



Date: August 13, 2021

To: Members, Legal Services Trust Fund Commission

From: Erica Carroll, Senior Program Analyst

Subject: IOLTA and EAF Funding for Grant Year 2022

EXECUTIVE SUMMARY

Interest on Lawyers' Trust Accounts (IOLTA) and Equal Access Fund (EAF) grants are awarded to approximately 100 qualified legal services projects (QLSP) or support centers (SC) each year to support the provision of free civil legal aid in California to indigent persons. These grants must comply with criteria set forth in Business & Professions Code (B&P) sections 6210-6228 (referred to as the IOLTA statute), State Bar Rules, and Eligibility Guidelines for Legal Services Projects and Support Centers.

This year, the Office of Access & Inclusion (OA&I) received 108 applications for IOLTA and EAF funding for grant year 2022. There were 100 renewal applications and eight new applications for funding. Two new applicants subsequently withdrew, leaving six new applicants.¹ Eighty-four applicants are seeking funding as QLSPs and 22 as SCs. Staff recommends that the Legal Services Trust Fund Commission (Commission) find 103 applicants eligible for IOLTA and EAF for grant year 2022 and find three applicants ineligible for IOLTA and EAF funding for grant year 2022.² The Eligibility & Budget Review Committee (Committee) further recommends finding 17 organizations eligible for a pro bono allocation and two ineligible in 2022.

BACKGROUND

IOLTA and EAF grants are awarded to approximately 100 QLSPs and SCs each year. QLSPs

¹ The two applicants that withdrew were the Center for Immigrant Protection (dba The LGBT Asylum Project) and Tommy Group.

² The Eligibility & Budget Review Committee will review and vote on these recommendations the morning of August 13. Should there be any deviation from the recommendation, the Committee will provide an oral update to the Commission at its August 13 afternoon meeting.

provide free civil legal aid in California to indigent³ persons, and SCs provide legal training, technical assistance, and advocacy support to the organizations that directly serve indigent persons. Although IOLTA and EAF grants are separate sources of funding, there is one combined application for both IOLTA and EAF grants.

IOLTA funds are mainly generated from interest accrued on lawyers' trust accounts, while EAF funds are included in the State's annual budget act as part of the judicial branch budget. The IOLTA statute is the primary governing authority that defines how IOLTA funds are generated and distributed. The vast majority of EAF funds are also distributed using the IOLTA formula. IOLTA and EAF grants are both governed by the IOLTA statute, State Bar Rules, and Eligibility Guidelines for LSPs and SCs. Organizations may apply for IOLTA and EAF funding as both a QLSP and SC but will only receive funding for one or the other.⁴

QLSPs must have a primary purpose to provide free civil legal aid to indigent individuals to be eligible for funding. QLSPs may apply for funding in each county in which they provide these services. IOLTA and EAF grant amounts are based on a QLSP's qualified expenditures (the amount spent on the delivery of free civil legal aid to eligible individuals) for the previous fiscal year in each county for which it is applying for funding. If a QLSP's primary purpose is the delivery of these services through pro bono volunteers, it may apply for an additional pro bono allocation for those counties.

SCs must have a primary purpose to provide support services to QLSPs and the broader legal aid community statewide to be eligible for funding. SCs apply for IOLTA and EAF grants on a statewide basis. The total amount of IOLTA and EAF funds available for distribution to SCs each year is determined by the IOLTA formula and is then split equally among all eligible SCs.

Grant Year 2022 Application Process and Next Steps

OA&I received 106 applications for IOLTA and EAF funding for grant year 2022, including 100 renewal applications and six new applications for funding. Eighty-four applicants seek funding as QLSPs and 22 as SCs. See Attachment A for a list of IOLTA and EAF funding applicants for grant year 2022, with recommendations regarding funding eligibility for each.

IOLTA/EAF funding applications were due on May 14, 2021 at 5 p.m. The purpose of the IOLTA and EAF application review is to determine if applicants 1) meet primary purpose; 2) have

³ Per the IOLTA statute, indigent includes a person 1) whose income is not higher than 125 percent of the federal poverty threshold, or 2) eligible for Supplemental Security Income or free services under the Older Americans Act (seniors 60+) or Developmentally Disabled Assistance Act (B&P 6213(d)). Legislation is pending to raise the income threshold to 200 percent of the federal poverty level. However, even if approved, this would not affect the current income eligibility standard for 2022 funding.

⁴ An organization submitting two applications must designate its primary application. The secondary application will only be considered if the applicant does not qualify under the primary application. State Bar Rule 3.680(D).

identified appropriate qualified expenditures; and 3) have adequate quality controls in place, as determined by the State Bar, to ensure proper oversight and service delivery. Staff completes an initial review of grant applications and presents recommendations to the Committee, which makes recommendations to the full Commission for a final determination.

At its June 25, July 16, and August 13 meetings, the Committee reviewed and discussed issues raised by staff and made eligibility recommendations. The Committee also requested Eligibility Review Conferences for the following three new/currently unfunded applicants: (1) Catholic Charities Diocese of San Diego, (2) Community Lawyers, Inc., and (3) East Bay Family Defenders.

