

**Meeting of the Eligibility and Budget Review Committee
of the Legal Services Trust Fund Commission (LSTFC)**

Meeting Summary and Action Items

Friday, November 13, 2020

10:00 a.m. – 12:00 p.m.

Zoom Conference

OPEN SESSION

Chair Eric Isken called the meeting to order at 10:00 a.m.

I. ROLL CALL

Roll was called and quorum was established.

Committee Members

Chair Eric Isken
Banafsheh Akhlaghi
Louise Bayles-Fightmaster
Pamela Bennett
Erica Connolly
Herman L. DeBose
Zahirah Mann
James Meeker
Kim Savage

State Bar Staff

Doan Nguyen
Erica Carroll
Dan Passamaneck

II. Call for Public Comment

Chair Isken invited members of the public to comment on any items on the agenda. No comments were offered.

III. Consent

A. Approval of Meeting Summaries and Action Items from August 6, 2020 Meeting and October 28, 2020 meeting

Chair Isken asked if any Committee members requested any changes to, or discussion of, these items, and if there was any objection to addressing them both with a single motion. Hearing none, the Chair invited a motion to approve the meeting summary and action items from both meetings. The motion was passed by unanimous roll call vote (Meeker moved, Bennett seconded; DeBose abstained as to the August 6 meeting).

IV. Update on Senior Citizens Legal Services' Progress Toward Fiscal and Governance Goals Identified During 2020 Eligibility Review

Commission Member Connolly reported on a meeting with board members and the new Executive Director of Senior Citizens Legal Services (SCLS). Concerns with this organization began with a 2018 monitoring visit, which together with a late-submitted audit, led to an initial finding of ineligibility for 2020 grants. After SCLS appealed that determination, the Commission found SCLS eligible but required their executive director and board to meet with State Bar representatives to review their progress toward addressing the governance and fiscal oversight concerns identified during eligibility review. The first such meeting with SCLS was held in January, and the second in July; this third meeting was held November 10. Tanya Ridino, the new executive director at SCLS, provided a detailed update of plans for fundraising, oversight, and systems to ensure timely submission of required documentation. After discussion, it was determined that further follow-up would be conducted through the upcoming IOLTA application review process, and during the organization's next monitoring visit, which is scheduled to take place in 2021.

V. Discuss and Recommend Approval of IOLTA And EAF Budgets for Grant Year 2021

A. Review and Discuss Remaining Budget-Related Issues Raised by Neighborhood Legal Services and Law Foundation of Silicon Valley

At its October 28 meeting, the Committee reserved approval of budgets from two organizations: Neighborhood Legal Services, and the Law Foundation of Silicon Valley.

Neighborhood Legal Services sought to use \$25,000 of IOLTA funding for office space improvements. Staff reported that this construction is intended to increase storage space and improve sound control and privacy; the organization is considering buying the property after its lease expires; and they were unable to secure other funding for this project. Given these facts, staff recommended approval of this use of these funds. Committee members who had previously requested more information regarding the use of funds reported that this more detailed summary satisfied their concerns.

The Law Foundation of Silicon Valley (LFSV)'s Directing Attorney provided public comment at the committee's last meeting about using IOLTA funds to provide representation in juvenile dependency cases, which raised concerns about double-funding positions. The organization has since revised its budget proposal to use these funds to support a social worker position that is not covered by their contract for dependency legal services. The budget narrative explains that social workers are part of LFSV's interdisciplinary and holistic model and contribute to better legal outcomes for clients. The Committee has previously approved funding social work positions that meet the same criteria at other organizations, such as Dependency Advocacy Center. Given these facts, staff recommended approval of this use of these funds.

B. Recommend Approval of Remaining 2021 IOLTA/EAF Budgets to Legal Services Trust Fund Commission

The Chair invited a motion to approve the above-mentioned use of funds and recommend that the Commission approve the budgets from Neighborhood Legal Services and the Law Foundation of Silicon

Valley. The motion was passed by unanimous roll call vote (Akhlaghi moved; Isken seconded; Bennett abstained as to Law Foundation of Silicon Valley).

VI. 2020 IOLTA/EAT Budget Revision and Carryover Requests

A. Update on Requests Received

Staff reported that 33 requests had been received to carry over or revise budgets in amounts exceeding 25 percent of their total respective grant awards, requiring Commission approval. Many organizations cited Paycheck Protection Program loans as a reason for their requests, as well as a desire to prepare for anticipated reductions in IOLTA grant funding.

Six of the requests concerned sums exceeding 50 percent of the grant; staff deferred these for committee consideration without a recommendation, as they exceeded the amount the Committee has traditionally approved, but during discussion, staff ultimately recommended approval of all requests given current circumstances and the Commission's recent messaging encouraging carryover requests.

B. Discuss and Recommend Approval of 2020 Budget Revisions and Carryover Requests in Excess of 25 Percent of 2020 Grant Award to Legal Services Trust Fund Commission

The Committee discussed the factors impacting carryover and budget revision requests, and some of the specific budgeting proposals. Staff noted that it is important for the Committee to look at the dollar amount, rather than just the award percentage, when scrutinizing these requests. Senior Program Analyst Erica Carroll provided an example where a small organization asked to carry over 88 percent of its IOLTA award, but this amounted to less than \$50,000, whereas a very large organization only had a carryover of approximately 30 percent, but the dollar amount was over \$1 million.

Program Supervisor Doan Nguyen also reported that organizations will need to know soon whether next year's carryover policy will be similarly flexible; that question will require further discussion early in 2021. Based on the variability in award amounts, one option under consideration would provide an alternative standard that considers both the percentage and the amount being carried over, allowing the carry over of larger percentages of small grants, but only smaller percentages of large grants. Staff will analyze how a stricter carryover policy could impact the amount available for IOLTA distribution in 2022, and will provide more information on the restrictions on PPP loans.

The Chair then invited a motion to recommend that the Commission approve all budget revision and carryover requests as memorialized in the meeting materials, and also the six requests deferred for approval in the materials, for expenditure over the full year of 2021, due to the COVID 19 emergency. The motion passed by unanimous roll call vote (Akhlaghi moved, Friedman seconded; Mann abstained as to Disability Rights California and Legal Aid Society of San Bernardino).

C. Next Steps: Release of Grant Agreements; Overview of 2021 Calendar

Staff provided an overview of the timeline for 2021 application review and meetings. This Committee's first 2021 meeting is scheduled for February 26. If needed, an adjustment to the application review timeline may be added to the agenda for that meeting.

Trust Fund Commission Chair and Eligibility and Budget Review Committee Member Akhlaghi acknowledged Committee Chair Isken's apt leadership as his last meeting closed. The incoming chair of this Committee will be Erica Connolly.

VII. Adjourn

There being no further business before the Committee, the meeting was adjourned at 11:10 a.m.