



FALL 2026 BUSINESS MEETINGS GOVERNANCE REVIEW TASK FORCE INTERIM REPORT

The Governance Review Task Force was appointed in June 2026 with the following directive:

MISSION STATEMENT

To evaluate C.A.R.'s governance model and propose recommendations that advance C.A.R.'s 2026-2028 Strategic Plan commitment to enable C.A.R. to be nimble and adaptable through effective governance and inclusive leadership.

PRESIDING

Jennifer Branchini, Co-Chair, Bay East
Erin Stumpf, Co-Chair, Sacramento

MEMBERS

Anthony Andaya, Pacific Southwest
Sabrina Brown, Madera
Elizabeth Campbell-Chase, Humboldt
Annette Coffey, California Desert & The Inland Gateway (Association Executive)
Cindy Diaz-Telly, Ventura County Coastal
Lisa Fore, North San Diego County
Sarah Ireland, Pacific West
William "Bill" Jansen, San Francisco
Cheryl Keller, Placer County
Eugene Pak, San Francisco
Phillip Schaefer, Pacific West
Thomas Swanson, Greater Los Angeles
Mike Vachani, Arcadia

GOVERNANCE TASK FORCE ADVISORY

The Task Force Co-Chairs, Association Executive, and the following C.A.R. staff also met weekly to review and discuss research findings and refine approaches between Task Force meetings.

Phil Hawkins, Chief Executive Officer
Emily Horn, Senior Vice President, Leadership Development & Governance
Brian Manson, Senior Vice President and General Counsel
Sara Sutachan, Senior Vice President and Chief Strategy Officer

MEETINGS

The Task Force has met during the following sessions to date:

June 22, 2026 – Task Force Kickoff Meeting
July 24, 2026 - Current State Assessment Review
August 6, 2026 - Future State Design Workshop
September 3, 2026 - Final Recommendations Workshop
September 16, 2026 – Recommendations Review

BACKGROUND

C.A.R. last reviewed its governance structure in 1991. Following the 2021 review of C.A.R.'s mission and vision statements, governance was formally incorporated into the 2023-2025 Strategic Plan and reaffirmed in the 2026-2028 Strategic Plan, which calls on C.A.R. to be nimble and adaptable through effective governance and inclusive leadership. In May 2026, the Board of Directors approved a budget augmentation to fund a comprehensive governance review, and the Governance Task Force began its work in June 2026.

To support the review, C.A.R. engaged Slalom, an independent consulting firm, to conduct research and analysis, facilitate C.A.R. member stakeholder engagement, and synthesize member feedback for the Task Force's consideration. Slalom's role was to inform the Task Force's deliberations; all findings and recommendations in this report reflect the conclusions of the Task Force.

The Task Force was charged with examining how C.A.R. governs today, identifying where the current model could be optimized or where no longer serves the organization or its members, and developing recommendations for Board consideration. The work was structured in three stages: a current state assessment, development and testing of recommendations with C.A.R. members, and preparation of recommendations for presentation at the Fall Business Meeting.

This interim report summarizes the Task Force's work to date, findings that shaped its thinking, member feedback received, and the Phase 1 recommendations being brought forward for Board review and discussion at the Fall Business Meeting.

APPROACH AND MEMBER ENGAGEMENT

The Task Force structured its work in three stages. It began with Slalom conducting a current state assessment of C.A.R.'s governance model, drawing on a review of more than 40 governance documents, one-on-one interviews with 15 C.A.R. leaders and staff, analysis of 60+ external organizations inside and outside the industry, and C.A.R. member stakeholder focus groups. Slalom presented those findings to the Task Force, and from those findings, the Task Force developed a set of initial recommendations. Those ideas were then taken back to C.A.R. members through a second round of C.A.R. member stakeholder focus groups, an all-member survey, and other feedback channels, and the Task Force refined its recommendations based on what it heard.

C.A.R. members shaped the review at multiple points: first by identifying strengths and challenges in the current model, and later by reacting to specific Task Force recommendations. Their feedback informed both the current state findings and the Phase 1 recommendations that follow.

Input	Description
Governance Task Force	15 members engaged across meetings and workshops to review research and C.A.R. member feedback, test concepts, and shape recommendations
Advisory Group	Weekly working sessions with the Task Force Co-Chairs, a local Association Executive, and C.A.R. staff
Stakeholder Councils	20 focus groups across two rounds, with 160+ individuals invited, representing all 30 regions
All-Member Survey	Sent to all ~180,000 C.A.R. members; 1.84K responses received spanning all 95 local associations
Open Feedback	Special Director Town Hall and a Governance Review Resource Hub providing updates and an ongoing channel for questions, comments, and feedback

CURRENT STATE FINDINGS

The Task Force identified seven key challenges with C.A.R.'s governance model today. These hypotheses were developed through document review, interviews, external research, and the first round of C.A.R. member stakeholder focus groups.

