Sudan
Swaziland
Tanzania
Togo
Uganda
Zambia
Zimbabwe

**ASIA**

Afghanistan*
American Samoa
Bangladesh
Bhutan
Brunei
Burma (Myanmar)
Cambodia
China
Chinese Taipei
Fiji
Hong Kong
India
Indonesia

**ASIA**

Japan
Kiribati
Laos
Malaysia
Maldives
Marshall Islands
Micronesia
Mongolia
Nauru
Nepal
Palau
Papua New Guinea
Pakistan

**ASIA**

Philippines
Samoa
Singapore
South Korea
Solomon Islands
Sri Lanka
South Korea
Thailand
Timor Leste
Tonga
Tuvalu
Vanuatu
Vietnam

**EUROPE AND EURASIA**

Albania
Armenia
Azerbaijan
Belarus
Belgium
Bosnia & Herzegovina
Bulgaria
Croatia
Czech Republic
Estonia
European Union Member States***

**EUROPE AND EURASIA**

Georgia
Greece***
Hungary
Kazakhstan
Kosovo
Kyrgyzstan
Latvia
Lithuania
Macedonia
Moldova
Montenegro
Poland

**EUROPE AND EURASIA**

Romania
Russia
Serbia
Slovak Republic
Tajikistan
The Netherlands
Turkey
Turkmenistan
Ukraine
Uzbekistan

**LATIN AMERICA & THE CARIBBEAN**

Antigua and Barbuda
Argentina
Bahamas

**LATIN AMERICA & THE CARIBBEAN**

Belize
Bolivia
Brazil

**LATIN AMERICA & THE CARIBBEAN**

Chile
Colombia
Costa Rica
II. Approved Donors

A. Donors
Australia, Austria, Bahrain, Belgium, Canada, Chinese Taipei, Czech Republic, Denmark, Finland, France, Georgia, Germany, Greece, Gulf Cooperation Council, Hong Kong, Hungary, Iceland, Ireland, Italy, Japan, Kuwait, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Oman, Poland, Portugal, Qatar, Russia, Saudi Arabia, Slovak Republic, South Korea, Spain, Sweden, Switzerland, Turkey, United Arab Emirates, United Kingdom, United States.

B. Self-Financing Countries or Areas
Algeria, Albania, Armenia, Argentina, Azerbaijan, Bahrain, Belarus, Bhutan, Bosnia, Brazil, Bulgaria, Chile, China, Chinese Taipei, Colombia, Costa Rica, Croatia, Czech Republic, Democratic Republic of Congo, Ecuador, Estonia, Georgia, Hong Kong, India, Indonesia, Japan, Kazakhstan, Kosovo, Kyrgyzstan, Kuwait, Latvia, Lebanon, Libya, Lithuania, Macedonia, Mexico, Moldova, Montenegro, Mongolia, Morocco, Oman, Panama, Peru, Poland, Qatar, Romania, Russia, Saudi Arabia, Singapore, Serbia, Slovak Republic, South Korea, Tajikistan, Turkey, Turkmenistan, Ukraine, United Arab Emirates, Uruguay, Uzbekistan, Venezuela, and West Bank/Gaza (Palestinian Territories).

C. International and Regional Organizations

D. Other Donors
Including U.S. corporations, multi-national corporations, foreign corporations, foundations, and universities. (See Annex I).

III. Approved Program Areas
Our seven thematic areas are: access to justice and human rights, anti-corruption and public integrity, criminal law reform and anti-human trafficking, judicial reform, legal education reform and civic education, legal profession reform, and women’s rights. Additionally, ABA ROLI works on commercial and property law reform and environmental law issues.
ANNEX I
Other Donors

Aestrae Lesbian Foundation for Justice
African Men for Sexual Health and Rights (AMSHeR)
Aga Khan Foundation
Aids Healthcare foundation
Allen and Overy Foundation
American Arbitration Association - International Center for Dispute Resolution (AAA-ICDR)
Apple
Arab Social and Economic Development Fund
Arcus Foundation
Arizona State University
Armenia Fund
Atlantic Philanthropies
Avon Foundation
Bilfury
Blue Moon Fund
Bristol Myers Squibb Foundation
Charles Stewart Mott Foundation
C&A Foundation
Cloney Foundation for Justice
Coca-Cola
Corporación-América S.A.
Dell/EMC
DOEN Foundation
eBay Foundation
Elizabeth Glaser Pediatric AIDS Foundation
Elton John AIDS Foundation
Ewing Marion Kauffman Foundation
Facebook
Ford Foundation
Fundación Avina
Fundación Carlos Slim
Fund for Global Human Rights
Gap
GE Foundation
German Marshall Fund of the United States
Global Fund for Women
Goldman Sachs Foundation
Google
Hauser Foundation
Heinrich Böll Foundation
Howard G Buffett
Humanity United
The International and Ibero-American Foundation for Administration and Public Policies (FIIAP)
Jolie-Pitt Foundation/The Endeavour Group
J.P. Morgan
King Baudouin Foundation
Knight foundation
Konrad Adenauer Foundation
Levi Strauss Foundation
LexisNexis
Mama Cash
Maquila Solidarity Network
Merck Company Foundation
MercyCorps
Microsoft
Moriah Fund
Mosaic Foundation
Motorola Foundation
National Endowment for Democracy
Nike
Norman Foundation
NoVo Foundation
Oak Foundation
Open Square Foundation
Oracle Foundation
Organisation Internationale de la Francophonie
Overbrook Foundation
Pfizer Foundation
Princess Cruise Foundation
Qatar Foundation
Salesforce Foundation
Scaife
Sheik Maktoum Foundation
Sigrid Rausing Trust
Solidago Foundation
South Africa Medical Research Council
Stefan Batory Foundation
Target
Telmex Foundation
Tent foundation
The ACE Group - The ACE Rule of Law Fund
The Bill and Melinda Gates Foundation
The Blaustein Foundation
The Carnegie Corporation
The Channel Foundation
The Christensen Fund
The David and Elaine Potter Foundation
The Gatsby Charitable Foundation
The Google Foundation
The Hewlett-Packard Company Foundation
The John D. and Catherine T. MacArthur Foundation
The Omidyar Foundation
The Open Society Foundation
The Pew Charitable Trusts
The Rockefeller Brothers Fund
The Rockefeller Foundation
The Sainsbury Family Charitable Trusts
The Schmidt Family Foundation/The 11th Hour Project
The U.S. Russia Foundation for Economic Advancement and the Rule of Law
The William and Flora Hewlett Foundation
Thomson Reuters foundation
Tinker Foundation
United Nations Foundation
Vodafone Foundation
Wellspring Advisors
* Programming approved for execution outside of country only due to security considerations
** No international staff to be located in-country
*** Solely for purposes of coordinating the provision of legal aid to refugees and migrants
ANNEX II
AMERICAN BAR ASSOCIATION

AFFIDAVIT OF MARY T. TORRES CONCERNING RESOLUTIONS AUTHORIZING THE REGISTRATION OF BRANCH OFFICE IN SHRI LANKA

I, Mary T. Torres, as Secretary and Member of the Board of Governors of the American Bar Association and through its Fund for Justice and Education and on behalf of its Rule of Law Initiative (“ABA”), a nonprofit corporation established in good standing in accordance with the laws of the state of Illinois, the United States of America, do make this affidavit concerning the following facts, which I do swear are true and correct:

On August 9, 2017 the Board of Governors (“Board”) of the ABA met and passed the following Resolutions:

RESOLUTIONS

The Board of the ABA through its Fund for Justice and Education, an Illinois non-profit corporation hereby takes the following action:

**RESOLVED** that the Board authorizes the ABA to register a Branch of the ABA in the Republic of Uzbekistan (“Branch Office”), subject to all applicable provisions of the laws of the country in Uzbekistan, for the purposes of conducting work and activities on behalf of the ABA and otherwise consistent and aligned with the ABA’s Constitution and Bylaws.

**RESOLVED** that the main objective of the Branch Office is to strengthen rule of law initiatives and that the Board authorizes the Administrative Officer, Executive Director and Chief Operating Officer of the ABA, Jack L. Rives (“Executive Director”) to approve the specific scope of work of the Branch Office and to the extent required by law, to provide a more detailed description of the Branch Office program of activities to the appropriate governmental body in Uzbekistan.

**RESOLVED** that the Board authorizes the Executive Director to appoint a head of each Branch Office (such head and any successor appointed by the Executive Director, “Head”) and, pursuant to this appointment, empowers the Head to be the designated resident agent or registered agent of the ABA, authorized to accept summons, other legal processes, and documents that may be served on the ABA as a foreign entity.

**RESOLVED** that the Board authorizes the Head or any other individual approved by the Executive Director to file or cause to be filed all necessary application material and any other documents with the appropriate government agencies in each country and do all such acts, deed and things in relation to opening, operating, and registering the Branch Office, such authority to be evidenced by a power of attorney from the Executive Director.

**RESOLVED** that each Branch Office is authorized to open such dollar and/or local currency accounts with the bank(s) that the Head deems appropriate and that the Head or any other individual approved by the Executive Director is hereby appointed as the authorized signatory for such bank account(s).

**RESOLVED** that the Board delegates to the Executive Director the authorization to prepare, approve and submit to any governmental body any other documents including, but not limited to by-laws and charters, required by local law to open, register and operate such Branch Office.
RESOLVED that the Board authorizes the Secretary of the Board or the Executive Director to execute all affidavits, certifications and any other documents concerning the Board’s passage of each of the foregoing resolutions as may be required by local law to evidence and confirm the validity of the delegations of authority set forth in this Resolution with respect to each Branch Office without further action by the Board.

RESOLVED that the Board’s authorization to register the Branch Office shall remain in effect through April 30, 2018 and shall be deemed given as of the later of the date of this Resolution or of any confirming affidavit of the Secretary of the Board or the Executive Director.

The Affiant, Mary T. Torres, says nothing further.

__________________________________
Mary T. Torres
Secretary and Member of the Board of Governors
American Bar Association
321 North Clark Street
Chicago, Illinois 60654

State of Illinois
County of Cook

This instrument was acknowledged before me on the __________day of _________________, 20___, by
______________________________.