Once the Commission approves eligibility for 2022 grants, OA&I will run the IOLTA formula and release to applicants their tentative award allocations for 2022, as well as budget proposal forms. The information is scheduled to be released on August 20 with the budget proposals due September 21. The Committee is then scheduled to reconvene on November 4 to discuss any substantive issues related to budget proposals. The Commission will meet on November 17 to approve award allocations in light of the analysis of the budget proposals.

DISCUSSION

The IOLTA and EAF application review process consists of several components. Staff reviews IOLTA and EAF applications to ensure they meet eligibility requirements and that applicants accurately report their expenditures in order to calculate grant awards. Threshold issues include whether organizations meet primary purpose (as discussed above) and have submitted acceptable audits or financial reviews to confirm their expenditures in the prior year.

A careful review of the organization's activities and reported expenses helps staff determine if deductions are required from organizations' qualified expenditures—the expenditures upon which primary purpose is determined and grant awards are based (in the case of QLSPs). When concerns arise that an applicant fails to meet threshold requirements, staff works with the Committee to schedule an Eligibility Review Conference with the applicant to discuss its qualifications. This year, three conferences were held. The IOLTA statute also requires SCs not in existence prior to December 31, 1980 to participate in a deeming process every three years, where a majority of QLSPs must agree that the SC is of "special need." Staff administers this deeming process through a survey to all QLSPs.

Finally, the IOLTA statute provides for additional funding for QLSPs that apply and qualify for a pro bono allocation in one or more counties where they receive funding.

In addition to the total number of applicants recommended as eligible for funding to the Committee and then the Commission, staff also reports out and recommends action to the Committee throughout the application process, as summarized below.

A. Pro Bono Allocation

An additional pro bono allocation is available to grantees whose “principal means” for the delivery of legal services is through pro bono attorneys who provide free legal representation to indigent persons or to qualified legal services projects in California (Business and Professions Code section 6216(b)(1)(B)). There are 19 applicants for the pro bono allocation for grant year 2022, some in multiple counties. (Attachment B.)

The Eligibility Guidelines for Legal Services Projects (Guidelines) set forth the criteria for QLSPs to qualify for pro bono allocations. The Commentary in Guideline 2.6.3.1 requires that applicants meet a “substantial numbers” threshold test to qualify for the pro bono allocation. The threshold requires the applicant to have “recruited at least 30 attorneys who provided services in the previous calendar year,” or the applicant to have “recruited at least 5 percent of the licensed attorneys in the county in the previous calendar year,” or that the attorneys recruited “donated at least 1,000 hours of legal services for clients in the previous calendar year.” This year, 18 applicants met this threshold test, and one did not.

If an applicant satisfies this threshold requirement, the commentary in Guideline 2.9.2 sets forth the additional requirement that the applicant utilize private attorneys as its “principal means” of providing legal services. QLSPs can demonstrate that they meet this requirement in one of three ways:

1. Confirm that the number of service hours provided by volunteer attorneys exceeded the number of service hours worked by staff attorneys in the previous calendar year (Test A);
2. Establish through a formula involving volunteer attorney and paralegal hours compared with staff attorney and paralegal hours that they meet the requirements. The applicant must show: (1) that the attorneys recruited actually provided substantial free civil legal services; (2) that the combined number of hours of service by volunteers, both attorneys and paralegals, exceeds the combined number of hours of service by staff attorneys and paralegals; and (3) that the number of hours of service by volunteer attorneys is more than half as many as the combined number of hours of service by staff attorneys and paralegals (Test B); or
3. Provide a narrative explanation for its method of calculating the delivery of services through volunteer attorneys (Test C).

Applicants that meet Tests A or B do not require Committee review; it is longstanding office practice that only applicants requesting an allocation under Test C are elevated to the Committee and then the Commission.

Thirteen applicants applied for the pro bono allocation under Test C,⁵ and the Committee recommends that the Commission find all applicants eligible except for Inland Empire Latino Lawyers Association, Inc. (IELLA) and Learning Rights Law Center (LRLC). IELLA failed to meet the threshold test, and LRLC, applying for the pro bono allocation for the first time, was determined not to have met the requirements of showing that pro bono was its principal means of service delivery. (See Attachment B.)

B. Support Center Deeming

By statute, SCs not providing services in California before December 31, 1980 must be “deemed to be of special need by a majority of the qualified legal services projects.” The Office of Access & Inclusion implements a deeming process for every SC that was not in existence as of that date on a rolling three-year basis (Business & Professions Code §6215).

This year, the SCs to be deemed are:

- 1) California Advocates for Nursing Home Reform
- 2) California Women’s Law Center
- 3) Public Interest Law Project
- 4) Worksafe, Inc.

At the close of the voting period on August 3, 67 of 78 QLSPs submitted votes, and all four SCs were deemed to be of special need.

C. Eligibility Review Conferences

Staff and Committee members conducted Eligibility Review Conferences (ERCs) for the following three new/currently unfunded applicants: (1) Catholic Charities Diocese of San Diego; (2) Community Lawyers, Inc.; and (3) East Bay Family Defenders.

Following the ERCs, Community Lawyers, Inc. is recommended as eligible for funding, and Catholic Charities Diocese of San Diego and East Bay Family Defenders are recommended ineligible for 2022 IOLTA/EAF funding. Memoranda regarding the ERCs are attached for the Commission’s consideration.⁶ (Attachment C.)