- **Board size.** The Board is too large to operate as an effective decision-making body.
- **Qualifications and readiness.** Current processes do not consistently align Director qualifications and experience with governance roles.
- **Regional structure.** The purpose and value of the regional structure are not consistently understood or experienced across the organization.
- **Decision authority.** Existing decision-making pathways can make it difficult to address time-sensitive matters efficiently between C.A.R. Board of Directors meetings.
- **Committee structure.** Committees and forums are broad, overlapping, and difficult to manage.
- **Governance complexity.** The model is so complex that even insiders struggle to navigate it.
- **Meeting design.** The current meeting model creates significant time, cost, and logistical demands.

RECOMMENDATIONS TESTED WITH MEMBERS

The Task Force discussed a range of potential solutions to address the challenges uncovered in the first stage current state assessment. It ultimately developed a focused set of options to drive improvement in three areas: Board efficiency, regional structure, and Executive Committee design. These options were then taken back to C.A.R. members for feedback collected via another round of C.A.R. member stakeholder focus groups and an all-member survey.

On Board efficiency, C.A.R. members reviewed several alternative allocation formulas representing different degrees of reduction in Board size, from modest rightsizing to a significantly smaller Board. Members also weighed in on Director qualifications, the Directors-for-Life role, automatic Board seats, potential changes to the regional map and Regional Chair selection, and Executive Committee terms, selection, and composition.

Across both C.A.R. stakeholder focus groups and the all-member survey, members consistently favored a meaningful reduction in Board size, a higher bar for Director qualifications, and targeted improvements to the Executive Committee. Feedback on regional structure was more mixed. Members valued the connection regions provided but differed on whether the current map should change and what should replace it.

TASK FORCE RECOMMENDATIONS

Based on the challenges identified by C.A.R. members and the results of member stakeholder group testing, the Task Force is bringing forward three Phase 1 recommendations for review and discussion at the Fall Business Meeting. Changes to the regional structure and committee recommendations were considered but tabled, and may be reconsidered in 2027, once the downstream effects of the Phase 1 changes are understood.

The Task Force did not begin with a predetermined answer. It considered a broad range of recommendations, including variations on proportional representation, equal representation, and regionally allocated seats, and narrowed to the proposals below based on C.A.R. member feedback, governance effectiveness, representational impact, and appropriate sequencing of changes.

I. BOARD OF DIRECTORS COMPOSITION

Recommendations

- More than two-thirds of the C.A.R.'s 800+ member Board is comprised of State Director positions allocated to local AORs based on a formula in the Bylaws. The Task Force recommends changing that allocation formula to one seat per association plus one additional seat for every 750 members.
 - For the remainder of the calendar year in which a local AOR merger is finalized and the following two calendar years, a merged association would retain the combined number of Director seats each association would have been allocated separately.
- Periodically review the local AOR State Director allocation formula in conjunction with future Strategic Plan cycles.
- Discontinue new Director-for-Life appointments and re-imagine how members who have provided exceptional and sustained service to C.A.R. are honored, including consideration of the criteria for the California Distinguished REALTOR® Award (CDRA). Current Directors-for-Life retain their title and voting authority.
- Extend existing Director attendance requirement in the Bylaws to Directors-for-Life: two consecutive unexcused absences result in loss of voting authority.
- Remove the requirement that each local association appoint its President as a State Director.
- Remove Immediate Retiring Regional Chairs as an automatic State Director seat.

Rationale

- **Member feedback supports change.** ~ 50% of focus group and survey respondents agreed the size of the Board makes it difficult to govern effectively, compared to only 15-26% who disagreed. ~70% of survey respondents who expressed an opinion felt Board size should decrease.
- **Balances efficiency with representation.** The proposal responds to member calls for a meaningful - but not overly aggressive - reduction while preserving proportional representation. Every local association retains at least one State Director.
- **Reduces financial burden.** The reduction could save local associations an estimated \$1.5M annually in Director travel costs and create opportunities for more cost-effective meeting venues.
- **Makes Board composition more intentional.** Reducing automatic and permanent seats gives greater weight to active engagement and encourages more thoughtful selection of who is best positioned to serve.