______________________________
Illinois Notary Public
Memorandum

To: ABA Board of Governors
From: Margaret McKeown, Chair, ABA ROLI Board of Directors
Cc: Jack Rives, ABA Executive Director
     Alpha Brady, Senior Associate Executive Director and Chief Governance Officer
     Jarisse Sanborn, Associate Executive Director and General Counsel
     Elizabeth Andersen, Associate Executive Director and Director, ABA ROLI

Date: September 15, 2017

Re: Request for Approval of ABA ROLI Memoranda of Understanding

On behalf of the American Bar Association Rule of Law Initiative (ABA ROLI), I would like to request review and approval to enter into the following Memoranda of Understanding (MOUs). Each of these MOUs is currently being negotiated; final execution of the MOUs will be subject to review and approval of the Office of General Counsel.

1. Central African Republic’s Magistrates Training School

Central African Republic’s Magistrates Training School ABA ROLI respectfully requests the approval of a Memorandum of Understanding (MOU) between ABA ROLI and the Central African Republic’s Magistrates Training School, referred to in French as the Ecole Nationale d’Administration et de Magistrature (ENAM). The MOU will outline expectations and responsibilities of the respective institutions and will facilitate effective collaboration to develop a judicial training curriculum and to strengthen the training capacity of ENAM’s professional staff. In cooperation with ENAM, ABA ROLI will work with experienced judicial actors and judges to develop materials for judicial training guides. The curriculum will serve ENAM to improve the ability of judges to effectively control their courts, to identify the elements of cases, and to administer justice uniformly and consistently. In addition, portions of the curriculum will be employed for the quick-impact training of judicial personnel that are selected to serve on the Special Criminal Court that is to be convened under the auspices of the Judiciary and with international support for the prosecution of perpetrators of heinous crimes committed during CAR’s recent crisis.
2. Ministry of Women’s and Family Affairs in Tunisia
Ministry of Women’s and Family Affairs in Tunisia ABA ROLI respectfully requests the approval of an MOU between ABA ROLI and the Ministry of Women’s and Family Affairs in Tunisia. The MOU will be for the purpose of defining cooperation under an award ABA ROLI is currently negotiating with the US Department of State Bureau of Democracy, Human Rights, and Labor (DRL) to support the implementation of a recently passed law on gender-based violence in Tunisia. Cooperation would be in the areas of training for legal professionals and police, and public education on the new law.

3. General Prosecutor’s Office of the Republic of Tajikistan
General Prosecutor’s Office of the Republic of Tajikistan ABA ROLI seeks an MOU with the General Prosecutor’s Office of the Republic of Tajikistan (GPO) to further facilitate its working relationship with this government agency as part of its in-country programs. Under ABA ROLI’s current USG programming in Tajikistan, we cooperate frequently with the GPO. This partnership has enabled stakeholders from the GPO to engage in inter-governmental working groups to discuss legislative reform as well as develop practical training initiatives to equip prosecutors with the skills and knowledge to effectively investigate and prosecute criminal cases. An MOU with the GPO would enable greater, and more direct, cooperation with the government agency. ABA ROLI anticipates working with the GPO to provide technical assistance in areas related to countering violent extremism, combatting human trafficking, reducing pretrial detention, and ultimately, promoting individual rights. ABA ROLI expects to facilitate this cooperation through exchange programs/study tours and the possible placement of a pro bono legal specialist in either the ABA ROLI or GPO office to directly and effectively collaborate with the GPO. An MOU with the GPO would formalize this current relationship and ensure further cooperation in the country to assist with justice sector reforms.

Thank you for your consideration of this request, if you have any questions about this request, please contact ABA ROLI Director Elizabeth Andersen, reachable at 202-662-1960 or Elizabeth.Andersen@Americanbar.org.
To: ABA Board of Governors

From: Elizabeth Andersen, Associate Executive Director

Cc: Jack Rives, ABA Executive Director
    Alpha Brady, Senior Associate Executive Director and Chief Governance Officer
    Jarisse Sanborn, Associate Executive Director and General Counsel
    Margaret McKeown, Chair, ABA ROLI Board of Directors
    Bernice Donald, Chair, Center for Human Rights Board of Directors

Date: October 5, 2017

Re: Request for Approval of ABA Center for Human Rights (CHR) Memorandum of Understanding

On behalf of the Center for Human Rights, I would like to request review and approval to enter into an Memorandum of Understanding (MOU) as described below. This MOU is currently being negotiated; final execution of the MOU will be subject to review and approval of the Office of General Counsel.

The Center for Human Rights’ Justice Defenders Program has been closely monitoring threats to the independence of the legal profession in Tanzania since last month, when the Center, in collaboration with the Rule of Law Initiative and the Section of International Law, supported the ABA President to issue statements expressing concern on the proposed abolishment of Tanzania’s Law Society and the shooting of the Tanganyika Law Society President. Multiple other bar associations over the world have also publicly expressed concern.

Following up on this collective concern, the Center for Human Rights (CHR), through its Justice Defenders Program, plans to participate in a joint fact-finding mission to Tanzania in collaboration with the International Bar Association, International Commission of Jurists, Pan African Lawyers Union, SADC Lawyers Association and East Africa Lawyers Association, in order to assess the state of the independence of the legal profession in Tanzania. Each association will send a volunteer and/or staff person to participate in a series of meetings with lawyers, judges, and government officials to discuss those concerns raised in the ABA President’s public statements, which were echoed in statements issued by our peer associations and members of the joint factfinding mission.

We have just this week confirmed that the mission will take place over October 16-18, 2017. It is highly anticipated that the mission will issue a joint report of its findings. CHR requests approval to issue a joint report with the above organization, subject to the criteria that will be outlined in a Memorandum of Understanding, which will be subject to final review and approval by the ABA’s General Counsel Office.

Thank you for your consideration of this request, if you have any questions about this request, please contact ABA Associate Executive Director for Global Programs Elizabeth Andersen, reachable at 202-662-1960 or Elizabeth.Andersen@Americanbar.org.
TO: Board of Governors

FROM: Section of Real Property, Trust and Estate Law
Elizabeth C. Lee, Section Chair

RE: Request for Approval of Scholarship Prize for Writing Competition

In June 2007 the Board approved an annual writing competition sponsored by the Section of Real Property, Trust and Estate Law (RPTE). When the competition was approved, the winner was to be awarded a cash prize. In April 2017 the Board approved awarding the winner, in addition to a cash prize, a full-tuition scholarship to the University of Miami School of Law’s Heckerling Graduate Program in Estate Planning or Robert Traurig-Greenberg Traurig Graduate Program in Real Property Development for the 2017-2018 or 2018-2019 academic year.

The University of Miami has again offered to provide the 2018 contest winner a full-tuition scholarship to the Heckerling Graduate Program in Estate Planning or Robert Traurig-Greenberg Traurig Graduate Program in Real Property Development for the 2018-2019 or 2019-2020 academic year.

Students must apply and be admitted to the graduate program of their choice prior to the May 30, 2018 contest deadline to be considered for the scholarship. Applicants to the Heckerling Graduate Program in Estate Planning must hold a J.D. degree from an ABA accredited law school and must have completed the equivalent of both a J.D. trusts and estates and federal income tax course. Applicants to the Robert Traurig-Greenberg Traurig Graduate Program in Real Property Development must hold a degree from an ABA accredited law school or a foreign equivalent non-U.S. school.

RPTE’s executive committee has reviewed and approved the proposal and seeks approval from the Board to accept the offer.
MEMORANDUM

TO: Board of Governors
FROM: Rochelle E. Evans
Subject: Requests for Co-Sponsorship
Date: October 2, 2017

The following requests for co-sponsorships have been made. The Guidelines for Co-sponsorship of Programs/Activities with Other Organizations are attached. (Please note: No ABA general revenue is requested or required for these co-sponsorship requests.)

a. Section of Intellectual Property Law (2):

(i) to co-sponsor with the Intellectual Property Law Organization of the United States the World IP Day to be held in Washington, DC, on April 26, 2018. The World IP Day is celebrated in numerous locations around the world to foster discussion of the role of intellectual property laws in encouraging innovation and creativity. Section funds of no greater than $5,000 have been budgeted to cover some of the costs.

(ii) to co-sponsor with the American Intellectual Property Law Association, the Intellectual Property Owners Association, the American Bar Association Section of Intellectual Property Law and the Industrial Designers Society of America Design Day 2018, an annual conference for design patent practitioners and design examiners. The day-long event will be held in the Madison Auditorium at USPTO Headquarters in Alexandria, Virginia, on April 17, 2018. Section funds of approximately $3,000 have been budgeted to cover some of the costs.

b. Section of Antitrust:

to co-sponsor with New York University School of Law, the Next Generation of Antitrust Scholars Workshop, in January of 2020, 2022 and 2024 at New York University School of Law, New York, New York. The objective of the Next Generation of Antitrust Scholars Workshop is to increase the visibility of antitrust in law schools, as it has languished in the legal academy. The Section will contribute up to $7,500 from Section funds to cover some of the costs.

c. Standing Committee on Professionalism:

requests authorization of a three-year renewal of its co-sponsorship of national and international workshops of the National Institute for Teaching Ethics and Professionalism (NIFTEP). NIFTEP is the national organization for professionalism and legal ethics instructors. Its national and international workshops bring together leading academics and practitioners involved in teaching legal ethics and promoting professionalism. The Standing Committee on Professionalism has sponsored all semiannual NIFTEP workshops during each of the previous nine ABA years (FY 2009-2017) and now seeks authorization of continuing co-sponsorship of all NIFTEP workshops during ABA fiscal years 2017-2020.
MEMORANDUM

Board of Governors
October 2, 2017
Page Two

d. President Hilarie Bass:

to co-sponsor a forum with the World Justice Project on “The Rule of Law in America.” Approval is also sought to seek outside funding for the conference. The multidisciplinary forum, which will take place in Washington DC, on March 7-9, 2018, will provide an opportunity for thought leaders, influencers, and advocates from across the ideological spectrum to exchange insights on the rule of law in the United States. The event will be the first of a series of meetings across the country to expand the national dialogue on the rule of law. The forum will feature objective, original data on the rule of law in the U.S. produced by WJP, along with other data sets and sources.

e. Commission on Hispanic Legal Rights and Responsibilities:

to co-sponsor with Spanish media outlets, such as, Univision Chicago and Telemundo Chicago and their various media affiliates, outlets, etc. to facilitate legal phone banks where Spanish speaking ABA attorneys provide pro-bono legal information (not legal services) to callers on various legal issues. The Hispanic Commission uses phone banks and social media platforms to inform the legal profession and the community of timely legal information relevant to happenings that particularly impact the legally underrepresented Spanish speaking demographic and Hispanics. Due to the nature of the topics (i.e. recent court cases, new Executive Orders or government regulations) these phone banks and social media platforms are usually held without a lot of advance notice. For example, most recently Univision Chicago is asking that the Hispanic Commission immediately assist with the coordination of a legal phone bank to provide critical legal and policy information to the Hispanic and Spanish speaking community impacted by President Trump’s recent decision to end the Deferred Action for Childhood Arrivals (DACA) program.
The Improving the Profession Committee (Committee) of the Board of Governors of the American Bar Association met at the New York Hilton Midtown in New York, New York, on Thursday, August 10, 2017. Chair Pamela A. Bresnahan presided at the meeting.

