

AGENDA ITEM

JANUARY 115

**Creation of Information Technology
Special Assessment Fund –
Amendment to 2008 State Bar Budget
Authorizing Expenditures from the
Fund**

DATE: December 19, 2007

TO: Members, Board Committee on Operations
Members, Board of Governors

FROM: Office of Finance

SUBJECT: Creation of Information Technology Special Assessment Fund and
Amendment to 2008 State Bar Budget Authorizing Expenditures for the Fund.

Executive Summary

On October 11, 2007, the Governor signed the State Bar's fee bill authorizing the collection of dues for 2008. The fee bill authorizes a special three-year assessment fee of \$10 per active member for technology-related expenditures. The fee is projected to generate approximately \$1.6 million for 2008 to be used to modernize the State Bar's obsolete networking infrastructure.

This agenda item seeks the Board's approval to create the Information Technology Special Assessment Fund and amend the 2008 Budget to authorize expenditure of these new funds.

Background:

The Board of Governors adopted the State Bar's 2008 Budget during its July 2007 meeting. The budget approved by the Board at that time did not include the \$10 special information technology fee pending the Governor's signature. With the legislation now in effect, staff requests an amendment to the 2008 budget to authorize expenditure of the approximately \$1.6 million in revenue generated by this special assessment.

Discussion:

The Office of Information Technology has identified three areas of significant need for 2008. The estimated 2008 initial cost for these areas is \$1.75 million. The operating budget for Information Technology will absorb the cost above the estimated revenue of the new Information Technology Special Assessment Fund. A brief description of the 2008 projects follows:

Network Infrastructure Refresh: The State Bar of California network infrastructure was originally designed around internal mid-range (AS400) computing requirements. The Bar's requirements and operating model have changed and staff recommends additional changes to move more of the Bar's service offerings on-line in an effort to reduce unit costs and create value opportunities for members. This project will include an upgrade of network components, bandwidth, manageability, and availability (CalNet II State Contract). The initial projected cost of this project for 2008 is \$750,000.

PC Refresh: A robust and stable PC environment is a critical component to providing services for members and public. The last bar-wide PC refresh took place in 2003. This project will upgrade four-year-old desktop computers, modernize desktop operating systems, establish regular refresh cycles, standardize all desktop configurations, and three-year on-site maintenance plans. The 2008 cost for this project is estimated at \$500,000.

Server Refresh: File Servers are a key component to providing services for the public and members. The State Bar provides many different functions and applications to staff through various file servers. This project will refresh and consolidate servers; reduce power consumption; enhance maintenance for file, print, web, infrastructure, e-mail, storage, and application. The 2008 cost for this project is estimated at \$500,000.

BOARD BOOK / ADMINISTRATIVE MANUAL:

Approval of this resolution will create Fund 31 "Information Technology Special Assessment Fund".

PROPOSED BOARD COMMITTEE RESOLUTION:

Should the Board Committee on Operations concur with the recommendation, adoption of the following would be in order:

RESOLVED, that Fund 31 "Information Technology Special Assessment Fund" is hereby established and that the State Bar's 2008 Budget is amended to authorize expenditure of \$1.6 million in the newly created Information Technology Special Assessment Fund.

PROPOSED BOARD RESOLUTION:

Should the Board concur with the recommendation of the Board Committee on Operations, adoption of the following would be in order:

RESOLVED, upon recommendation of the Board Committee on Operations, that the Board hereby establishes Fund 31 "Information Technology Special Assessment Fund" and amends the State Bar's 2008 Budget to authorize expenditure of \$1.6 million in the newly created Information Technology Special Assessment Fund.