⁵ The six remaining organizations meet either Test A or B and are deemed eligible for the allocation, pending any other general IOLTA/EAF grant eligibility issues.

⁶ These are the memoranda provided by the Committee working groups to the full Eligibility & Budget Review Committee. The full Committee will meet and discuss these ERCs on the morning of August 13. If for any reason the full Committee disagrees with the rationale and/or declines to adopt the recommendations in the attached memoranda, a detailed update will be provided to the Commission before a final vote on 2022 eligibility determinations.

D. Submission of Late Audited or Reviewed Financial Statement

Business and Professions Code section 6222 and State Bar Rule 3.680(E)(1) require organizations applying for IOLTA grants to submit “an audited financial statement by an independent certified public accountant for the fiscal year that concluded during the prior calendar year” as part of a “timely and complete” application. Organizations with gross expenditures of less than \$500,000 may submit a financial review in lieu of an audit (State Bar Rule 3.80(E)(1)). This is necessary to confirm the organization’s qualified expenditures for the purposes of determining eligibility and ultimately the amount of any grant award. According to the Schedule of Charges and Deadlines, the audit or financial review is due “no later than May 1.”⁷

Staff has discretion to grant an extension up to the application deadline, and the Commission has the authority to grant an extension to submit the audited or reviewed financial statement past the application deadline upon a showing of extraordinary circumstances.⁸ However, the audit or financial review must be submitted before staff calculates grant allocations.

The Committee granted extension requests to eight applicants to submit their financial audits or reviews by August 2, 2021. Two applicants were unable to comply with that deadline:

(1) Family Legal Assistance at CHOC Children’s, which reported that it would not be able to submit its reviewed financial statement or comply with other application requirements in time for staff and the Committee to assess its application;⁹ and

(2) Harriett Buhai Center for Family Law, which experienced multiple delays in its audit. At the time of writing this memorandum, staff was working with this organization to determine if it would be possible to submit the finalized audit prior to the August 13 meeting. Staff and the Committee will provide an update if further action is needed by the Commission.

RECOMMENDATIONS

It is recommended that the Legal Services Trust Fund Commission approve the following resolutions:

⁷ In the past, applications were due in February and audits were due within 60 days of the application deadline. A revision to State Bar Rule 3.680(E)(1) and the Schedule of Charges and Deadlines went into effect in January 2019, streamlining the process to require all applicants to submit their audits no later than May 1 or seek an extension.

⁸ By action of the Commission, the Committee has been delegated the authority to grant extensions related to late audited or reviewed financial statements.

⁹ CHOC has not proceeded with its application, nor has it withdrawn. Consequently, CHOC is recommended as ineligible for 2022 funding.

RESOLVED, that the Legal Services Trust Fund Commission finds 17 organizations eligible for a pro bono allocation and two organizations ineligible in 2022 (see Attachment B); and it is

FURTHER RESOLVED, that the Legal Services Trust Fund Commission finds the following three programs **ineligible** for IOLTA and EAF funding for grant year 2022: (1) Catholic Charities Diocese of San Diego; (2) East Bay Family Defenders; (3) Family Legal Assistance at CHOC Children's; and it is

FURTHER RESOLVED, that the Legal Services Trust Fund Commission finds that the remaining 103 applicants, listed in Attachment A, **eligible** for IOLTA and EAF funding for grant year 2022.¹⁰

ATTACHMENTS LIST

- A.** List of Applicants Recommended as Eligible or Ineligible for IOLTA and EAF Funding for Grant Year 2022
- B.** List of Applicants Recommended as Eligible or Ineligible for a Pro Bono Allocation for Grant Year 2022
- C.** Eligibility Review Conference Memoranda for the following three new applicants:
 - 1) Catholic Charities Diocese of San Diego
 - 2) Community Lawyers, Inc.
 - 3) East Bay Family Defenders

¹⁰ Should Harriett Buhai Center for Family Law fail to submit its finalized audit prior to this meeting date, staff's recommendation would be to tentatively find the organization eligible for funding, with a set date for receipt of the finalized audit and upon condition that the tentative grant allocation be adjusted downward if the reported expenditures are lower in the finalized audit.