The following members of the Improving the Profession Committee were in attendance at the meeting: Chair Pamela A. Bresnahan, A. Vincent Buzard, Min K. Cho, Herbert B. Dixon, Jr., Donald R. Dunner, J. Timothy Eaton, Deborah Enix-Ross, Erica R. Grinde, Bernard T. King, Wendell G. Large and Joe B. Whisler. Also in attendance were Scope and Correlation of Work Committee Chair Thomas M. Fitzpatrick, Section Officers Conference representative Kelly-Ann F. Clarke, President-Elect Hilarie Bass, Incoming Chair of the new Board of Governors Profession, Public Service and Diversity Committee Ramona G. See and Board nominees Randall D. Noel, David L. Brown and Tom Bolt. The following staff were present for all or portions of the meeting: ABA Executive Director Jack Rives, Bethany Myles and Laura Macias.

**Welcome and Introductions**

Chair Bresnahan welcomed everyone and thanked the Committee for their service and hard work.

a) **Matters for Review by the Board**

2.8 **Report from Subcommittee on ABA Strategic Planning - Recommendation and Resolution to the Board of Governors for Approval of the ABA Strategic Plan**

Chair Bresnahan thanked Committee member A. Vincent Buzard, Chair of the Subcommittee on ABA Strategic Planning, for his work in developing the ABA Strategic Plan. Vince Buzard thanked Chair Bresnahan for her guidance, the Committee members for their comments and Subcommittee members Tim Eaton and Herbert Dixon for their hard work.

Vince Buzard walked the Committee through the changes to the Plan since the June Board meeting. The Plan is being submitted to the Board of Governors for approval at this meeting and includes a resolution which makes it clear that the Plan needs to be implemented.

Chair Bresnahan explained the process of voting on the Plan to the Committee. She indicated that the Committee will vote on the Plan as amended. The Plan will go on the Chairs’ report which is the Consent Calendar. Unless someone removes it from the Consent Calendar for discussion, it is deemed adopted once her report is adopted.

Following further discussion of the Plan, the Committee agreed that the Plan be submitted to the Board for approval as amended. All of the revisions made to the ABA Strategic Plan since the June 2017 meeting are underlined and the Plan will be attached to the Chairs’ report.

5.1 **Nominations**

a. **Board of Elections**

The terms of Robert Blumberg of Coral Gables, Florida, Denley Chew of New York, New York, and Honorable Carol Hunstein of Atlanta, Georgia, expire at the conclusion of the ABA 2017 Annual Meeting. The Improving the Profession Committee recommended the election
of Honorable Jorge Labarga of Tallahassee, Florida, Chief Justice of the Supreme Court of Florida, as Chair; Honorable J. Michelle Childs of Columbia, South Carolina, and Thomas R. Curtin of Morristown, New Jersey, as members of the Board of Elections to serve one-year terms beginning at the conclusion of the ABA 2017 Annual Meeting and expiring at the conclusion of the ABA 2018 Annual Meeting.

b. **National Construction Dispute Resolution Committee of the American Arbitration Association**

The Section of Litigation requests the re-election of Lawrence M. Prosen of Potomac, Maryland, as the ABA representative to the National Construction Dispute Resolution Committee of the American Arbitration Association for a three-year term beginning in November 2017 and expiring in November 2020. The Improving the Profession Committee recommended the re-election of Lawrence M. Prosen of Potomac, Maryland, as the ABA representative to the National Construction Dispute Resolution Committee of the American Arbitration Association for a three-year term beginning in November 2017 and expiring in November 2020.

c. **UIA International Association of Lawyers (3)**

(i) The Section of Litigation requests the re-election of Louis F. Burke of New York, New York, as the ABA Delegate to the UIA International Association of Lawyers for a three-year term beginning October 1, 2017, and expiring at the conclusion of the UIA meeting in September or October 2020. The Improving the Profession Committee recommended the re-election of Louis F. Burke of New York, New York, as the ABA Delegate to the UIA International Association of Lawyers for a three-year term beginning October 1, 2017, and expiring at the conclusion of the UIA meeting in September or October 2020.

(ii) The Tort Trial & Insurance Practice Section requests the re-election of Randy Aliment of Seattle, Washington, as the ABA Delegate to the UIA International Association of Lawyers for a three-year term beginning October 1, 2017 and expiring at the conclusion of the UIA meeting in September or October 2020. The Improving the Profession Committee recommended the re-election of Randy Aliment of Seattle, Washington, as the ABA Delegate to the UIA International Association of Lawyers for a three-year term beginning October 1, 2017, and expiring at the conclusion of the UIA meeting in September or October 2020.

(iii) The Section of International Law requests the election of Dirk Nuyts of Zürich, Switzerland as the ABA Delegate to the UIA International Association of Lawyers for a three-year term beginning October 1, 2017 and expiring at the conclusion of the UIA meeting in September or October 2020. The Improving the Profession Committee recommended the election of Dirk Nuyts of Zürich, Switzerland, as the ABA Delegate to the UIA International Association of Lawyers for a three-year term beginning October 1, 2017, and expiring at the conclusion of the UIA meeting in September or October 2020.

d. **National District Attorneys Association:** The Criminal Justice Section requests that the ABA Board of Governors appoint an ABA representative to the National District Attorneys Association (formerly the National College of District Attorneys). The Section also requests the election of Justin H. Bingham of Spokane, Washington, as the ABA representative to the National District Attorneys Association for a three-year term beginning at the conclusion of the ABA 2017 Annual Meeting and expiring at the conclusion of the ABA 2020 Annual Meeting. The Improving the Profession Committee recommended the appointment of an ABA representative to the National District Attorneys Association (formerly the National College of District Attorneys). The Committee also recommended the election of Justin H. Bingham of Spokane, Washington, as the ABA representative to the National District Attorneys Association for a three-year term beginning October 1, 2017, and expiring at the conclusion of the UIA meeting in September or October 2020.
Attorneys Association for a three-year term beginning at the conclusion of the ABA 2017 Annual Meeting and expiring at the conclusion of the ABA 2020 Annual Meeting.

e. **United States Sentencing Commission**

The term of James E. Felman of Tampa, Florida expired in June 2016. The Criminal Justice Section requests that the ABA Board of Governors appoint Katherine Earle Yanes of Tampa, Florida, as the ABA liaison for a three-year term beginning immediately and expiring at the conclusion of the ABA 2020 Annual Meeting. The Improving the Profession Committee recommended the election of Katherine Earle Yanes of Tampa, Florida, as the ABA liaison for a three-year term beginning at the conclusion of the ABA 2017 Annual Meeting and expiring at the conclusion of the ABA 2020 Annual Meeting.

f. **Council for Agricultural Science and Technology (CAST) Board of Directors**

The Section of Environment, Energy, and Resources requests approval (1) of the election of Brandon W. Neuschafer of St. Louis, Missouri, as an ABA representative to CAST as a member of their Board of Directors for a three-year term beginning October 1, 2017, through October 1, 2020, and (2) to pay CAST dues of up to $1,500 annually from Section funds for membership years 2017-2018, 2018-2019 and 2019-2020. The Improving the Profession Committee recommended the election of Brandon W. Neuschafer of St. Louis, Missouri, as an ABA representative to the Council for Agricultural Science and Technology (“CAST”) as a member of their Board of Directors for a three-year term beginning October 1, 2017, and expiring October 1, 2020, and to pay CAST dues of up to $1,500 annually from Section funds for membership years 2017-2018, 2018-2019 and 2019-2020.

g. **International Legal Assistance Consortium**

The term of Salli A. Swartz of Paris, France, as the ABA representative to the International Legal Assistance Consortium ends at the conclusion of the ABA 2017 Annual Meeting. ABA President-Elect Hilarie Bass recommended that the ABA Board of Governors appoint Karen J. Mathis of Denver, Colorado, for a three-year term beginning at the conclusion of the ABA 2017 Annual Meeting and expiring at the conclusion of the ABA 2020 Annual Meeting. The Improving the Profession Committee recommended the election of Karen J. Mathis of Denver, Colorado, as the ABA representative to the International Legal Assistance Consortium for a three-year term beginning at the conclusion of the ABA 2017 Annual Meeting and expiring at the conclusion of the ABA 2020 Annual Meeting.

h. **American Bar Endowment**

President-Elect Hilarie Bass requests the election of Lucian T. Pera of Memphis, Tennessee, to a two-year term and Pamela A. Bresnahan of Washington, DC, to a three-year term on the American Bar Endowment (ABE) Board of Directors. It is further requested that Robert M. Carlson of Butte, Montana, be appointed to the ABE Board of Directors in an ex-officio capacity as ABA President-Elect for a one-year term, and Michelle A. Behnke of Madison, Wisconsin, be appointed in an ex-officio capacity as ABA Treasurer for a three-year term. The Improving the Profession Committee recommended the election of Lucian T. Pera of Memphis, Tennessee, to a two-year term and Pamela A. Bresnahan of Annapolis, Maryland, to a three-year term on the American Bar Endowment Board of Directors (“ABE Board”). The Committee also recommended that Robert M. Carlson of Butte, Montana, be appointed to the ABE Board in an ex-officio capacity as ABA President-Elect for a one-year term, and Michelle A. Behnke, of Madison, Wisconsin, be appointed in an ex-officio capacity as ABA Treasurer for a three-year term. All terms will begin at the conclusion of the 2017 Annual Meeting.
b) **Matters for Independent Jurisdiction**

5.15 **Requests for Co-Sponsorship**

The Improving the Profession Committee approved co-sponsorship requests from the following entities (no additional ABA general revenue is requested or required for the co-sponsorships at this time):

a. **Standing Committee on Legal Aid and Indigent Defendants**: to co-sponsor with the Center for Access to Justice at Georgia State University the first annual State of the South Conference which will bring together scholars and practitioners from across the Southeast to discuss the intersection of civil and criminal representation sometimes referred to as “holistic defense.” The Conference will be held on Friday, February 23, 2018, in the Knowles Conference Center at the Georgia State University College of Law.

b. **Commission on Disability Rights (3 requests):**

   (i) to co-sponsor with Accenture to provide a summer internship opportunity for a law student with a disability who has completed his or her first year. The selected intern will work in Accenture’s downtown Chicago offices, paid a stipend, and paired with an attorney and a mentor who will provide guidance on assigned work. The Commission requests approval for the next three years (2018, 2019, 2020).

