

**Projected Available Funds for 2020 Grants**

	<b>Status Quo<sup>1</sup></b>	<b>Scenario 1<sup>2</sup></b>	<b>Scenario 2<sup>3</sup></b>
<b>A. Revenue - January through December 2019</b>			
Jan-March actual IOLTA Revenue	\$ 10,851,720	\$ 10,851,720	\$ 10,851,720
April-Dec projected IOLTA Revenue	32,555,160	30,384,816	30,384,816
Justice Gap Funds including cy pres	1,000,000	1,000,000	1,000,000
Fee Statement Contributions	6,000,000	6,000,000	6,000,000
Projected Interest & Tax Intercept Funds	250,000	250,000	250,000
<b>Total Revenue:</b>	<b>50,656,880</b>	<b>48,486,536</b>	<b>48,486,536</b>
<b>B. Expenses - January through December 2019</b>			
IOLTA Grant Distributions - 2019	27,463,024	27,463,024	27,463,024
Administration, Net of EAF & Bank Settlement	2,100,000	2,100,000	2,100,000
<b>Total Expenses:</b>	<b>29,563,024</b>	<b>29,563,024</b>	<b>29,563,024</b>
<b>C. Projected 2019 Revenue less Grants &amp; Admin Expenses</b>	<b>\$ 21,093,856</b>	<b>\$ 18,923,512</b>	<b>\$ 18,923,512</b>
<b>D. Projected Net Assets at December 2019</b>			
Available Net Assets at 12/31/2018	24,082,586	24,082,586	24,082,586
Projected Revenue over Expenses 2019	21,093,856	18,923,512	18,923,512
<b>Projected 2019 Ending Net Assets:</b>	<b>\$ 45,176,442</b>	<b>\$ 43,006,098</b>	<b>\$ 43,006,098</b>
<b>E. 2020 Projected Revenue &amp; Expenses</b>			
IOLTA Revenue	43,406,880	39,066,192	34,768,911
Justice Gap Revenue	850,000	850,000	850,000
Fee Statement Contributions - assume decrease	4,000,000	4,000,000	4,000,000
Interest Income & Tax Intercept Funds	250,000	250,000	250,000
Administration, Net of EAF & Bank Settlement	(2,100,000)	(2,100,000)	(2,100,000)
<b>2020 Revenue after Administrative Expenses:</b>	<b>46,406,880</b>	<b>42,066,192</b>	<b>37,768,911</b>
<b>Projected 2019 Ending Net Assets:</b>	<b>45,176,442</b>	<b>43,006,098</b>	<b>43,006,098</b>
<b>Funds Available:</b>	<b>\$ 91,583,322</b>	<b>\$ 85,072,290</b>	<b>\$ 80,775,009</b>
<b>F. Grants</b>			
Grant distribution 2019 (baseline)	27,463,024	27,463,024	27,463,024
5% of 2019 Grants to Programs	1,373,151	1,373,151	1,373,151
Remainder Split between Reserve/Cash and Grants	30,000,423	26,744,907	24,596,266
<b>Total 2020 Grants:</b>	<b>\$ 58,836,598</b>	<b>\$ 55,581,082</b>	<b>\$ 53,432,441</b>
<b>Percentage Increase over 2019 Grant Allocation:</b>	<b>114%</b>	<b>102%</b>	<b>95%</b>
<b>G. Reserve/Cash on Hand/Net Assets</b>			
10% of 2019 Grants to Stabilization Reserve	2,746,302	2,746,302	2,746,302
Remainder Split between Reserve/Cash and Programs	30,000,423	26,744,907	24,596,266
<b>Projected Reserve/2020 Ending Net Assets:</b>	<b>\$ 32,746,728</b>	<b>\$ 29,491,209</b>	<b>\$ 27,342,568</b>
<b>Reserve as Percentage of 2020 Grants<sup>4</sup>:</b>	<b>56%</b>	<b>53%</b>	<b>51%</b>

<sup>1</sup> Status quo means that the State Bar's income from legal trust accounts will remain constant throughout 2019 and 2020.

<sup>2</sup> Scenario 1 includes a 10% decrease in State Bar's income from legal trust accounts beginning July 1, 2019 based on federal funds rate reduction of 0.25% in June 2019. The 10% decrease, from the current rate of 2.5% is projected to continue throughout 2020.

<sup>3</sup> Scenario 2 includes the same 10% decrease in 2019 as described in note 2 plus an additional 11% decrease effective January 1, 2020. This second decrease based on a federal funds rate reduction of another 0.25% in December 2019.

<sup>4</sup> Materials from the March 2006 Board of Governors meeting indicate that reserves should be maintained between 30% and 75% of current grant amounts.