2022 IOLTA/EAF Applicants Recommended as Eligible or Ineligible					
#	Organization	Funding Opportunity	Recommendation	Note	Applying for Pro Bono
Legal Services Projects					
1	Advancing Justice - Asian Law Caucus	IOLTA/EAF LSP	Eligible		
2	Affordable Housing Advocates	IOLTA/EAF LSP	Eligible		
3	Aids Legal Referral Panel	IOLTA/EAF LSP	Eligible		
4	Alameda County Homeless Action Center	IOLTA/EAF LSP	Eligible		
5	Alliance for Children's Rights	IOLTA/EAF LSP	Eligible		Yes
6	Asian Americans Advancing Justice - Los Angeles	IOLTA/EAF LSP	Eligible		
7	Asian Pacific Islander Legal Outreach	IOLTA/EAF LSP	Eligible		
8	Bay Area Legal Aid	IOLTA/EAF LSP	Eligible		
9	Bet Tzedek Legal Services	IOLTA/EAF LSP	Eligible		Yes
10	California Indian Legal Services	IOLTA/EAF LSP	Eligible		
11	California Rural Legal Assistance, Inc.	IOLTA/EAF LSP	Eligible		
12	Capital Pro Bono Inc.	IOLTA/EAF LSP	Eligible		Yes
13	Casa Cornelia Law Center	IOLTA/EAF LSP	Eligible		Yes
14	Catholic Charities Diocese of San Diego	IOLTA/EAF LSP	Ineligible	NEW	
15	Central California Legal Services	IOLTA/EAF LSP	Eligible		
16	Centro Legal de la Raza	IOLTA/EAF LSP	Eligible		
17	Chapman University	IOLTA/EAF LSP	Eligible		
18	Community Lawyers Inc.	IOLTA/EAF LSP	Eligible	NEW	
19	Community Legal Aid SoCal	IOLTA/EAF LSP	Eligible		
20	Community Legal Services in East Palo Alto	IOLTA/EAF LSP	Eligible		Yes
21	Contra Costa Senior Legal Services	IOLTA/EAF LSP	Eligible		
22	Dependency Advocacy Center	IOLTA/EAF LSP	Eligible		
23	Disability Rights California	IOLTA/EAF LSP	Eligible		
24	Disability Rights Legal Center	IOLTA/EAF LSP	Eligible		Yes
25	East Bay Community Law Center	IOLTA/EAF LSP	Eligible		
26	East Bay Family Defenders	IOLTA/EAF LSP	Ineligible	NEW	
27	Elder Law & Advocacy	IOLTA/EAF LSP	Eligible		
28	Eviction Defense Collaborative	IOLTA/EAF LSP	Eligible		
29	Family Legal Assistance at CHOC Children's	IOLTA/EAF LSP	Ineligible		
30	Family Violence Law Center	IOLTA/EAF LSP	Eligible		
31	Greater Bakersfield Legal Assistance	IOLTA/EAF LSP	Eligible		
32	Harriett Buhai Center for Family Law	IOLTA/EAF LSP	Eligible		Yes
33	Housing and Economic Rights Advocates	IOLTA/EAF LSP	Eligible		
34	IEP Collaborative, Inc.	IOLTA/EAF LSP	Eligible	NEW	
35	Inland Counties Legal Services	IOLTA/EAF LSP	Eligible		
36	Inland Empire Latino Lawyers Association, Inc.	IOLTA/EAF LSP	Eligible		Yes
37	Inner City Law Center	IOLTA/EAF LSP	Eligible		
38	Justice & Diversity Center of the Bar Association of San Francisco	IOLTA/EAF LSP	Eligible		Yes
39	La Raza Centro Legal	IOLTA/EAF LSP	Eligible		
40	LACBA Counsel for Justice	IOLTA/EAF LSP	Eligible		Yes
41	Law Foundation of Silicon Valley	IOLTA/EAF LSP	Eligible		
42	Lawyers' Committee for Civil Rights	IOLTA/EAF LSP	Eligible		Yes
43	Learning Rights Law Center	IOLTA/EAF LSP	Eligible		Yes
44	Legal Access Alameda	IOLTA/EAF LSP	Eligible		Yes
45	Legal Aid at Work	IOLTA/EAF LSP	Eligible		
46	Legal Aid Foundation of Los Angeles	IOLTA/EAF LSP	Eligible		
47	Legal Aid Foundation of Santa Barbara County	IOLTA/EAF LSP	Eligible		
48	Legal Aid of Marin	IOLTA/EAF LSP	Eligible		
49	Legal Aid of Sonoma County	IOLTA/EAF LSP	Eligible		
50	Legal Aid Society of San Bernardino	IOLTA/EAF LSP	Eligible		Yes
51	Legal Aid Society of San Diego	IOLTA/EAF LSP	Eligible		
52	Legal Aid Society of San Mateo County	IOLTA/EAF LSP	Eligible		
53	Legal Assistance for Seniors	IOLTA/EAF LSP	Eligible		
54	Legal Assistance to the Elderly	IOLTA/EAF LSP	Eligible		
55	Legal Services for Children	IOLTA/EAF LSP	Eligible		
56	Legal Services for Seniors	IOLTA/EAF LSP	Eligible		
57	Legal Services of Northern California	IOLTA/EAF LSP	Eligible		
58	Los Angeles Center for Law and Justice	IOLTA/EAF LSP	Eligible		
59	Loyola Marymount University	IOLTA/EAF LSP	Eligible	NEW	
60	McGeorge Community Legal Services	IOLTA/EAF LSP	Eligible		
61	Mental Health Advocacy Services	IOLTA/EAF LSP	Eligible		
62	Neighborhood Legal Services	IOLTA/EAF LSP	Eligible		