   (ii) to partner with Prudential Financial, Inc. of Newark, New Jersey to provide a summer internship opportunity for a law student with a disability who has completed his or her first year. The selected intern will work in Prudential’s General Counsel’s Office at its New Jersey office for 10 weeks, paid a stipend and paired with an attorney and a mentor who provide guidance on assigned work. The Commission requests approval for the next three years (2018, 2019, 2020).

   (iii) to partner with the Travelers Indemnity Company to promote its summer internship program for law students with disabilities who have completed their first year. The goal of the program is to hire and develop high potential candidates into attorney positions at Travelers. The Commission requests approval for the next three years (2018, 2019, and 2020).

c. **Section of Environment, Energy, and Resources**: to co-sponsor and make financial contributions from Section funds to Blue Water Baltimore for up to $3,000. Blue Water Baltimore is a 501(c)(3) nonprofit organization whose mission is to restore the quality of Baltimore’s rivers, streams and Harbor to foster a healthy environment, a strong economy and thriving communities. The Section consistently holds public service events at its stand-alone conferences and encourages members to engage in public service activities throughout the year. The Section plans to work with the organization at the 25th Fall Conference on October 18, 2017, in the Baltimore area.

d. **Section of Science & Technology (2 requests):**

   (i) seeks blanket approval for Section “Committee Programs”, also referred to as “Brown Bags,” that will be co-sponsored with certain outside entities in the 2017-2018 Association year. These programs are a popular and efficient tool used to educate and inform Section members and the public of current and emerging science, technology and law issues. Due to the nature of the topics (i.e. new government regulations, new technological advances and associated laws, recent court cases, etc.), these programs are developed quickly and should be presented
in a timely manner. Programs are generally organized from start to finish in a 4-6 week period.

(ii) to co-sponsor The Road from Nanomedicine to Precision Medicine conference to be conducted on September 25, 2017, at the Albany College of Pharmacy and Health Sciences in Albany, New York. This annual conference has been presented since 2002 and focuses on a new theme each year. The conference has been co-sponsored by the Section since 2013.

e. **Commission on Hispanic Legal Rights and Responsibilities**: to co-sponsor with the National Latino/a Law Student Association (NLLSA), a not-for-profit 501 (c)(3) corporation serving as a conduit for Latina/o law student voices, on its 2017 Annual Conference and Moot Court Competition to be held in Atlanta, Georgia, on September 28-30, 2017. The Commission would allow NLLSA to use its logo in marketing material and participate as a panelist, judge and/or speaker.

f. **Section of Antitrust Law (2 requests):**

   (i) to co-sponsor with any ABA-accredited law schools during the 2017-2018 Association year by presenting the Section’s “Why Antitrust/ Why Consumer Protection Law?” programs. The goal of the programs is to incorporate substantive antitrust and consumer protection programming into the Section’s Membership and Diversity Committee’s outreach efforts. These one hour long programs are held at law schools and consist of a panel of Section members who describe antitrust and consumer protection practice to the attendees.

   (ii) to co-sponsor certain Section “Committee Programs,” formerly called “Brown Bag” programs, with specific outside entities in the 2017-2018 Association year. In September 2002, the Board Operations Committee granted approval for Section “Committee Programs” formerly called “Brown Bag” programs co-sponsored with certain outside entities through August 31, 2003, with the understanding that the Section would need to request renewal of the approval for each subsequent Association year. These Programs are a popular tool used by Section committees to inform its members and the public of timely antitrust happenings. Due to the nature of the topics (i.e. recent court cases, new government regulations), these programs are usually held without a lot of advance notice. The programs are typically held at corporate law departments, law firms and government agencies. The programs are usually organized from start to finish in a 3-4 week period.

g. **Standing Committee on Public Education (2 requests):**

   (i) to co-sponsor with the iCivics, the Campaign for the Civic Mission of Schools, the Jonathan M. Tisch College of Civic Life at Tufts University, and the Lou Fry Institute, the Carnegie Corporation of New York, the Robert R. McCormick Foundation, and the William and Flora Hewlett Foundation, the “Democracy at a Crossroads National Summit” on September 21, 2017, in Washington, DC. The Summit will seek “to demonstrate cross-sector, bipartisan support for civic learning.”

   (ii) to co-sponsor with Quimbee (quimbee.com) and the ABA Law Student Division a series of explainer videos that focus on upcoming and recently decided Supreme Court cases. The videos will be short, animated videos explaining Supreme Court cases in an approachable and fun way and will serve as an entry point for the Supreme Court-related materials produced by the Division for Public Education.
Quimbee is prepared to do all video production and voiceover work at no cost to the ABA. The Committee and Quimbee plan to launch this summer using two recently decided cases as proof of concept. Should these prove successful, with the agreement of all groups involved, they will continue starting with the next Supreme Court term.

h. Center for Innovation: to create and co-sponsor a Social Entrepreneurship Initiative with the Legal Services Corporation (LSC). This initiative will pair legal technology companies with local legal aid offices in order to provide free or reduced rate technology to those agencies so that they can perform their work more efficiently and reach a larger number of consumers who need legal services. The Center for Innovation will work with LSC to identify and recruit technology companies to participate in the program and to identify those legal services providers with the infrastructure to support the technology.

i. ABA Rule of Law Initiative: to co-sponsor with the Bingham Centre for The Rule of Law its Annual Global Rule of Law Exchange. The Global Rule of Law Exchange is a program of the Bingham Centre for the Rule of Law that explores the relationship between development and the rule of law. Jones Day is the Global Partner of the Exchange. The one-day event will be held on October 12, 2017, at Jones Day, in Washington, DC, and will explore the legal and regulatory challenges for Small and Medium Enterprises in Africa.

c) Matters for Committee Consideration Only

5.20 Approval of the Minutes

The Improving the Profession Committee approved the minutes of the June 9, 2017, meeting.

5.21 ABA Enterprise Fund Projects – FY2017 Third Quarter Reports

Donald R. Dunner, Committee member responsible for the oversight of active Enterprise Fund Projects, reported on the seven active projects. Five projects are on track to achieving deliverables, one is submitting the final report and one is requesting a no-cost extension to complete the project deliverables. The Improving the Profession Committee approved the no-cost extension for the following Enterprise Fund project:

Access to Legal Services Through the Advancement of Court-Annexed Online Dispute Resolution – five-month no-cost extension from November 2017 to April 2018 to complete Project deliverables.

Following discussion of the FY2017 Third Quarter Reports, the Committee discussed the future of the Enterprise Fund and passed the following motion:

That the Improving the Profession Committee recommends that the Board of Governors consider and evaluate reinstituting the Enterprise Fund in 2019.

5.22 Discussion of Annual Planning Process

Committee Chair Bresnahan welcomed Incoming Committee Chair Ramona G. See who she invited to join the Committee to discuss the Annual Planning Process and to introduce her to the Committee. The Committee discussed the Annual Planning process including how it had been handled in the past and what the Committee’s involvement was in the FY2018 Annual Planning process. Committee members indicated that in the past the Committee had done a thorough review of the Annual Plans. This year, because of the budget issues that needed to be addressed, the Committees did not do a deep dive into the Annual Plans but the Board charged senior staff to use the Annual Plans to realize the budget reductions.
After discussing the Annual Planning Process, Committee members stressed the importance of having the Board of Governors Liaisons involved in the process. If we don’t have a good annual planning process in place, it will affect the quality of programs and how we allocate resources.

5.23 Report from Committee on Scope and Correlation of Work

Committee Chair Bresnahan invited Thomas M. Fitzpatrick, Chair of the Committee on Scope and Correlation of Work (Scope), to update the Committee on its activities. Scope Chair Fitzpatrick reported that in the fall, Scope will take a broad look at the Legal Services area. He added that last year the Board fostered an overall plan for the Legal Services Division and now that the plan has been in place for a year, Scope would like feedback from the Committee on whether Scope should look at the Legal Services area holistically or just doing regular approach in its review. The Committee agreed that Scope should, as part of its review, evaluate whether the Legal Services area has achieved the goals established in the plan developed last year.

The Committee also discussed whether parameters should be set when presidential initiatives are created. As the ABA continues to face funding issues, it is important to have parameters and criteria when presidential initiatives are created because the ABA cannot continue to fund them. The Committee agreed that the Executive Committee should be advised that this Committee discussed the establishment of guidelines/standards for presidential initiatives and that the Executive Committee should also discuss for further action.

d) Informational Only

5.30 Informational Report on Action Taken Since Last Meeting

Since its last meeting, the Improving the Profession Committee considered the following requests that required action prior to the August 2017 Committee meeting. (No additional general revenue is requested or required for the requests, unless otherwise indicated.):

a. Approved the request from the Rule of Law Initiative to co-sponsor a roundtable with the Council for Global Equality, held on Thursday, May 18, 2017, from 11:30 a.m. to 1:30 p.m.

b. Approved the request of the ABA Center for Human Rights to co-host an event on June 6, 2017, at the United Nations Human Rights Council meetings to launch the latest project of the UN special rapporteur on freedom of association and assembly, FOAA Online: an online litigation manual summarizing the international and regional human rights case law on freedom of association and assembly issues.

c. Approved the request from the Section of Civil Rights and Social Justice, on behalf of its Death Penalty Committee, to have the NYC Bar Association (NYC Bar) serve as a cosponsor for a death penalty panel, entitled “Life After the Death Penalty: Key Implications for Retentionist States,” to be held at the NYC Bar on Monday, August 14, 2017, in conjunction with the ABA Annual Meeting.

d. Approved the request from the ABA Journal to co-sponsor with Working Mother Media a live panel event at the ABA Annual Meeting entitled, “The Business Case for Diversity: What’s Changed?”.

e. Approved the request from the ABA Commission on Hispanic Legal Rights & Responsibilities to co-sponsor a fraud prevention community education project (“Fraud Prevention Project”) with the Securities Exchange Commission (“SEC”) Chicago office, which will take place in Chicago, Illinois, on or about July 11, 2017. The Committee also
approved the request of the Commission to use its logo in promotional media platforms (television, radio and social media) in connection with the Fraud Prevention Project.

f. Approved the request from the Standing Committee on Membership to co-sponsor with Open Road Films programming in connection with the film Marshall (a historical film depicting an early trial (1941) in the career of Thurgood Marshall in which he defends an African-American chauffeur against charges of sexual assault brought by his wealthy white employer), which will take place in various cities before the public release of the film on October 13, 2017.

g. Approved the request from the Standing Committee on the American Judicial System Subcommittee on State Courts for the National Judicial College (NJC) to co-sponsor, on Friday, August 11, 2017, the Committee’s Forum on Judicial Independence: Judicial Ethics in the Time of Fake News, New Media, and a New Administration which will be followed by a reception in honor and memory of Wm. T. (Bill) Robinson III who was serving as Chair of Committee and the NJC Board of Trustees at the time of his death in May 2017.

