



**Professional Fiduciaries Bureau (Bureau)
Advisory Committee Meeting
Wednesday, December 7, 2022**

Meeting Minutes

Committee Members Present

Chi Elder, Chair
Bertha Sanchez Hayden, Vice Chair
Wendy Hatch
Elizabeth Ichikawa
James Moore
Denise Nelesen

Department of Consumer Affairs (DCA) Staff Present

Rebecca May, Bureau Chief
Angela Cuadra, Bureau Program Analyst
Helen Geoffroy, DCA Legal Counsel

1) Call to Order – Chi Elder, Chair

Ms. Elder called the meeting to order at 10:01 a.m. and stated the meeting was being held via WebEx with no physical public locations pursuant to Government Code section 111133.

2) Roll Call & Establishment of Quorum – Chi Elder, Chair

Ms. Cuadra called roll. Committee members: Ms. Elder, Ms. Sanchez Hayden, Ms. Hatch, Ms. Ichikawa, Mr. Moore, and Ms. Nelesen were present via WebEx. A quorum was established with six members present.

3) Advisory Committee, Bureau Chief, Staff and Legal Counsel Introductions –

Committee members, Bureau staff, and legal counsel introduced themselves.

4) Public Comment on Items Not on the Agenda

Public Comment: None.

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

Rebecca May read the Bureau's mission statement.

Public Comment: None.

6) Discussion and Possible Approval of the Advisory Committee Meeting Minutes from September 14, 2022 – Chi Elder, Chair

Ms. Nelesen motioned to approve the minutes as written. Ms. Sanchez Hayden seconded the motion. There was no discussion from the committee members. A vote by roll call was made: Ms. Elder, Ms. Sanchez Hayden, Ms. Hatch, Ms. Ichikawa, Mr. Moore, and Ms. Nelesen were in favor and the motion carried with six votes. Ms. Cuadra stated the minutes would be posted to the website as written.

Public Comment: None.

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

Yvonne Dorantes-Giles, Assistant Deputy Director for Board and Bureau Relations, announced the names of newly appointed staff at the Department of Consumer Affairs and provided information on the appointments process for boards and bureaus under the Department. She provided an update on the Department's Diversity, Equity, and Inclusion Steering Committee and the Department's new 2022-2027 Strategic Plan and new logo. Ms. Dorantes-Giles gave an update on the Department's Our Promise campaign and board member travel policies. She reminded Advisory Committee members to complete their required trainings and to submit their certificates of completion to the Department's Executive Office. She also announced the Department's partnership with the State Controller's Office to help consumers locate unclaimed property.

Ms. May reminded the Advisory Committee members that their terms would expire on January 1, 2023, though they would have a one-year grace period to continue serving on the Committee. She encouraged the Advisory Committee members to apply for reappointment and to contact her or Board and Bureau Relations should they have any questions.

Public Comment: None.

8) Budget Report – DCA Budget Analyst

Ms. Harmony DeFilippo, Budget Analyst, presented the budget report which includes current and projected revenues and expenditures and the Bureau's fund condition. She noted future legislative mandates may require the Bureau to request additional resources through the budget process which would increase cost pressures on the Bureau's fund. Ms. DeFilippo also explained the structural imbalance the Bureau is projected to cause

the Bureau's insolvency in fiscal year 23-24. She stated the Bureau has only three options to address the structural imbalance: 1) reduce spending; 2) increase revenues; or, 3) a combination of 1 and 2. If additional savings cannot be identified, fees will have to be raised. She also responded to Ms. Elder's request from the previous meeting to discuss possible alternatives such as a tiered fee schedule for the Attorney General's fees. She stated that DCA is unable to determine whether the Attorney General (AG) can reduce its fees for the Bureau and that the Bureau would have to address this directly with the AG's office. She stated that DCA and Bureau staff will continue to work together to address the structural imbalance and will continue to update the Advisory Committee members at future meetings.

Ms. Elder requested follow up from the Bureau at the next meeting regarding the reduction of AG fees. Ms. May responded that Bureau staff would follow up with the AG's office.

Public Comment: Jerry Desmond commented on behalf of the Professional Fiduciaries Association of California (PFAC) stating current fee amounts are significant compared to other board and commissions under DCA, understanding that it is due to a small licensing population. He expressed concerns that increased fees would negatively impact existing licensees and their businesses and create a barrier to licensure hurting efforts to increase the licensing population.

9) Legislative Update and Discussion – DCA Legislative Analyst

Daryl Holloway, DCA Legislative Analyst, responded to questions related to AB 1663 (Maienschein) and SB 1024 (Jones) from the previous meeting. He also reviewed the legislative calendar and provided information on bills on the agenda that were signed into law this year.

Public Comment: None.

10) Bureau Updates – Rebecca May, Bureau Chief

- Application Licensing and Enforcement Statistics – Ms. May presented licensing and enforcement statistics for the first quarter of fiscal year 2022-2023.
- Outreach Events – Ms. May noted that Bureau staff did not attend any outreach events since the last meeting and asked meeting attendees to email the Bureau of any outreach events Bureau staff should attend.