63	Open Door Legal	IOLTA/EAF LSP	Eligible	NEW	
64	Prison Law Office	IOLTA/EAF LSP	Eligible		
65	Public Advocates Inc.	IOLTA/EAF LSP	Eligible		
66	Public Counsel	IOLTA/EAF LSP	Eligible		Yes
67	Public Law Center	IOLTA/EAF LSP	Eligible		Yes
68	Riverside Legal Aid	IOLTA/EAF LSP	Eligible		Yes
69	San Diego Volunteer Lawyer Program	IOLTA/EAF LSP	Eligible		Yes
70	San Joaquin College of Law	IOLTA/EAF LSP	Eligible		
71	San Luis Obispo Legal Assistance Foundation	IOLTA/EAF LSP	Eligible		
72	Santa Clara County Asian Law Alliance	IOLTA/EAF LSP	Eligible		
73	Santa Clara University Alexander Law Center	IOLTA/EAF LSP	Eligible		
74	Senior Adults Legal Assistance	IOLTA/EAF LSP	Eligible		
75	Senior Advocacy Network	IOLTA/EAF LSP	Eligible		
76	Senior Citizens Legal Services	IOLTA/EAF LSP	Eligible		
77	Social Justice Collaborative	IOLTA/EAF LSP	Eligible		
78	UC Davis School of Law Legal Clinics	IOLTA/EAF LSP	Eligible		
79	UnCommon Law	IOLTA/EAF LSP	Eligible		
80	USD School of Law Legal Clinics	IOLTA/EAF LSP	Eligible		
81	Veterans Legal Institute	IOLTA/EAF LSP	Eligible		Yes
82	Wage Justice Center	IOLTA/EAF LSP	Eligible		
83	Watsonville Law Center	IOLTA/EAF LSP	Eligible		
84	Yuba-Sutter Legal Center for Seniors	IOLTA/EAF LSP	Eligible		
Support Centers					
85	California Advocates for Nursing Home Reform	IOLTA/EAF SC	Eligible		
86	California Rural Legal Assistance Foundation	IOLTA/EAF SC	Eligible		
87	California Women's Law Center	IOLTA/EAF SC	Eligible		
88	Center for Gender and Refugee Studies - California	IOLTA/EAF SC	Eligible		
89	Center for Human Rights and Constitutional Law	IOLTA/EAF SC	Eligible		
90	Child Care Law Center	IOLTA/EAF SC	Eligible		
91	Coalition of California Welfare Rights Organizations	IOLTA/EAF SC	Eligible		
92	Disability Rights Education and Defense Fund	IOLTA/EAF SC	Eligible		
93	Family Violence Appellate Project	IOLTA/EAF SC	Eligible		
94	Immigrant Legal Resource Center	IOLTA/EAF SC	Eligible		
95	Impact Fund	IOLTA/EAF SC	Eligible		
96	Justice in Aging	IOLTA/EAF SC	Eligible		
97	Legal Services for Prisoners with Children	IOLTA/EAF SC	Eligible		
98	National Center for Youth Law	IOLTA/EAF SC	Eligible		
99	National Health Law Program	IOLTA/EAF SC	Eligible		
100	National Housing Law Project	IOLTA/EAF SC	Eligible		
101	National Immigration Law Center	IOLTA/EAF SC	Eligible		
102	OneJustice	IOLTA/EAF SC	Eligible		
103	Public Interest Law Project	IOLTA/EAF SC	Eligible		
104	Western Center on Law and Poverty	IOLTA/EAF SC	Eligible		
105	Worksafe, Inc.	IOLTA/EAF SC	Eligible		
106	Youth Law Center	IOLTA/EAF SC	Eligible		

2022 IOLTA/EAF Pro Bono Allocation Applicants

Number	Program Name	County	Test A	Test B	Test C
1	Alliance for Children's Rights	Los Angeles	YES	NO	
2	Bet Tzedek Legal Services	Los Angeles	NO	NO	YES
3	Capital Pro Bono Inc.	Sacramento	YES	YES	
4	Casa Cornelia Law Center	San Diego	NO	NO	YES
5	Community Legal Services in East Palo Alto	San Mateo	YES	NO	
	Community Legal Services in East Palo Alto	Santa Clara	YES	NO	
6	Disability Rights Legal Center	Los Angeles	NO	NO	YES
7	Harriett Buhai Center for Family Law	Los Angeles	NO	NO	YES
8	Inland Empire Latino Lawyers Association, Inc.	Riverside	NO	NO	RECOMMEND INELIGIBLE-- doesn't meet threshold
	Inland Empire Latino Lawyers Association, Inc.	San Bernardino	NO	NO	RECOMMEND INELIGIBLE-- doesn't meet threshold
9	Justice & Diversity Center of the Bar Association of San Francisco	San Francisco	NO	NO	YES
10	LACBA Counsel for Justice	Los Angeles	NO	NO	YES
11	Lawyers' Committee for Civil Rights	Alameda	NO	YES	
	Lawyers' Committee for Civil Rights	Contra Costa	YES	YES	
	Lawyers' Committee for Civil Rights	Kern	YES	YES	
	Lawyers' Committee for Civil Rights	Marin	YES	YES	
	Lawyers' Committee for Civil Rights	San Francisco	YES	YES	
	Lawyers' Committee for Civil Rights	San Mateo	YES	YES	
	Lawyers' Committee for Civil Rights	Santa Clara	YES	YES	
	Lawyers' Committee for Civil Rights	Yuba	YES	YES	
12	Learning Rights Law Center	Los Angeles	NO	NO	RECOMMEND INELIGIBLE
	Learning Rights Law Center	Ventura	NO	NO	RECOMMEND INELIGIBLE
13	Legal Access Alameda	Alameda	YES	YES	
14	Legal Aid Society of San Bernardino	San Bernardino	NO	NO	YES
15	Public Counsel	Los Angeles	NO	NO	YES
16	Public Law Center	Orange	NO	NO	YES
17	Riverside Legal Aid	Riverside	NO	NO	YES
18	San Diego Volunteer Lawyer Program	San Diego	YES	YES	
19	Veterans Legal Institute	Los Angeles	NO	NO	YES
	Veterans Legal Institute	Orange	NO	NO	YES