There being no further business before the Improving the Profession Committee, the meeting was adjourned.

Respectfully submitted,

Pamela A. Bresnahan
Chair
The Public Service and Diversity Committee of the Board of Governors of the American Bar Association met on Thursday, August 10, 2017, at the New York Hilton Midtown Hotel in New York, New York. Chair Ruthe C. Ashley presided. The following members of the Committee were in attendance: David F. Bienvenu, Paulette Brown, David S. Houghton, Penina Lieber, John Louros, Hon. Leslie Miller, Harry Truman Moore, Hon. Ramona G. See, and William N. Shepherd. Section Officer’s Conference Liaison Bonnie E. Fought, Board of Governors Nominee Hon. Eileen Kato, Thomas M. Fitzpatrick, Chair of the Committee on Scope and Correlation of Work, Patricia Lee Refo, Commission on American Jury, and staff members Jarisse Sanborn and Rochelle E. Evans also attended.

INTRODUCTORY REMARKS FROM COMMITTEE CHAIR

Chair Ashley welcomed the members of the Committee, staff and invited guests, and noted that it was the Committee’s last meeting of the year. She thanked the Committee members for their hard work.

A. MATTERS FOR REVIEW BY THE BOARD

4.1 Request from Forum on Entertainment and Sports Industries to Create Student Writing Competition

The Forum on Entertainment and Sports Industries (“Forum”) requested approval to create an annual student writing competition for three consecutive fiscal years, 2018 through 2020. The competition is open to legal residents of the United States, who are eighteen years of age or older at the time of entry, and are enrolled as students in ABA-accredited law schools. During the Entry Period, entrants must submit an original article, not to exceed two thousand words, covering topics that will vary from year to year. A single winner will receive: (a) free admission to the Forum’s annual conference; (b) inclusion of the submission in the written materials distributed at the Conference; (c) and publication in Entertainment and Sports Lawyer. No ABA general revenue funding is requested or required.
UPON MOTION DULY, MADE, SECONDED AND CARRIED:

The Public Service and Diversity Committee recommended approval of the request from the Forum on Entertainment and Sports Industries (“Forum”) to create an annual student writing competition for three consecutive fiscal years, 2018 through 2020, with the understanding that no ABA general revenue funding is requested or required.

4.2 Requests from ABA Rule of Law Initiative

a. Memorandum of Understanding

The ABA Rule of Law Initiative (“ROLI”) requests approval to extend the Memorandum of Understanding (“MOU”) with the InterAction Democracy, Rights, and Governance Initiative (“Initiative”) for 2017-2018. In July 2015, the Board of Governors approved a joint request by the Governmental Affairs Office (“GAO”) and ROLI to enter into a MOU with InterAction and eight other non-governmental organizations to form the Initiative. The other members of the Initiative are the Center for International Private Enterprise (affiliated with the US Chamber of Commerce), Freedom House, the International Center for Not-for-Profit Law, Internews, the International Foundation for Election Systems, the International Republican Institute, the National Democratic Institute, and the Solidarity Center (affiliated with the AFL-CIO). Membership in the Initiative provides the ABA with access to first-rate, timely, and in-depth information and analysis on issues that are critically important to our international development mission. ROLI and GAO use this information and leverage to advance the ABA’s advocacy. Continuing membership in the Initiative would require a $10,000 contribution from the ABA, which will be paid from ROLI Support Funds.

UPON MOTION DULY, MADE, SECONDED AND CARRIED:

The Public Service and Diversity Committee recommended approval of the request from the ABA Rule of Law Initiative (“ROLI”) to extend the Memorandum of Understanding (“MOU”) with the InterAction Democracy, Rights, and Governance Initiative for 2017-2018, subject to review and approval of the MOU by the ABA Office of General Counsel and a signed copy provided to the Policy and Planning Division, and recommended approval to contribute $10,000 which will be paid from ROLI Support Funds.

b. Update List of Approved Countries of Operation, Donors and Thematic Program Areas

ROLI requested approval of an updated list of Approved Countries of Operation, Donors, and Thematic Program Areas, and specifically requested approval to establish a Sri Lanka entity or registered branch office.
UPON MOTION DULY, MADE, SECONDED AND CARRIED:

The Public Service and Diversity Committee recommended approval of the request from the ABA Rule of Law Initiative (“ROLI”) of an updated list of Approved Countries of Operation, Donors, and Thematic Program Areas, and specifically to establish a Sri Lanka entity or registered branch office.

4.3 Request from Commission on Lawyer Assistance Programs to Co-publish Report of National Task Force on Lawyer Well-being

On behalf of the Commission on Lawyer Assistance Programs (“CoLAP”), Bree Buchanan, Terry L. Harrell and James Coyle, requested approval to co-publish a report from the National Task Force on Lawyer Well-being entitled The Path to Lawyer Well-Being: Practical Recommendations for Positive Change and to participate in the distribution of the report. In 2015, CoLAP conducted a survey of over 3,300 law students to determine their incidence of alcohol use, substance use, mental health concerns, and help-seeking behavior. In 2016, CoLAP joined with the Hazelden Betty Ford Foundation to conduct research into these issues for lawyers. Because of CoLAP’s research, the National Task Force on Lawyer Well-being (“Task Force”) emerged in 2016 as a coalition of concerned entities both within and outside of the ABA. The Task Force has now drafted The Path to Lawyer Well-Being: Practical Recommendations for Positive Change in a concerted effort to address the alarming rates of alcoholism, substance use and mental health disorders among lawyers, judges and law students. After circulation and feedback, CoLAP and all other interested entities anticipate drafting policy recommendations to go before the House of Delegates.

UPON MOTION DULY, MADE, SECONDED AND CARRIED:

The Public Service and Diversity Committee recommended approval of the request from the Commission on Lawyer Assistance Programs to co-publish a report from the National Task Force on Lawyer Well-being entitled The Path to Lawyer Well-Being: Practical Recommendations for Positive Change and to participate in the distribution of the report.

4.4 Reconsideration of Recommendation from Committee on Scope and Correlation of Work to Sunset Commission on American Jury

The founding and current members, former chairs, and the ABA leaders responsible for the formation of the Commission on the American Jury (“Commission”) requested that the Board reconsider the decision to adopt the recommendation of the Committee for Scope and Correlation of Work (“Scope”) that the Commission be discontinued at the end of the 2016-2017 bar year. In 2016, the Commission launched an initiative to conduct empirical research examining the reasons for the significant decline in jury trials and citizens’ decisions not to exercise the critical right to a jury. This initiative has received financial support from the American Board of Trial Advocates. The research is currently underway and is scheduled to be presented to the Commission sometime in August. Disbanding
the Commission at the conclusion of the 2016-2017 bar year creates significant challenges in realizing value from the research. The Commission requested the Board allow the Commission to continue without ABA general revenue funding.

On behalf of the Commission, Patricia Lee Refo and Dennis Drasco appeared before the Committee. Ms. Refo advised the Committee that the Commission is an outgrowth from President Robert Grey’s year and that the Commission was formulated by the Sections of Tort Trial and Insurance Practice, Litigation, Criminal Justice and the Judicial Division. The request for reconsideration to sunset the Commission is being requested since the members of the Commission were not involved in Scope’s review and recommendation, which is why they were not present in June. It is important that the Commission be housed as a separate entity instead of within a Section or Division. The Commission is a model which has thrived in the last 10 years and has done a lot of good work, but there is still more work to be done. The Commission is not requesting any general revenue funding.

On behalf of Scope, Thomas M. Fitzpatrick also appeared before the Committee. He noted that Scope considered the matter in June when it reviewed the Commission during its normal course of reviews. The Commission conveyed to Scope that the work of the Commission would be completed by the end of the 2017 Annual Meeting, thus it was recommended that it would be appropriate to sunset the Commission. Mr. Fitzpatrick noted the frustration on behalf of Scope regarding review of the diversity entities, the Commission on American Jury, and the Standing Committee on Audit. He stated that no one from the Commission contacted Scope regarding the request for reconsideration. Scope is doing what they have been tasked to do. Scope agrees that the Commission has done a lot of good work and that the Principles will have to periodically be updated but the recommendation from Scope is that the Commission be sunset. There continue to be questions regarding the ongoing work of the Commission and not just a concern regarding revenue. Nothing has been reported about the Commission’s ongoing work or activities.

It was noted that if the Commission is not presidentially appointed and merged into a Section, it would not have the proper visibility. One member of the Committee who was a member of Scope at the time the recommendation to sunset the Commission was made, stated support for the recommendation of Scope based on the information available at that time, but noted that the request is worthy of reconsideration.

It was noted that while the Commission began as a presidential initiative, that the work has gone beyond the scope of that initiative and may be should become a standing committee. There seems to be have been some miscommunication about the work of the Commission. Four sections are requesting that they be allowed to contribute funding for the Commission to remain in existence.
UPON MOTION DULY, MADE, SECONDED AND CARRIED:

The Public Service and Diversity Committee recommended approval of the request of the Commission on the American Jury to continue, with the understanding that no general revenue funding is requested or required.

4.5 Request to Approve Jurisdictional Statement of Diversity and Inclusion Center

The Diversity and Inclusion Center (“Center”) requested approval of the new jurisdictional statement for the Center and the Advisory Council.

UPON MOTION DULY, MADE, SECONDED AND CARRIED:

The Public Service and Diversity Committee recommended approval of the request from the Diversity and Inclusion Center (“Center”) and the Advisory Council of the new jurisdictional statement for the Center and Advisory Council as revised.

