

LEGAL SERVICES TRUST FUND COMMISSION MEETING

Meeting Summary and Action Items

Friday, June 25, 2021, 12:00 p.m. – 4:00 p.m.
State Bar of California (Conference Call via Zoom)

Roll Call

Members Present

Co-Chair Banafsheh Akhlaghi
Co-Chair Eric Isken
Co-Vice Chair Richard Reinis
Co-Vice Chair Kim Savage
Jeff Ball
Louise Bayles-Fightmaster
Pamela Bennett
Catherine Blakemore
Will Boschelli
Herman DeBose
Zahirah Mann
James Meeker
Bob Planthold
Christina Vanarelli

Advisors

Judge Lisa R. Jaskol
Judge Brad Seligman

Liaisons

Salena Copeland
Christine Gonong
Bonnie Hough
Mark Toney

Public Members

Jason Coleman
Katie Dixon
Sabrina Forte
Andie Grossman
Lorin Kline
Becky Moskowitz

Staff

Doan Nguyen
Carolina Almarante
Erica Carroll
Michael Cheng
Brady Dewar

Members Absent

Amin Al-Sarraf
Kim Bartleson
Erica Connolly
Rebecca Delfino
Corey Friedman
Chris Schreiber

OPEN SESSION

Co-Chair Akhlaghi called the meeting to order at 12:02 p.m.

I. ROLL CALL

Roll call was taken, and quorum was established.

II. CALL FOR PUBLIC COMMENT

Co-Chair Akhlaghi invited members of the public to comment on any items on the agenda. The following comment(s) were made:

Supervising Attorney, Becky Moskowitz of Law Foundation of Silicon Valley spoke in favor of including expungement and similar services as part of IOLTA/EAF applicants' qualified expenditures and permitting the use of IOLTA/EAF funds to provide these services. She stated that expungement and related work is critical to expanding racial equity and eliminating barriers to housing.

Andie Grossman of Bet Tzedek voiced support for the staff recommendation to allow expungement and infractions work to count as part of qualified expenditures and said these services are essential to supporting transition-age youth. She noted that the time investment to

provide these services has a big impact for clients and consequences in their civil cases (employment, housing, etc.).

Katie Dixon from Legal Aid at Work spoke next about the importance of expungement work, noting that collateral consequences present serious barriers—such as a lifetime ban on voting or 3-5 years loss of access to public benefits—if clients don’t have access to these remedies. She also cited occupational and licensing restrictions that would remain in place without this assistance.

Salena Copeland of Legal Aid Association of California commented in support of the written and verbal comments from the legal aid community and staff recommendation.

Sabrina Forte from Alliance for Children’s Rights also voiced support for the staff recommendation and noted that expungement and related services are essential to removing civil legal barriers that keep children and families in poverty. She stated that her organization would support any future efforts to allow use of IOLTA/EAF funds towards this work.

Jason Coleman from Community Legal Aid SoCal spoke last and echoed support for the staff recommendation to include expungement and related services as part of IOLTA/EAF applicants’ qualified expenditures.

The Commission then entered closed session at 12:19 p.m. Upon returning from closed session at 1:05 p.m., roll call was taken and quorum established.

III. CONSENT

A. Approval of Meeting Summary and Action Items from February 26, 2021 Meeting

Commissioner Bayles-Fightmaster noted that she was present at the February meeting but left off the roll call count. The Commission approved the February 26, 2021 meeting summary and action items after the addition of Commissioner Bayles-Fightmaster. The summary and action items were approved by majority roll call vote (Planthold moved, Bennett seconded). The vote was as follows:

Yes (13): Akhlaghi, Isken, Reinis, Savage, Ball, Bayles-Fightmaster, Bennett, Blakemore, DeBose, Mann, Meeker, Planthold, Vanarelli

No (1): Boschelli

Abstain (0)

B. Correction to Meeting Summary and Action Items from the November 13, 2020 Meeting

Program Manager Nguyen noted that there were some administrative errors in both the November and December 2020 meeting summaries and action items, which staff has corrected and presented in the updated documents submitted for Commission review.

The Commission approved the November 13, 2020 meeting summary and action items with incorporated corrections by unanimous roll call vote (Planthold moved, Ball seconded).

C. Correction to Meeting Summary and Action Items from the December 15, 2020 Meeting

The Commission approved the December 15, 2020 meeting summary and action items with incorporated corrections. The summary and action items were approved by majority roll call vote (Isken moved, Blakemore seconded). The vote was as follows:

Yes (13): Akhlaghi, Isken, Reinis, Savage, Ball, Bayles-Fightmaster, Bennett, Blakemore, DeBose, Mann, Meeker, Planthold, Vanarelli

No (1): Boschelli

Abstain (0)

IV. UPDATES ON GRANTS ADMINISTRATION

A. Update on 2021 Monitoring Visits

Nguyen reported that monitoring visits are ongoing and all commissioners were invited to participate. The remote monitoring visit process, which occurs over Zoom, is anticipated to continue through at least the end of the year.