The State Bar of California

DATE: August 13, 2021

TO: Legal Services Trust Fund Commission (LSTFC) Eligibility and Budget Review Committee

FROM: Pamela Bennett, Member, LSTFC Eligibility and Budget Review Committee
Catherine Blakemore, Member, LSTFC Eligibility and Budget Review Committee
Rebecca Delfino, Member, LSTFC Eligibility and Budget Review Committee

SUBJECT: Eligibility Review Conference for 2022 IOLTA and EAF Funding for Catholic Charities Diocese of San Diego

EXECUTIVE SUMMARY

Catholic Charities Diocese of San Diego (CCDSD) has applied for 2022 Interest on Lawyers' Trust Accounts (IOLTA) and Equal Access Fund (EAF) funding as a qualified legal services project (QLSP). The working group held an eligibility review conference (ERC) with CCDSD on July 23, 2021. This conference examined whether CCDSD meets the definition of "qualified legal services project" under California Business & Professions Code section 6213(a) and State Bar Rule 3.671(A). Specifically, the ERC assessed whether CCDSD's "primary purpose and function" is to provide legal aid to indigent Californians. After considering CCDSD's application, governance documents, and ERC, the working group recommends that the committee find CCDSD ineligible for 2022 funding due to inability to meet the primary purpose requirement of the IOLTA statute.¹

BACKGROUND

Organizational Description

CCDSD is a nonprofit public benefit corporation that serves San Diego and Imperial Counties. It provides both legal and non-legal services to low- and moderate-income people in the following program areas:

- Family, Youth, Children, and Community Services.
- Homeless Services.
- Refugee and Immigrant Services.

¹ The IOLTA statute principally includes California Business & Professions Code sections 6210-6228. The primary purpose requirement for QLSPs is in section 6213(a)(1).

- Senior Services.
- Special Projects.

CCDSD's legal services include representation, education, and self-help. Its non-legal services include, among other things, case management, financial assistance, health education, health screening, affordable housing, food assistance, and nutrition education.

CCDSD reported spending \$13,304,289 during its fiscal year ending in 2020 (FYE 2020). Of that amount, it reported spending \$12,335,536 on non-qualifying activities, leaving \$968,753 in spending on qualifying activities. CCDSD's percent spending on qualifying activities—free civil legal aid to indigent Californians—in FYE 2020 is 7.28 percent.²

Governing Authorities

- Business and Professions Code section 6213(a)(1) (QLSP primary purpose).
- State Bar Rules 3.671(A) and (C) (primary purpose).
- Legal Services Trust Fund Program Guidelines – Legal Services Projects, Guideline 2.3.5 (primary purpose).

DISCUSSION

Primary Purpose

The IOLTA statute limits eligibility for IOLTA and EAF grants to QLSPs and qualified support centers. Business and Professions Code section 6216. Business and Professions Code section 6213(a)(1) defines QLSP as “[a] nonprofit project incorporated and operated exclusively in California that provides as its primary purpose and function legal services without charge to indigent persons...” State Bar Rule 3.671(A) confirms that “[a] qualified legal services project is required by statute to have as its primary purpose and function providing legal services without charge to indigent persons.”

To determine primary purpose, the IOLTA application instructs programs to calculate their spending on free legal services to indigent persons during the last fiscal year. These costs are “qualified expenditures.” If the applicant's qualified expenditures are 75 percent or more of its total corporate spending, the organization enjoys a presumption of qualifying primary purpose. State Bar Rule 3.671(A). An applicant that spends less than 75 percent on qualifying activities may demonstrate that it meets the primary purpose requirement in another way. State Bar Rule 3.671(C). The application provides a space for Rule 3.671(C) narratives.

² When staff first considered an ERC for CCDSD, its qualified expenditures was 12.56 percent. CCDSD revised its application on June 30, however, to correct for an inconsistency with its audited financial statements. That update resulted in CCDSD removing \$1,170,248 from its reported corporate spending in FYE 2020. Part of this reduction went against CCDSD's qualifying spending, lowering its percentage.