4.6 Request from President-Elect Hilarie Bass to Create ABA Working Group to Advance Well-being in the Legal Profession

President-Elect Hilarie Bass requested approval to create an ABA Working Group to Advance Well-being in the Legal Profession (“Working Group”) to examine and make recommendations regarding the high rate of depression, suicide and addiction among lawyers. The Working Group will have up to 10 members, including a chair, and may include non-lawyer experts. Members will include representatives from state COLAPs, law firms and malpractice insurance carriers. It will develop policy resolutions for consideration by the House of Delegates during the 2018 Midyear Meeting, and may convene a conference of stakeholders in spring 2018 to assist in the implementation of recommendations considered by the House. No ABA general revenue is requested or required.

UPON MOTION DULY, MADE, SECONDED AND CARRIED:

The Public Service and Diversity Committee recommended approval of the request from President-Elect Hilarie Bass to create an ABA Working Group to Advance Well-being in the Legal Profession (“Working Group”) to examine and make recommendations regarding the high rate of depression, suicide and addiction among lawyers, with the understanding that no general revenue funding is requested or required.
MATTERS OF INDEPENDENT JURISDICTION

4.20 Approval of Minutes

UPON MOTION DULY, MADE, SECONDED AND CARRIED:

The Public Service and Diversity Committee approved the minutes of the June 9, 2017 Meeting.

4.21 Discussion of ABA Medal Nomination Process

The Committee discussed the ABA Medal Nomination Process and noted that the intensity of lobbying for candidates has become offensive and unfair to the candidates. The Committee discussed the following: 1) ways to discourage intensive lobbying; 2) should there be a mechanism in place to carry over nominees; 3) should diversity be a factor for consideration of nominees; 4) should the award be given annually or occasionally; 5) how to avoid award becoming a President’s Award; and 6) should nominees be kept confidential. It was determined that comments regarding the process should be forwarded to next year’s Committee for review and consideration.

4.22 Report Regarding Compliance with Federal Corrupt Practices Act

At its June 2017 meeting, the Board of Governors recommended the ABA Office of General Counsel (“GCO”) and the Chair of the Standing Committee on Audit report to the Public Service and Diversity Committee at its August 2017 meeting to confirm whether the ABA is in compliance with the Foreign Corrupt Practices Act (“FCPA”).

The General Counsel reported to the Committee that ABA was in compliance with the FCPA and that there had been no FCPA violations since monitoring began in 2013. The report provided by the General Counsel outlined key FCPA policy provisions, reporting, training and control requirements. The report was developed in coordination with Internal Audit and the Standing Committee on Audit. Regarding risk concerns raised by a Public Service and Diversity Committee member, the General Counsel responded that the ABA Rule of Law Initiative (“ROLI”) does evaluate risks before accepting programs but that the very nature of ROLI programming and the countries in which they operate places ABA in locations with a higher risk of encountering corruption. The General Counsel suggested the Committee may wish to make further inquiries of the ROLI Director for more specific details, but that the ABA relies on training and Country Director oversight to avoid FCPA problems. It was also suggested that if there was concern, the Board may wish to identify specific questions or criteria to be addressed by ROLI in submitting its country approval requests so the Board may consider those before they act. The Committee was advised that there are relatively few resources to be as proactive as we might like and that the ABA does not routinely travel to countries to vet FCPA concerns in advance. As needed, Internal Audit, ROLI Finance and senior management travel to countries where problems have been identified, but so far those have not implicated the FCPA. It was noted that
the Internal Auditor has been called to travel on several occasions to address financial control matters that have arisen. It was determined that the Office of the General Counsel will continue to work with Committee to identify measures to help ensure that the ABA is and remains in compliance with the FCPA.

4.23 Presidential Citation

The Subcommittee on Presidential Citations approved the request of President Klein to award a Presidential Citation to Ropes and Gray.

There being no further business to come before the Committee, the meeting was adjourned.

Respectfully submitted,

Ruthe C. Ashley, Chair
Board of Governors Public Service and Diversity Committee
September 11, 2017

TO: ABA Board of Governors

FR: Koji F. Fukumura, Chair, Section of Litigation

RE: Request for Contribution – Maine Volunteer Lawyers Project

The Section of Litigation seeks the approval of the ABA Board of Governors to contribute $10,000 from Section funds to the Maine Volunteer Lawyers Project as one-time funds to seed a pro bono pilot project in Maine.

The Maine pilot project envisions using the ABA Standing Committee on Pro Bono’s “Free Legal Answers” technology as a “Gateway” for representing the majority of pro bono representations. The Maine Volunteer Lawyers Project (MVLP), which promotes pro bono activities throughout Maine, has agreed to administer a program where all Maine pro bono clients can request and receive legal services through the internet using the Gateway. While MVLP will continue to operate legal clinics, most indigent clients do not have the ability to travel to these clinics, but do generally have the ability to access the free internet offered by all libraries in Maine. The plan is to train Maine librarians to assist pro bono clients to use the Gateway, and to train volunteer attorneys to provide high quality representation to the indigent clients who use the Gateway.

It is the Section of Litigation’s hope that the Maine pilot project, once successful, can spread throughout the country.

Thank you for your consideration.
Memorandum

To: American Bar Association Board of Governors
Cc: Jack Rives, Jarisse Sanborn and Alpha Brady
From: Bill Phelan, Chief Financial Officer
Date: October 3, 2017
Subject: Fourth Amendment to the A-E-F-C Pension Plan

The Finance Committee recently considered providing for a small annuity retire buyout for certain former associates to reduce the American Bar Association’s (“ABA”) Pension Benefit Guarantee Corp (“PBGC”) expense associated with the A-E-F-C Pension Plan (“Plan”). The Finance Committee worked with the Plan’s actuaries, Aon, to determine the best course of action to achieve this objective within the 2018 calendar year. Now, therefore, the Finance Committee recommends the Board of Governors adopt the below resolution to amend the A-E-F-C Pension Plan (“Plan”) to (1) allow the Committee to select an annuity provider to provide a Group Annuity Contract to pay benefits; (2) allow a “Pensioner” whose Accrued Benefit payable to be transferred to the Group Annuity Contract who, as of June 30, 2017 is retired and receiving an Accrued Benefit as a Pensioner, has a vested interest in his or her accrued Benefit or has an annual benefit amount equal to or less than five thousand dollars ($5,000).

The Group Annuity Contract will provide a full guarantee of payment of the Accrued Benefit Earned, continued payment of the Accrued Payment in the same form that was effective under the plan and as of the effective date the Plan shall have no further obligation of payment in respect to the Accrued Benefit. The Committee shall send a notice to each Pensioner whose
Accrued Benefit payable is transferred, which will include a description of the benefit which the Pensioner is entitled to receive.

The specific Resolution the Board is requested to approve is as follows:

RESOLVED, pursuant to Section 10.1 of the A-E-F-C Pension Plan ("Pension Plan"), the Board of Governors does and hereby authorizes an amendment to the Pension Plan by adopting the Fourth Amendment, a final draft of which is attached hereto and which may be executed by the Executive Director of the Association.

Enc. (1); (1) Fourth Amendment to the A-E-F-C Pension Plan.
FOURTH AMENDMENT TO THE
A-E-F-C PENSION PLAN
(as amended and restated January 1, 2016)

WHEREAS, the American Bar Association (the “Association”) previously adopted the
A-E-F-C Pension Plan (the “Plan”); and

WHEREAS, the Plan permits the A-E-F-C Pension Plan Administration Committee
(“Committee”), in its discretion, to direct that Plan assets be invested in an insurance contract,
including a group annuity contract issued by an insurance company authorized to do business in any
State of the United States (a “Group Annuity Contract”), as it selects pursuant to Section 4.6
thereof; and

WHEREAS, the Association reserves the right to amend the Plan pursuant to Article X,
Section 10.1 thereof; and

WHEREAS, the Association desires to amend the Plan to provide for a Group Annuity
Contract to be purchased via a lift-out structured transaction for the benefit of certain retired
Participants with a vested interest in their Accrued Benefits; and

WHEREAS, pursuant to this Amendment, the Committee shall be directed to invest Plan
assets in a Group Annuity Contract for the benefit of certain retired Pensioners (or their
Beneficiaries, if applicable) with a vested interest in their Accrued Benefits so that such Pensioners
(or their Beneficiaries, if applicable) receive their Accrued Benefits directly through a Group Annuity
Contract.

NOW, THEREFORE, the Plan as amended and restated effective January 1, 2016, and as
amended thereafter, is hereby further amended, effective ____________, 2017 by adding the
following new subsection 5.15 to the end of Article V as follows:

5.15 Small Annuity Retiree Buyout. The Committee shall direct that Plan assets
be invested in a Group Annuity Contract to provide the Accrued Benefits payable to certain retired
Pensioners described in Section 5.15(b).

(a) Selection of Annuity Provider. The Committee is directed to select an
annuity provider which shall be an insurance company authorized to do business in
any State of the United States to provide a Group Annuity Contract (“Group
Annuity Contract”) to pay benefits in accordance with this Section 5.15. The
Committee may retain the services of advisors, including a qualified, independent
expert, to act as an independent fiduciary to advise the Committee on the selection
of the Group Annuity Contract provider subject to confirmation that this reflects the
intent of the Association.
(b) **Eligibility.** Each Retired Pensioner (or his or her Beneficiary), (referred to collectively in this Section 5.15 as a “Pensioner,” which meaning of the term “Pensioner” is exclusively limited to this Section 5.15 of the Plan) whose Accrued Benefit payable will be transferred to the Group Annuity Contract in accordance with this Section 5.15 shall be one who, as of June 30, 2017:

(i) is retired and is receiving an Accrued Benefit as a Pensioner (which, for the sake of clarity, would include a disability pension pursuant to Section 5.6);
(ii) has a vested interest in his or her Accrued Benefit; and
(iii) has an annual benefit amount equal to or less than five thousand dollars ($5,000).

(c) **Group Annuity Contract Requirements.** The Group Annuity Contract shall provide as follows with respect to each eligible Pensioner as defined in Section 5.15(b):

(i) a full guarantee of the payment of the Accrued Benefit earned by such Pensioner;
(ii) continued payment of the Pensioner’s Accrued Benefit in the same form that was in effect under the Plan immediately before the purchase of the Group Annuity Contract; and
(iii) as of the effective date of the purchase of the Group Annuity Contract, the Plan shall have no further obligation to make any payment with respect to any Accrued Benefit of the Pensioner.

(d) **Notice to Pensioners.** The Committee shall send a notice to each Pensioner whose Accrued Benefit payable is transferred to the Group Annuity Contract as provided for in this Section 5.15 which shall include a description of the Accrued Benefit which the Pensioner is entitled to receive. After a provider for the Group Annuity Contract has been selected, such provider shall distribute to each such Pensioner a certificate or other document setting forth the Pensioner’s Accrued Benefit entitlement to be paid pursuant to the Group Annuity Contract.