- E-Newsletter – Ms. May stated that newsletter was not disseminated in December as planned, however would likely go out in January. She encouraged meeting attendees to email suggested items for the newsletter to the Bureau.
- Strategic Plan –Ms. May stated that the Bureau's 2023 to 2026 Strategic Plan has been drafted and is being reviewed internally before being disseminated publicly. She said she anticipates the new strategic plan will be ready and made public in January at which time it will be sent out the interested parties and posted to the Bureau's website. She also stated that the Bureau will work with DCA in the next year to make edits to the plan ensuring it meets new diversity, equity, and inclusion guidelines.
- Sunset Review – Ms. May provided an update regarding the sunset review process, stating the sunset review process gives the Legislature the opportunity to determine if the Bureau is meeting its consumer protection mandate and if its sunset date should be extended. She stated that the Bureau's sunset report is under review by the Governor's office and is due to the Legislature on January 3, at which time it will be made public. She further stated the Legislature will hold a spring hearing regarding the Bureau and she anticipates one of the legislative committees will author a bill to extend the bureau's sunset and make any other statutory changes it deems necessary after the hearing is held.
- Website updates – Ms. May stated that obsolete information has been recently removed from the website and anticipates that inactive and retired license status applications will be up on the website the following week in anticipation of the bureau offering these license statuses starting January 1, 2023. The subject matter expert advertisement was also posted to the website per Ms. Elder's suggestion at a previous meeting.

Ms. Nelesen stated that she was discouraged by the Bureau's financial situation and is concerned how the Bureau can meet its consumer protection mandate if it is losing money, and complaint investigations are slowing. She hopes the sunset hearing can be a way to advocate in a strong way to the Legislature to consider for another funding source seeing how unique the Bureau's situation is as a small licensing program. Ms. May agreed with Ms. Nelesen, stating that sunset review provides a valuable opportunity for the Bureau to present the issues the Bureau is struggling with. She also stated that the projections provided by the Budget Office are future projections, which gives the Bureau the opportunity to "right the ship" today. She also stated that in her experience, it is not uncommon for licensing programs to face potential insolvency. She also stated that the Bureau's fiscal situation would be made clear in the Bureau's sunset report and would certainly be discussed with the Legislature.

Ms. Elder asked if legislative staff would be receiving the bureau's fiscal projections in the sunset report. Ms. May responded affirmatively, stating that the Bureau's fiscal situation

would be clear in the sunset report and that during the negotiations regarding AB 1194, the Bureau was clear that the increased workload would likely result in a fee increase.

Ms. Hatch asked who makes up the sunset review committee and if professional fiduciaries would be represented on the committee. Ms. May stated that the committee is comprised of Assemblymembers that sit on the Assembly Business and Professions Committee and Senators that sit on the Senate Business, Professions, and Economic Development Committee. She stated that she is unaware of any legislators that are Bureau licensees. She also stated that PFAC would likely be very engaged in the sunset process advocating for licensees and that she and the Department would be there on behalf of the Bureau.

Ms. Elder stated she wants to ensure that the Legislature understands the Bureau's licensing population is small compared to other licensed professions, the Bureau has operated in a fiscally responsible manner, and new laws impact the Bureau's fiscal operations outside of the Bureau's control. She states that passing increased expenses to licensees and applicants may create barriers to licensure, especially considering efforts to increase diversity, equity, and inclusion. Ms. May responded that the draft sunset report is very clear regarding the Bureau's limited resources throughout. Ms. Elder also requested that the Bureau highlight to the Legislature the very vulnerable population served by the Bureau.

Ms. Nelesen agreed with Ms. Elder's last comment and stated that there is an enormous expectation by the public for the Bureau to meet its mandates and it is important for the Legislature to keep that in mind as well.

Public Comment: A member of the public commented that she has noticed more consumers reaching out to professional fiduciaries for assistance as they do not want to burden family. She further stated professional fiduciaries are being used more and more and this should be noted in the sunset report.

11) Proposed Rulemakings Update – Rebecca May, Bureau Chief

Ms. May reported that the Office of Administrative Law (OAL) approved the Bureau's inactive and retired license status regulation on October 25, and the Bureau will begin offering inactive and retired license types to licensees who qualify starting January 1, 2023. She also reported Bureau staff is working to ensure information on how to apply and application forms are posted to the Bureau's website soon and disseminated to the interested parties email list. She thanked Alexander Millington, DCA Regulatory Counsel, and Angela Cuadra, Program Analyst, for their hard work promulgating the regulation. She also noted Ms. Cuadra has worked hard to ensure the Bureau is ready to implement the inactive and retired license status regulation.

Ms. May stated the Bureau filed a final rulemaking package with OAL to implement cultural competency educational requirements on November 29 and anticipates OAL will approve the package by mid-January.

Ms. May also stated that the proposed text for both regulations can be found on the Bureau's website, and she will continue to provide updates at future meetings.

Public Comment: None.

12) 2023 Chair and Vice Chair Advisory Committee Elections

Chi Elder nominated Bertha Sanchez-Hayden for Chair. Ms. Elder, Ms. Sanchez Hayden, Ms. Hatch, Ms. Ichikawa, Mr. Moore, and Ms. Nelesen all voted "yes." Ms. Cuadra announced Ms. Sanchez Hayden would be Chair for 2023.

Chi Elder nominated Denise Nelesen for Vice Chair. Ms. Elder, Ms. Sanchez Hayden, Ms. Hatch, Ms. Ichikawa, Mr. Moore, and Ms. Nelesen all voted "yes." Ms. Cuadra announced Ms. Nelesen would be Vice Chair for 2023.

Public Comment: None.

13) Future Agenda Items –

Ms. Cuadra had not noted any specific agenda items but noted staff would review the recording to capture any future agenda requests.

Ms. May said she would like to include information regarding the Bureau's efforts to implement legislation during her Bureau Chief update at the next meeting.

Public Comment: None.

14) Future Meeting Dates

- Wednesday, March 15, 2023
- Wednesday, June 21, 2023
- Wednesday, September 20, 2023
- Wednesday, December 13, 2023

Committee members did not mention any scheduling conflicts for the future dates and were asked to contact Ms. Cuadra if any conflicts arise.

Public Comment: None.

15) Adjournment – The meeting was adjourned at 11:37 a.m.