



**Professional Fiduciaries Bureau
Advisory Committee Meeting Minutes
Wednesday, June 12, 2024**

Committee Members Present

Bertha Hayden Sanchez, Chair (attending remotely)
Elizabeth Ichikawa, Vice Chair (attending remotely)
Joyce Anthony (attending remotely)
James Moore (attending remotely)
Linda Ng (attending remotely)
Alfred Torregano (attending remotely)

Staff Present

Rebecca May, Bureau Chief, Professional Fiduciaries Bureau
Helen Geoffroy, Legal Counsel, Department of Consumer Affairs

1. Call to Order – Bertha Sanchez Hayden, Chair
Ms. Sanchez Hayden called the meeting to order at 10 a.m.
2. Roll Call and Establishment of Quorum – Rebecca May, Bureau Chief
Ms. May called roll. Committee members Ms. Sanchez Hayden, Ms. Ichikawa, Ms. Anthony, Mr. Moore, Ms. Ng, and Mr. Torregano were present. A quorum was established with six members present.
3. Advisory Committee Members, Bureau Chief, Staff and Legal Counsel Introductions
Committee members, Bureau staff, and legal counsel introduced themselves. Ms. Sanchez Hayden noted that Mr. Torregano, public member, was recently appointed to the Advisory Committee by the Senate.
4. Public Comment on Items Not on the Agenda

Ms. Sanchez Hayden explained this agenda item is intended for the public to comment on items not included on today's agenda.

Public Comment: None.

5. Reading of the Professional Fiduciaries Bureau Mission Statement – Rebecca May, Bureau Chief

Ms. May read the Bureau's mission statement.

Public Comment: None.

6. Discussion and Approval of the Advisory Committee Meeting Minutes from March 19, 2024 – Bertha Sanchez Hayden, Chair

No members suggested edits to the minutes. Ms. Ichikawa motioned to approve the meeting minutes and to allow Bureau staff to make non-substantive edits as needed. Joyce Anthony and James Moore seconded the motion simultaneously. There was no discussion from the committee members.

Public Comment: None.

A roll call vote was held. Ms. Sanchez Hayden, Ms. Ichikawa, Ms. Anthony, Mr. Moore, Ms. Ng, and Mr. Torregano voted to approve the motion. The motion carried with six votes. Ms. May noted that the minutes will be posted to the Bureau's website.

7. Update from the Director's Office – DCA Executive Staff

Korrina Moreno, with Board and Bureau Relations, provided an update on behalf of the Department of Consumer Affairs (DCA). Ms. Moreno welcomed Mr. Torregano to the Advisory Committee. She noted the Governor released the May Revision of the 2024-25 proposed budget, reducing and stabilizing the budget after the COVID 19 pandemic. The Budget proposal proposes one time spending cuts of \$19 billion and ongoing spending by \$13 billion through 2025-26, nearly 8% cut to state operations. Elimination of 10000 vacant state positions. DCA will provide additional guidance to programs once it gets more guidance from DOF. Boards and Bureaus should continue to scrutinize expenditures and maximize savings. DCA hosted a live webinar to share licensing resources for military and their families. She noted that DCA Director and Business, Consumer Services and Housing Agency Sectary Tomiquia Moss will meet with board and bureau leadership at the quarterly director's meeting on June 11. She noted a recent scam targeting licensees that wherein an individual identifies themselves as board or bureau staff and the licensee is under investigation seeking to gather personal information or payment. She provided an update regarding DCA's Diversity, Equity and Inclusion (DEI) Steering Committee and provided information on training opportunities. Ms. Moreno noted that Advisory Committee members are required to attend a Board Member Orientation Training (BMOT) within one year of appointment and noted BMOT

will be offered on June 18 and October 22.

Public Comment: None.

8. Budget Report – DCA Budget Analyst

Andrew Trute, Budget Analyst, Department of Consumer Affairs, provided the Bureau's budget update including the Bureau's expenditure projections and fund condition statement. Related to expenditures, Mr. Trute noted the projections are based on actual data through fiscal month ten and includes 2022-23 actual expenditures compared to the 2023-24 budgeted and projected expenditures. Mr. Trute stated the Bureau had budgeted approximately \$1.078 million and is projected to spend \$828,000 creating a reversion to the Bureau's fund of approximately \$293,000 or 26.17%. He further noted the Bureau's revenue projection document includes receipts collected through April and provides projected revenues to year end.