(e) **Termination as Plan Participant.** As of the effective date of the Group Annuity Contract, each Pensioner whose Accrued Benefit payable has been transferred to the Group Annuity Contract in accordance with this Section 5.15 shall cease to be a Participant covered under the Plan.

IN WITNESS WHEREOF, the Association has caused this Amendment to be executed this ______ day of ____________ 2017.

AMERICAN BAR ASSOCIATION

BY: ________________________________
Exhibit 5.15c -  Section of Environment, Energy, and Resources for Co-Sponsorship

The Finance and Internal Operations Committee considered the request of the Section of Environment, Energy, and Resources to co-sponsor and make financial contributions from Section funds to Blue Water Baltimore for up to $3,000. Blue Water Baltimore is a 501(c)(3) nonprofit organization whose mission is to restore the quality of Baltimore’s rivers, streams and Harbor to foster a healthy environment, a strong economy and thriving communities. The
Section consistently holds public service events at its stand-alone conferences and encourages members to engage in public service activities throughout the year. The Section plans to work with the organization at the 25th Fall Conference on October 18, 2017, in the Baltimore area.

RECOMMENDATION:

The Finance and Internal Operations Committee recommends the Board of Governors approve the request of the Section of Environment, Energy, and Resources to contribute $3,000 to Co-Sponsor the Blue Water Baltimore Fall Conference.

Exhibit 5.15f - Section of Antitrust Law

The Finance and Internal Operations Committee considered the request of the Section of Antitrust Law to co-sponsor the “Why Antitrust/Why Consumer Protection Law?” programs to introduce Law Students to the practices of antitrust law. The programs will take place at ABA-accredited law schools. Section funds will be used to provide the panelists and refreshments during the one hour long programs.

RECOMMENDATION:

The Finance and Internal Operations Committee recommends the Board of Governors approve the Section of Antitrust Law request to co-sponsor during FY2018 “Why Antitrust/Why Consumer Protection Law?” programs from section funds.

Exhibit 5.15g -

The Finance and Internal Operations Committee considered the Standing Committee on Public Education request to co-sponsor the “Democracy at a Crossroads National Summit” on September 21, 2017 in Washington, DC. The Summit will seek to demonstrate cross-sector, bipartisan support for civic learning. The Section will cover the travel expenses for ABA representatives for the one-day meeting.

RECOMMENDATION:

The Finance and Internal Operations Committee recommends the Board of Governors approve the request of the Standing Committee on Public Education to cover the travel expenses of ABA representatives to attend the “Democracy at a Crossroads National Summit” in Washington, DC.
Exhibit 6.1 - Request from Section of Environment, Energy, and Resources to Contribute Funds to Dividing the Waters Program

The Finance and Internal Operations Committee considered the Section of Environment, Energy, and Resources (“Section”) request for approval to contribute $10,000, derived from Section funds, to the Water Justice Fund at The National Judicial College (“NJC”), to support the Dividing the Waters Program. The ABA helped found the NJC in 1963 and the Dividing the Waters Program, founded in 1993, is its only environmental law and science training program for judges. The contribution supports the Section’s relationship with the judges serving in the Section’s area of the law. While the NJC does not offer “sponsorship” of its programs to outside organizations, Dividing the Waters will promote the Section’s contribution and collaboration through its publications and programs, including this fall’s conference in Texas.

RECOMMENDATION:

The Finance and Internal Operations Committee recommends the Board of Governors approve the Section of Environment, Energy, and Resources to contribute $10,000 to the Water Justice Fund at the National Judicial College.

Exhibit 6.2 - Request from Fund for Justice and Education to Approve Strategic Plan for FY2018/2020

The Finance and Internal Operations Committee considered the ABA Fund for Justice and Education Council (“Council”) request for approval of a three-year strategic plan. The ABA/FJE Strategic Plan (“Plan”) draft is designed to bring resources to the efforts the ABA has defined as mission critical to delivering on the promise of justice. Its focus is on advancing the American Bar Association in the eyes of donors as a charitable leader in the rule of law and the administration of justice and building capacity of its members and staff to embrace the philanthropic spirit and the challenges facing the ABA. The Plan responds to the growing need for external resources to financially support the American Bar Association's public service and education efforts. Also, the Plan seeks to fully optimize the incredible funding opportunities thus far untapped. The five broad ABA/FJE strategic goals identified after review of Association and ABA/FJE strengths, opportunities and challenges are: 1) resource development, 2) empowerment and capacity building, 3) policy and procedure supports, 4) culture and structure supports, and 5) internal and external communications.

RECOMMENDATION:

The Finance and Internal Operations Committee recommends the Board of Governors approve the Fund for Justice and Education Council three-year strategic plan.
Exhibit 6.3 - Request from Forum on Construction Law to Donate Funds to ACE Mentor Program

The Finance and Internal Operations Committee considered the Forum on Construction Law (“Forum”) request for approval to make a charitable donation to the ACE Mentor program (“Program”) in the amount of $10,000, derived from Forum funds, to be incurred during the 2018 bar year. The Program is an after-school program designed to introduce high school students to the architecture, construction, and engineering industries and to encourage them to consider a career in the construction industry. Over 8,700 students have gone through the Program and a high percentage have gone on to careers in these industries. The Program is run by volunteer mentors from the industry, including Forum member construction lawyers.

RECOMMENDATION:

The Finance and Internal Operations Committee recommends the Board of Governors approve the Forum on Construction Law request to donate $10,000 to the ACE Mentor program.

Exhibit 6.4 - Recommendation for Adoption of FY2018 Budget

The Finance and Internal Operations Committee made the following recommendation to the Board of Governors on the Adoption of the FY2018 Budget:

RECOMMENDATION:

The Finance Committee approves the following Consolidated FY2018 Budget of $201.7 million of revenue and $209.4 million of expense as follows:

• The General Operations Operating Budget as presented which contemplates $95.1 million in revenue and expenses including reserve funding of 3.5% as the Board directed plus an additional $0.4 million related to website development (as previously approved by BOG);

• The Section Budgets as presented which contemplates $53.1 million in revenue and $59.3 million in expenses, provided that any subsequent Section changes do not result in an aggregate increase or decrease in the Section’s operating budget of more than 10% of the aggregate Section Budget as approved and provided that each Section has net asset reserves available to fund any budgeted deficit;

• The Grants Budgets as presented which contemplates $50.4 million of revenue and $50.6 million of expenses;

• The Gifts Budgets as presented which contemplates $3.1 million of revenue and $4.4 million of expenses; and
• The Capital Budget as presented of $1.1 million which includes $0.4 million for the MCLE systems enhancement project and $0.2 million of carry-over from 2017.

The Finance Committee recommends that the Board of Governors ("Board") approve the FY2018 Consolidated Budget as described above.

Exhibit 6.5 - Request from Standing Committee on Audit to Approve FY2018 Annual Audit Plan

The Finance and Internal Operations Committee considered the Standing Committee on Audit request for approval of the FY2018 Annual Audit Plan.

RECOMMENDATION:

The Finance and Internal Operations Committee recommends the Board of Governors approve the FY2018 Internal Audit Plan as presented in the agenda materials and approved by the Standing Committee on Audit.

Exhibit 6.6 - Request for Authorization to Decommission Pattison Sculptures

The Finance and Internal Operations Committee considered the request to approve the decommissioning and disposal of the Abbot Pattison Relief Sculptures currently located on Lower Level One of the facility located at 321 N. Clark Street, Chicago, Illinois, in a manner the Executive Director deems most appropriate. The “Pattison Sculptures” have a long history with the ABA. As the ABA undertakes the reconfiguration of its office space in Chicago, there is no room for the sculptures within our space Abbot Pattison’s son has requested the sculpture be sent to Washington State for display.

RECOMMENDATION:

The Finance and Internal Operations Committee recommends the Board of Governors approve the request to send the Pattison Relief Sculpture to the family member responsible for managing the estate of the artist with the caveat it does not conflict with the Visual Artist Rights Act of 1990.

Exhibit 6.7 - Recommendation from Standing Committee on Audit Regarding Reimbursement for Officers and Board of Governors

The Finance and Internal Operations Committee considered the request from the Standing Committee on Audit to amend the Greenbook Policy regarding Officers and Board of Governors expense reimbursement. The current policy allows six months after the end of the
fiscal year for submission of reimbursement requests. In order to track expenses in a timely manner the Standing Committee recommends the policy be amended to require members to submit all reimbursement request within 60 days of incurring the expense.

RECOMMENDATION:

The Standing Committee on Audit requested the Greenbook Policy regarding Officers and Board of Governors expense reimbursement be amended to require that Officers and Board of Governors submit all reimbursement request within 60 days of the occurrence of the event for which the reimbursement is being requested.

New Subcommittee on Investments Request

The Subcommittee on Investments requested approval to formalize the policy for use of 3.5% from the general operations long term investments on an annual basis to support operations.

RECOMMENDATION:

In order to reduce the Association’s reliance on funding annual operations through its Long-Term Investment portfolio to a sustainable level as recommended by our investment advisor, the Finance & Internal Operations Committee recommends that the Board of Governors modify the ABA Board Designated Funds and Related Policies delineated in Chapter 8 of the ABA Policy and Procedures Handbook to:

• Change the percentage amount to be transferred from investments and/or reserves in paragraphs 1, 2 and 3 from 5.5% to a maximum of 3.5%; and

• To clearly state that the 3.5% annual operations funding limit does not restrict the Board’s ability to disburse Long-Term Investments to fund capital expenditures or other such significant initiatives that will provide multi-year benefit as the Board deems necessary for the Association’s future success.
In addition, the Finance and Internal Operations Committee received the following information reports but took no action:

- Treasurer’s Report
- 3rd Quarter FYTD Variance to Budget Reports
- Report of Subcommittee on Investments
- AEFC Pension Plan Annuity Buying Update
- Facilities/Chicago Lease Update
- ABA Journal Statement of Concern on FY2018 Budget

There being no further business to come before the Finance and Internal Operations Committee, the meeting was adjourned.