In FYE 2020, CCDSD's qualified expenditures were 7.28 percent of its total corporate spending. Out of \$13,304,289 in corporate spending, CCDSD deducted \$12,335,536 for "activities other than the delivery of legal services." CCDSD's application explains that this spending "reflects other programs across the organization." In another part of its application, CCDSD states that it "offer[s] a comprehensive continuum of person-centered services, including...case management; financial assistance, or vouchers; health education and screening; translation and assistance with forms; shelters and affordable housing; food assistance; nutrition education and much more." The organization's governance documents corroborate this holistic intervention in the community.³

CCDSD's primary purpose narrative fails to establish that its principal purpose is to provide free civil legal aid to indigent Californians. Rather than describe how legal aid is particularly important to its organization-wide delivery model, CCDSD provides data about its legal services and funding in the last year: "CCDSD conducted 2,253 legal consultations/screenings and from that a total of 2,141 cases were retained. CCDSD uses a sliding scale for the indigent persons served. CCDSD uses donations and other funding sources to offset the cost to our agency to serve this population." Since this explanation fails to address CCDSD's primary purpose, it fails to show primary purpose "by other means" under State Bar Rule 3.671(C).

Staff emailed CCDSD about its low qualified expenditures on June 8, 2021.⁴ On June 9, staff spoke with CCDSD to explain the primary purpose requirement and offer technical support for a revised primary purpose narrative. During that conversation, CCDSD confirmed that civil legal aid is just one aspect of its holistic approach to serving the community. When staff asked whether CCDSD would like to reevaluate its eligibility for funding, CCDSD expressed a desire for the commission still to consider its application. Additionally, it expressed interest in appearing before the commission to discuss the IOLTA statute's primary purpose requirement.

During its ERC, CCDSD acknowledged that its total corporate spending on free legal aid to indigent Californians is a relatively small part of its budget. CCDSD described how its legal aid department is in some ways a distinct financial unit inside CCDSD.⁵ It also agreed, however, that the traditional reading of the IOLTA statute requires the commission to look at applicants' total corporate spending, rather than just that of a legal services program within the organization.⁶

³ CCDSD's restated articles of incorporation state that its primary purpose is to "engage in social welfare activities in the Roman Catholic Diocese of San Diego, consisting of San Diego and Imperial Counties, including but without being limited to services designed to promote the social and psychological and physical needs of the poor and vulnerable within San Diego and Imperial Counties."

⁴ At the time, CCDSD was reporting qualified expenditures of 12.56 percent. Please see footnote 2, *supra*.

⁵ CCDSD described, for instance, that its non-legal programs have separate funding sources. Additionally, it reports that its funding for civil legal aid does not support its other services.

⁶ California Business & Professions Code section 6213(a)(1) states that a QLSP is "A nonprofit project incorporated and operated exclusively in California that provides as its primary purpose and function legal services without charge to indigent persons..." Since the "project" that must have as its primary purpose delivering legal aid must be incorporated, it stands to reason that the "project" whose purpose is in question is the nonprofit corporation.

CCDSD encouraged the working group to consider a reading of the statute—or, if necessary, statutory reform—that would be inclusive of programs like CCDSD. California’s current approach, CCDSD notes, ignores the reality that many low-income Californians who seek legal help need an integrated continuum of services like food, housing, and health care. CCDSD argues that the IOLTA statute currently penalizes programs for providing wrap-around services. Instead, the statute should allow legal aid departments at holistic providers like CCDSD to apply for funding as long as those departments otherwise meet the statute’s requirements.

Working Group Recommendation

While in admiration of CCDSD’s approach to serving clients, the working group finds itself in clear territory vis-à-vis the primary purpose analysis. The IOLTA statute provides that it is the entire organization—the “nonprofit project incorporated and operated exclusively in California”—whose primary purpose must be to deliver free legal aid. As an organization, CCDSD directed less than eight percent of its total spending towards legal aid services in FYE 2020.⁷ This is because CCDSD’s purpose is to provide a spectrum of social services—more non-legal than legal. As such, CCDSD’s application, articles of incorporation, and ERC all fail to show that its “primary purpose and function [is to provide] legal services without charge to indigent persons”.⁸

ATTACHMENTS LIST

- A.** CCDSD’s 2022 IOLTA/EAF Application
- B.** CCDSD’s Articles of Incorporation
- C.** Excerpts from Governing Authorities:
 - 1. Business and Professions Code section 6213(a)(1) (QLSP primary purpose).
 - 2. State Bar Rules 3.671(A) and (C) (primary purpose).
 - 3. Legal Services Trust Fund Program Guidelines – Legal Services Projects, Guideline 2.3.5 (primary purpose).

⁷ Staff noted for the working group that CCDSD’s actual qualified expenditures might be even lower. For FYE 2020, CCDSD reported spending \$0 on civil legal services for which it charged clients. It also reported spending \$0 on civil legal services for clients above the statutory indigency thresholds.⁷ In other sections of its application, however, CCDSD states that “[t]hose who require legal services not funded by [the California Department of Social Services], and/or whose income exceeds 250% of the [Federal Poverty Level] pay a nominal fee.” The application also states that “[a]lmost all services are available free of cost (some have a nominal fee)”.

Staff asked CCDSD to correct the amount that it spent serving those who were non-indigent according to Business and Professions Code section 6213(d). At the time of the ERC, CCDSD was unsure whether it could extract such data from its financial books for FYE 2020.

⁸ California Business & Professions Code section 6213(a)(1).