Mr. Trute reviewed the Bureau's fund condition statement. He noted the Bureau began fiscal year 2022-23 with a beginning balance of just over \$317,000 and collected \$657,000 in revenue, with \$78,000 from initial license fees, \$544,000 from license renewals, and \$35,000 from the issuance of citation fines, delinquent fees and other revenue. He reported the Bureau expended nearly \$720,000, which includes \$52,000 indirect draws to the fund for statewide pro-rata and pension payments. He estimated the Bureau will close fiscal year 2022-23 with \$254,000 reserve balance or 3.5 months in reserve.

Mr. Trute provided that for the current year, the Bureau projects revenues of \$805,000 which includes the new fee increase with approximately \$116,000 projected from initial license fees, \$653,000 from renewal fees and \$36,000 from the issuance of citation fines, delinquent fees and other revenues. He further provided the Bureau's fiscal year 2023-24 expenditures, based on the Budget Act, to be \$874,000 between authorized expenditures and direct draws to the fund, leaving the Bureau with a fund balance of \$185,000 or 1.9 months in reserve.

Mr. Trute stated the DCA Budget Office will continue to monitor the Bureau's revenues and expenditures and report back to the Bureau with monthly expenditure projections. He noted that the fund condition is a snapshot in time, and includes 2023-24 projected revenue including increased application, initial and renewal fees, noting the that increased renewal fee begins for licenses expiring on March 31, 2024, and after. He also noted that revenue is projected static in the out years.

He stated one of the main factors driving future expenditure increases is personnel

service adjustments including general salary increases, employee compensation, as well as retirement rate adjustments. He stated the Budget Office includes a conservative ongoing 3% increase to expenditures on the fund condition statement to account for ongoing, incremental adjustments. He noted any future legislation or unanticipated events could result in the need for additional resources which would create cost pressures on the fund.

Ms. Ng asked if the use of “year to date” in the projections meant to the end of May or to the end of the fiscal year. Mr. Trute clarified that it meant through the end of April. Ms. Ng noted based on past performance, is it safe to say the bureau will exceed its projections for the year? Harmony DeFilippo noted that the projections are slightly higher than the original projections for revenue. Ms. Ng noted this is a positive development and that with two more months remaining in the fiscal year the Bureau may net another \$100,000 in revenue and exceed the projections. Harmony clarified that the current year projection was \$794,000, and the total revenue for fiscal months you can tell that there is a fluctuation month to month. Projecting increase to continue based on increased fees and slightly higher than what was originally projected. Ms. Ng commended the Bureau in doing a good job in collecting revenue.

Public comment: None.

9. Legislative Update and Discussion – DCA Legislative Analyst

Aubrey Hopkins, Legislative Analyst, Department of Consumer Affairs provided important upcoming 2024 legislative dates and an update regarding bills affecting the Bureau including information on the text and status of AB 2148 (Low) and AB 2800 (Kalra).

Mr. Torregano asked if there was significant pushback on AB 2800 resulting in it being held and if a vote was held. Ms. Hopkins responded that the bill was referred to the Assembly Aging and Long-Term Care committee but was not heard at the request of the author. She stated she is unsure of the reason the author decided to hold the bill, but noted there was no registered support or opposition to the bill.

Public comment: Jerry Desmond on behalf of the Professional Fiduciaries Association of California (PFAC) noted PFAC’s support for AB 2148. He stated the bill resolves several issues, including courts appointing organizations in representative capacity despite the Probate Code not authorizing the practice, the Probate Code being silent as to who a testator can name as the executor of a trust there are no restrictions on the ability to name an entity regardless of the licensure status of the members of that entity

to serve in representative capacities, and the bureau lacks authority over fiduciary entities or members acting on behalf of that entity.