B. Update from Eligibility and Budget Review Committee

Senior Program Analyst Erica Carroll provided an update on treatment of expungements, infractions, and related services in the 2022 IOLTA/EAF application. Carroll shared some of the research that indicated these services are criminal legal services but nonetheless could count toward an applicant's grant award. However, IOLTA/EAF funds could not be used to support this work. She shared that staff's planned course of action would be consistent with these conclusions for this grant cycle.

C. Update Regarding Provisional Licensed Lawyer (PLL) Grants

Nguyen reported on the PLL timeline, noting that the first payment will go out in August 2021, with a second payment early next year. The Commission's Executive Committee approved funding for 20 projects, and Nguyen provided a summary of the process, noting that most programs received approximately \$68,000 with a grant term of 12 or 13 months. Staff projected that \$1.36 million will be available to fund these grants.

D. Report on 2020 Annual Legal Services Trust Fund Program Audit Report

Senior Financial Analyst Michael Cheng presented on the result of the Legal Services Trust Fund Program's internal audit as part of the larger State Bar audit. Auditors reviewed grant payments for 40 grantees, which is a significant portion of the current 100 recipients. Auditors identified an area for improvement with the State Bar's revenue and expense reconciliation process. Nguyen noted that this was in relation to the larger audit, but that it had implications for the Legal Services Trust Fund Program, despite that audit having no particular findings. Cheng provided updates on the increased controls that have been put in place in response to the

finding, including more frequent meetings across offices, and hiring of key finance personnel. Nguyen stated that Office of Access & Inclusion will meet internally on a quarterly basis to ensure everything is reconciled and resolve any future issues.

In response to a commissioner's question about the audit, Program Supervisor Carolina Almarante clarified that the finding was not necessarily a legal requirement but rather a policy recommendation for improved practices.

E. Update on Legal Aid Funding

Nguyen requested to table this item as it related to the IOLTA distribution item discussed next.

V. BUSINESS

A. Approval of 2022 IOLTA Distribution and Recommendation to the Board of Trustees

Nguyen and Almarante presented regarding the options for distribution of IOLTA funds during the 2022 grant cycle. Nguyen provide background on IOLTA accounts and how revenue and reserve are calculated. Almarante explained the various factors that went into determining 2022 projections (low interest rates that are not anticipated to rise until 2023; assumption that amounts on deposit in IOLTA accounts will remain fairly constant; awareness that banks are reconsidering the current interest rates they offer, etc.). Commissioner Ball concurred that interest rates are anticipated to rise, but not immediately. Commissioner Reinis noted that the amount on deposit may have remained stable for longer because court cases and negotiations were on hold for much of the last year, but now that cases are moving forward again, it may be the case that balances remain constant.

Almarante provided three possible scenarios based on aggressive, moderate, and conservative projections for 2021 revenue. Commissioner Planthold asked about the possibility to alter course if, for example, later in the year it appeared that projections are better or worse than expected. Nguyen responded that it would likely not be possible due to timing concerns—the need to calculate individual grant awards and prepare agreements. Nguyen also provided information regarding possible additional funding that might be expected through the state budget in the next few months and whether that funding is short-term or sustained. Staff ran calculations for different reserve amounts based on questions and requests from the Commission and were encouraged to look at three-year averages in the future to get a better sense of funding needed, because individual years may experience anomalous fluctuations. The Commission engaged in discussion about the various alternatives presented, the pros and cons of each option, and the priorities that commissioners had in mind when making decisions.

The Commission moved to adopt staff's recommendation of a 2022 IOLTA distribution in the amount of \$35,487,840 with a projected reserve of \$11,747,500, making this same recommendation to the Board of Trustees (Blakemore moved, Ball seconded). The motion was approved by unanimous roll call vote.

B. Approval of Recommendation from Partnership Grants Committee for 2022 Funding

Nguyen reported that the Partnership Grants Committee met on June 18 to discuss recommendations for 2022 but needed more information related to one applicant before making a decision. As a result, the committee scheduled an ad hoc meeting for July and will have a recommendation at the Commission's next meeting in August.

VI. LIAISON REPORTS

A. LSTFC Related Updates from the Board of Trustees

Mark Toney of the Board of Trustees shared the news that Leah Wilson had been hired as the State Bar's next Executive Director. She will be meeting with each of the trustees individually, and all are looking forward to meeting in person at the next board meeting.

B. LSTFC Related Updates from Judicial Council

Bonnie Hough of the Judicial Council reported that she did not have an update as information is still forthcoming regarding the state budget and possible increase to Equal Access Funds.

C. LSTFC Related Updates from Legal Aid Association of California (LAAC)

Salena Copeland of LAAC echoed Bonnie's statements that there has been significant activity in the Legislature with Equal Access Funds, and LAAC has been responding to many questions from the Legislature, Department of Finance, and the governor's office. She commended the Commission for its efforts, as its stewardship of current funds was taken into consideration when deciding which organization would administer additional funding.

VII. ADJOURN

There being no other business, the meeting was adjourned at 2:52 p.m.