Respectfully submitted,

G. Nicholas Casey, Jr., Chair

GNCJr:nn
The Fund for Justice and Education Finance and Internal Operations Committee met on Thursday, August 10, 2017 at the New York Hilton Midtown in New York, New York. Chair G. Nicholas Casey, Jr. presided. Committee members present for all or a portion of the meeting were Barry C. Hawkins, ABA Treasurer-elect Michell A. Behnke, Maryann Foley, Ilene Knable Gotts, Benjamin E. Griffith, E. Fitzgerald Parnell III, Linda Randell, and Kevin Shepherd. Finance Committee Nominees present for all or a portion of the meeting were Allen C. Goolsby, W. Anthony Jenkins, Myles Lynk, Randall D. Noel, and Frank H. Langrock. Also present was ABA President-Elect Nominee Robert M. Carlson; Chair, Improving the Profession Pamela Bresnahan; Member, Fund for Justice and Education Council Thomas Bolt; Chair Section Officers Council Michael Drumke; Chair, ABA Journal Board of Editors Kathleen J. Hopkins; and Member Services Committee member Lynne Barr.

ABA Staff present for all or a portion of the meeting were Executive Director and Chief Operating Officer Jack L. Rives; Senior Associate Executive Director and Chief Financial Officer William K. Phelan; Deputy Chief Financial Officer and Controller Jerry Kiska; Chief Membership Officer Michael Kreisberg; General Counsel and Associate Executive Director Jarisse J. Sanborn; Chief of Staff Amy Eggert; Senior Presidential Advisors Bethany Myles and Ira Pilchen; Associate Executive Directors Holly O’Grady Cook and H. Maria Enright; Division Director Membership Paula Cleave; Associate Director Fund for Justice and Education Lea Snipes; and Program Manager Nadine Nunley.
I. Minutes of the Previous Meeting

The minutes of the previous meeting held on Friday, June 9, 2017 were approved as presented.

II. Acceptance of Grants and Awards to the Fund for Justice and Education

The Committee reviewed the list of grants and awards proposed to support the projects of the ABA which are supported by outside funds.

RECOMMENDATION:

The Finance Committee of the Board of Governors of the ABA Fund for Justice and Education recommends that the Board of Governors accept the grants and awards totaling $2,894,792 which had been received since June 30, 2017.

There being no further business to come before the Committee, the meeting was adjourned.

Respectfully submitted,

G. Nicholas Casey, Jr.

GNCJr:nn
FY2018 Section Budget Changes

• Changes made to the Section budgets since August are outlined below.

<table>
<thead>
<tr>
<th>FY18 Sections Budget</th>
<th>As presented at BOG</th>
<th>Final FY18 Budget</th>
<th>Change</th>
<th>% Change from BOG</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>$ 53,063</td>
<td>$ 53,612</td>
<td>549</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Expense</strong></td>
<td>59,283</td>
<td>59,816</td>
<td>(534)</td>
<td>-1%</td>
</tr>
<tr>
<td><strong>Net</strong></td>
<td>$ (6,220)</td>
<td>$ (6,204)</td>
<td>$ 15</td>
<td>0%</td>
</tr>
</tbody>
</table>

• Individual Sections were required to stay within 10% of the revenue and expense they presented at the Annual Meeting.
  – Five (5) Sections went outside of this allowable range, as detailed on the next page.
# Section Variances >10%

Below summarizes those individual Sections whose budgets for revenue or expense changed by >10% of their budgets as presented in August:

<table>
<thead>
<tr>
<th>(in thousands)</th>
<th>FY18 Budget as presented at BOG</th>
<th>Final FY18 Budget</th>
<th>Changes since BOG</th>
<th>% Change since BOG</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Revenue</td>
<td>Expense</td>
<td>Revenue</td>
<td>Expense</td>
</tr>
<tr>
<td>Dispute Resolution</td>
<td>1,383</td>
<td>998</td>
<td>1,187</td>
<td>1,098</td>
</tr>
<tr>
<td>Judicial Division</td>
<td>243</td>
<td>4</td>
<td>248</td>
<td>298</td>
</tr>
<tr>
<td>Environment, Energy, &amp; R</td>
<td>1,148</td>
<td>1,388</td>
<td>1,215</td>
<td>1,559</td>
</tr>
<tr>
<td>Public Contract Law</td>
<td>488</td>
<td>604</td>
<td>537</td>
<td>752</td>
</tr>
<tr>
<td>Science &amp; Technology</td>
<td>306</td>
<td>395</td>
<td>321</td>
<td>329</td>
</tr>
</tbody>
</table>

- **A** Known issue corrected. Meeting Fees overstated at BOG and was reduced to more accurately reflect FY2018 expectations.
- **B** Known error corrected. Only $4K of expenses presented to BOG. Budget now reflects $300K in expenses (in line with prior).
- **C** Expenses increased to reflect errors in budget as well as adjusting for an appeal they expected to be approved but was not. Increased expenses reflects correction of errors discovered, and additional information received for publications after the May budget was closed.
- **D** SciTech’s Finance Committee and Officers made significant reductions to the budget.

All Sections comfortable with Final FY2018 budget (and have informed their Chair of changes)
The Finance Committee approves the following Consolidated FY2018 Budget of $201.7 million of revenue and $209.4 million of expense as follows:

- **The General Operations Operating Budget** as presented which contemplates $95.1 million in revenue and expenses including reserve funding of 3.5% as the Board directed plus an additional $0.4 million related to website development (as previously approved by BOG);

- **The Section Budgets** as presented which contemplates $53.1 million in revenue and $59.3 million in expenses, provided that any subsequent Section changes do not result in an aggregate increase or decrease in the Section’s operating budget of more than 10% of the aggregate Section Budget as approved and provided that each Section has net asset reserves available to fund any budgeted deficit;

- The Grants Budgets as presented which contemplates $50.4 million of revenue and $50.6 million of expenses;

- The Gifts Budgets as presented which contemplates $3.1 million of revenue and $4.4 million of expenses; and

- The Capital Budget as presented of $1.1 million which includes $0.4 million for the MCLE systems enhancement project and $0.2 million of carry-over from 2017.

The Finance Committee recommends that the Board of Governors ("Board") approve the FY2018 Consolidated Budget as described above.
October 19, 2017

In consideration that the following five (5) individual Sections submitted final operating budgets in excess of the 10% approved variance, the Finance Committee approves the following amended FY 2018 Section Budget of $53.6 million in revenue and $59.8 million in expenses.

<table>
<thead>
<tr>
<th>($ in thousands)</th>
<th>FY18 Budget as presented at BOG</th>
<th>Final FY18 Budget</th>
<th>Changes since BOG Fav/(Unf)</th>
<th>% Change since BOG Fav/(Unf)</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Revenue</td>
<td>Expense</td>
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<td>Dispute Resolution</td>
<td>1,383</td>
<td>998</td>
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<td>1,098</td>
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<tr>
<td>Judicial Division</td>
<td>243</td>
<td>4</td>
<td>248</td>
<td>298</td>
</tr>
<tr>
<td>Environment, Energy, &amp; R</td>
<td>1,148</td>
<td>1,388</td>
<td>1,215</td>
<td>1,559</td>
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<tr>
<td>Public Contract Law</td>
<td>488</td>
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<td>537</td>
<td>752</td>
</tr>
<tr>
<td>Science &amp; Technology</td>
<td>306</td>
<td>395</td>
<td>321</td>
<td>329</td>
</tr>
</tbody>
</table>

The Finance Committee recommends that the Board of Governors (“Board”) approve the amended FY2018 Section Budget as described above.
Finance Committee Resolution

October 19, 2017

In consideration that the following five (5) individual Sections submitted final operating budgets in excess of the 10% approved variance, the Finance Committee approves the following amended FY 2018 Section Budget of $53.6 million in revenue and $59.8 million in expenses.

<table>
<thead>
<tr>
<th>Section:</th>
<th>Revenue</th>
<th>Expense</th>
<th>Revenue</th>
<th>Expense</th>
<th>Change since BOG Fav/(Unf)</th>
<th>% Change since BOG Fav/(Unf)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dispute Resolution</td>
<td>1,383</td>
<td>998</td>
<td>1,187</td>
<td>1,098</td>
<td>(197)</td>
<td>-14%</td>
</tr>
<tr>
<td>Judicial Division</td>
<td>243</td>
<td>4</td>
<td>248</td>
<td>298</td>
<td>(5)</td>
<td>2%</td>
</tr>
<tr>
<td>Environment, Energy, &amp; Res</td>
<td>1,148</td>
<td>1,388</td>
<td>1,215</td>
<td>1,559</td>
<td>67</td>
<td>6%</td>
</tr>
<tr>
<td>Public Contract Law</td>
<td>488</td>
<td>604</td>
<td>537</td>
<td>752</td>
<td>49</td>
<td>10%</td>
</tr>
<tr>
<td>Science &amp; Technology</td>
<td>306</td>
<td>395</td>
<td>321</td>
<td>329</td>
<td>15</td>
<td>5%</td>
</tr>
</tbody>
</table>

The Finance Committee recommends that the Board of Governors (“Board”) approve the amended FY2018 Section Budget as described above.
TO: Board of Governors

FROM: Hilarie Bass, President

RE: Presidential Recommendation for Member of the A-E-F-C Pension Plan Committee

DATE: October 12, 2017

It is my recommendation that Kathryn J. Kennedy of The John Marshall Law School in Chicago be appointed to a three-year unexpired term to fill the remaining term of Sally Doubet King, who resigned.

Kathryn Kennedy joined The John Marshall Law School as a full-time faculty member after years of private practice. She had practiced with the law firm of McDermott, Will & Emery in Chicago and was an actuary with the actuarial consulting firm of Towers Perrin. Currently, she Chairs the Employee Benefits Committee of the ABA Section of Taxation.

She became a Fellow of the Society of Actuaries in 1976. Her combined legal and actuarial background allows her to offer a unique perspective in the area of employee benefits law. In 1998, she led the school's efforts to offer an LLM in Employee Benefits, the only one of its kind still in the nation. In 2006, she published a textbook titled Employee Benefits Law: Qualification and ERISA Requirements, which was updated by a second edition in 2012.

She was inducted as a Fellow of The American College of Employee Benefits Counsel (ACEBC) and now serves on its Board of Governors. She has chaired the Center for Tax Law & Employee Benefits since 2001 and served on the IRS's Advisory Council for Tax Exempt/Government Entities (known as the ACT) from 2009-2012, and on the U.S. Department of Labor's ERISA Advisory Council from 2005-2008. She is an active member of the Advisory Boards of Practicing Law Company and Drake University's National Advisory Council for the Actuarial Science Program. She has testified before the U.S. Senate Finance Committee on several occasions and has proposed legislation in the area of executive deferred compensation plans. Kathryn also serves as the primary faculty advisor for The John Marshall Law Review. She was named associate dean for advanced studies and research in 2007.

Thank you for your consideration of this request.