10. Presentation Regarding Incorporating Diversity, Equity, and Inclusion (DEI) objectives in the Bureau's 2023-2026 Strategic Plan – DCA SOLID Staff

Ms. Trisha St. Clair, SOLID staff, provided information regarding the Bureau and DCA's supplemental plan to incorporate DEI objectives into the Bureau's 2023-2026 Strategic Plan. She noted the Governor's Executive Order N-16-22 requiring all departments to include equity analysis and considerations into their policies and procedures and the need to update the existing Bureau's Strategic Plan with a DEI outlook. She then reviewed the process for supplemental DEI planning.

Public comment: None.

11. Bureau Updates – Rebecca May, Bureau Chief

- Application, Licensing and Enforcement Statistics - Ms. May presented application, licensing and enforcement statistics from July 1, 2023, through March 31, 2024.
- Outreach Events – Ms. May noted there were no outreach events since the last Advisory Committee meeting and there are no upcoming outreach events. She encouraged meeting attendees to email the Bureau regarding outreach events
- E-Newsletter – Ms. May noted that the spring newsletter is almost finished and will likely be distributed to the Bureau's interested parties list and posted to the website next week. She also noted if there are any items members would like to see in the newsletter to please reach out to the Bureau.
- Website Updates – Ms. May stated that the Bureau continues to update its website, including significant updates to the education page, and updates to the Annual Statement and Initial Annual Statement forms. She noted the Bureau is working with DCA on updating its application how-to video and plans to make significant updates to the applicant page.
- Hiring enforcement staff – Ms. May noted that the Bureau has conducted interviews and is working with DCA's Office of Human Resources on extending an offer of employment. She stated that she is hopeful the Bureau will have a new enforcement analyst on staff by the end of the fiscal year.

- Strategic Plan Update – Ms. May stated that the Bureau continues to advance on its strategic plan, noting the plans to add DEI objectives, moving to paperless, purging, scanning documents, cross training between licensing and enforcement staff, and working on desk manuals.

Ms. Anthony asked about if the total issued licensee number includes licenses that were never renewed. Ms. May noted that the numbers do not reflect delinquent and canceled licenses. She further noted that the Bureau only started providing retired and inactive license types on January 1, 2023, and that there is interest among licensees to pursue these license status types. Ms. Anthony also noted that the third quarter reflects fewer renewals than the previous two quarters and asked if that was related to the fee increase or if it was typical for the third quarter. Ms. May stated that she did not know but would look into it. She further stated that because the revenue projections are a little higher than anticipated, and renewals were based on birth month when the Bureau was formed, it may be attributable to quarter three having fewer renewals generally. She noted that she would report about it at the next meeting. Ms. Anthony agreed and noted it would be good to determine if the fee increase is a barrier to entry or continuation in the profession.

Public comment: None.

12. Proposed Rulemaking Status Update – Rebecca May, Bureau Chief

Ms. May stated the Bureau filed a “Section 100” change related to licensing processing times with the Office of Administrative Law (OAL) on May 6. She explained that a “Section 100” is a change to an existing regulation without “regulatory effect,” essentially a non-substantive change that does not need to go through the regular rulemaking process. She anticipates OAL will determine whether to approve the Section 100 in the coming days and she will provide an update at the next meeting.

Public comment: None.

13. Future Agenda Items – Rebecca May, Bureau Chief

Ms. May noted there were no specific items requested, but that she would report at the next meeting regarding trends in renewals in her Bureau Chief Update.

Public comment: “Chris” asked if it would be possible to get an update regarding current licensing timelines stating that he and other applicants have reached the 30-day timeline to be issued a license. Ms. May responded that the meeting materials are

prepared in advance of the meeting and the licensing statistics only reflect data through March 31, so she does not have statistics for the last two months to share presently. She noted that the next meeting will include statistics for the entire fiscal year 23-24 and if an applicant is having any issues with their application to please reach out to the Bureau.

- Future Meeting Dates

Ms. Sanchez Hayden provided the following confirmed meeting dates and tentative 2025 meeting dates: Wednesday, September 11, 2024; Wednesday, December 11, 2024; Wednesday, March 12, 2025; Wednesday, June 11, 2025; Wednesday, September 10, 2025; and, Wednesday, December 10, 2025.

Public comment: None.

14. Adjournment

Ms. Sanchez Hayden adjourned the meeting at 10:58 a.m.