Projected Impact

Local AOR Size Tier	AORs	Current Seats Allocated	Seats Filled	Seats Allocated Under Proposal
Under 1,000 members	52	150	142	57
1,000 - 4,999 members	33	338	255	118
5,000+ members	10	337	167	109
Total local AOR seats	95	825	564	284
Additional Directors*	-	257	-	227
Total Board	-	821	-	511

*Note: Additional Directors include Elected Officers, Past Presidents, Directors-at-Large, Directors-for-Life, Committee and Forum Chairs, Executive Committee Members, NAR Directors from California, Regional Chairs,

and Immediate Retiring Regional Chairs (removed in Proposal column). Counts are based on the 2026 Board roster and may fluctuate year over year.

Taken together, the proposed changes would reduce the projected Board from 821 to 511 - a reduction of ~38% overall, and ~21% below current average meeting attendance of about 650 Directors. Small associations would hold ~20% of allocated local seats, up from 18% today, while representing ~10% of statewide membership.

II. DIRECTOR QUALIFICATIONS

Recommendations

That C.A.R. add two criteria for all State Directors - an active industry requirement and an experience requirement. These would be *in addition to* the current requirements that State Directors be members of C.A.R. and hold an active qualifying license.

The draft criteria are pending finalization and legal review. Local associations would be responsible for confirming that their appointees meet the final requirements, with the intent of keeping the process practical and avoiding a burdensome compliance process.

Active industry requirement

All Directors must be actively practicing in the real estate industry in California. "Active" may include at least one of the following:

- Broker/Owner operating or overseeing a real estate brokerage
- Office Manager managing real estate office operations and/or supervising agents
- Transaction Coordinator supporting active real estate transactions
- Professional Property Manager managing residential, commercial, or investment properties for clients
- Appraiser or Broker Price Opinion practitioner performing real estate valuation work
- Lender supporting real estate financing or mortgage activity
- Real Estate Attorney
- Sales Associate representing clients, with a minimum of 10 transactions in the last 3 calendar years or 4 transactions in the last calendar year

Experience requirement

Within the last five years, all Directors must have done at least one of the following:

- Served on the Board of a local AOR
- Served as an active member of a local AOR, C.A.R., or NAR committee within the last year
- Served in a leadership role in another trade association or NAR-affiliated institute, society, council, or multicultural council
- Held elected or appointed public office in their community
- Served as an SPC or FPC
- Held MLS board or MLS leadership experience

And/or:

- Currently serve as an active Broker-Owner or Broker of Record in California.

Rationale

- **Members want a higher bar.** ~80% of focus group and survey respondents supported adding an active industry requirement for Directors.

- **Keeps Board decisions connected to today's market.** Requiring active industry involvement helps ensure State Directors bring current perspectives on the issues facing members and the profession.
- **Raises readiness without narrowing the pathway too much.** The criteria recognize a broad range of industry roles and prior experience as qualifiers, supporting inclusive leadership and multiple pathways into service.
- **Strengthens each State Director's impact.** As Board seats become more limited, clearer qualifications help ensure State Directors bring relevant experience and are prepared to participate fully in the work of the Board.

III. EXECUTIVE COMMITTEE

Recommendations

That C.A.R. make targeted improvements to Executive Committee terms, selection, and composition:

- Establish 2-year staggered terms for Executive Committee members.
- Shift appointment authority for the 12 appointed members from the President alone to the full Leadership Team, reflecting current practice.
- Remove the requirement to include one *former* Regional Chair on the Executive Committee. The requirements to include one *current* Regional Chair and one local Association Executive remain in place.
- Add competency requirements to be met by at least one member at the time of appointment: one member with MLS Board or leadership experience within the last five years; one member who served as Chair of a C.A.R. policy committee within the last five years; one current small brokerage owner or office manager; and one current large brokerage owner or office manager. Members do not have to be distinct; one member may fill multiple requirements.

Rationale

- **Improves continuity during leadership transitions.** Staggered terms help preserve institutional knowledge and maintain momentum as leadership changes.
- **Broadens input into leadership decisions.** Formalizing involvement of the full Leadership Team creates a more balanced approach to selecting members of a committee that helps guides the organization between Board meetings.
- **Aligns expertise to organizational needs.** Competency-based criteria help ensure the Executive Committee includes the skills and experience needed to address complex strategic issues between Board meetings.

NEXT STEPS

The recommendations above are being presented to the Board of Directors for review and discussion at the Fall Business Meeting. Most recommendations would require changes to C.A.R.'s Bylaws. No Bylaws vote will occur in Long Beach, as Bylaws amendments require a minimum of 30 days' advance notice to the Board.

Following the Fall Business Meeting, the Task Force will finalize the proposal and draft Bylaws redlines for a vote at the Winter Business Meeting in January 2027. Formal notice will go to the Board at least 30 days prior to the Winter Business Meeting, and there will be a vote on the Bylaws changes at the Winter Business Meeting in January 2027. Any Phase 1 changes adopted will go into effect starting in 2028.