Grant Year: 2022

Due Date: May 14, 2021 at 5:00pm PST

Prepared by: [Dani Willenberg](#)

Email: dwillenberg@ccdsd.org

Contact Phone: 619-323-2858

Funding Opportunity: IOLTA LSP

Project Title: 4033-IOLTA LSP-2022-Catholic Charities Diocese of San Diego-280

Program Name: Catholic Charities Diocese of San Diego

Applicant Title: Director of Philanthropy

Address: P.O. Box 121831

City: San Diego

Update Organization Profile

Confirm the organization's record is up to date. To access the Organization Profile, click on the "Review Organization Profile" button to open it in a new page. Review the Organization Profile, including the "Main," "Organization Details," and "Documents" tabs; make any necessary updates, and click Save.

Confirm that the designated Primary and Secondary Contacts are correct. For reference, identified responsible staff are listed below. The "Executive Contact" should be the Executive Director (or Clinic Director for law schools) and should have the authority to sign grant agreements with the State Bar. "Executive Contact" and "Primary Contact" are used interchangeably. Secondary Contacts for an organization will receive the same email communications as the Executive/Primary Contact.

For contact updates in the Organization Profile, contact the organization's SmartSimple User Administrator, identified under roles in the contact tab. Refer to the SmartSimple Managing Contacts user guide posted on the homepage under the "Key Documents & Authorities" section for more information on how to update contact information.

Executive Contact: Appaswamy "Vino" Pajanor
Secondary Contact(s):

I verify the information in the Organization Profile is accurate and up to date.

I verify that I have read, and am familiar with, the eligibility guidelines for IOLTA funding for legal services projects.



I. Eligibility Criteria

1. New or Currently Funded Applicant

Initial Funding or Returning Applicant not Currently Funded as a Legal Services Project

2. Applicant Type

A nonprofit corporation that provides civil legal services to the indigent without charge as its primary purpose and function

Upload a letter of support from the law school dean describing the history of the law school clinical program.

3. Applicant Eligibility

Select all that apply

Upload an LSC grant award letter or a subcontract showing the amount of LSC funds awarded through another agency.

Upload a contract, determination letter, or subcontract indicating the amount of Older Americans Act funds awarded.

An organization that receives at least \$20,000 annual cash funds from sources other than the State Bar of California to support free legal representation to indigent persons (as reflected in the Total of Non-State Bar Revenue calculated on Form VI) and can show community support for the program

3.A. Community Support

Describe the community support for the operation of a viable, ongoing program.



Catholic Charities Diocese of San Diego (CCDSD) collaborates with community partners to have broad access to individuals to provide free screenings to assess eligibility for legal remedies. We hold 2 to 4 education and outreach and application assistance events in the community monthly. CCDSD partners with social service providers, including South Bay Community Services, Casa Familiar, Episcopal Community Services, and Vista Community Clinic to reach a broader segment of the target population. CCDSD also partners with the San Diego Citizenship Collaborative, UNITE Here, a labor union with 300,000 active members, the San Diego Rapid Response Network, Renovacion Carismatica Catolica, a community association providing neighborhood programs and civic engagement opportunities, Diocese Youth Office, San Diego Mesa College, Sweetwater Unified School District, among others. We receive referrals from all the aforementioned to support the community with their immigration legal needs. CCDSD has partnered with the ACLU to assist with the LOP at the Imperial Regional Detention Center. Price Philanthropy provides financial support to CCDSD's clients to cover DACA renewal fees, and the Mexican Consulate partners with CCDSD when it holds events, as well as provides financial support to CCDSD clients who need assistance with filing fees.

3.B. Which of the following services does your organization provide?

Provides legal representation, training, or technical assistance on matters concerning indigent special client groups, or substantive law important to special client groups

Special Client Group(s) Served

Nature of Assistance

Special Client Group Served/ Relevant Substantive Law

Legal Representation

Training

Technical Assistance

Indigent special client groups

Yes

No

No

II. Description of Organization

Provide a comprehensive but concise description of the entire organization's work in the previous calendar year. Currently funded organizations should not limit responses to activities funded by the State Bar.

Click "Save & Finish Later" after adding counties.



County

Imperial

San Diego

1. Organization's Mission and Vision

Provide the organization's mission and vision statement(s) describing the organization's purpose and impact. (250 word limit)

The mission of Catholic Charities Diocese of San Diego (CCDSD) exists to exemplify the scriptural values of mercy and hospitality by Witnessing the gospel message contained in "Matthew 25:"; to advocate for a just society by Calling individuals and institutions to action on behalf of the poor, the vulnerable and the marginalized; and to acknowledge the sacredness of the human person by Accompanying those we serve on their journey toward achieving their full potential as persons created in the image and likeness of God. Established in 1919, CCDSD began in response to the Spanish-flu, providing an orphanage for children across the West Coast who had lost their parents to the pandemic and has continued to provide human charitable welfare programs for over 100 years.

2. Core Programs

Describe the organization's core programs as reflected in promotional materials (include a summary of all work, not just activities funded by State Bar monies).



Catholic Charities Diocese of San Diego (CCDSD) has since grown to administer over 20 programs funded by over \$15M in private and public philanthropic investments - reaching thousands of individuals and families across San Diego and Imperial counties. CCDSD's programs are grouped into five major departments:

- 1) Family, Youth, Children and Community Services
- 2) Homeless Services
- 3) Refugee and Immigrant Services
- 4) Senior Services
- 5) Special Projects

These departments offer a comprehensive continuum of person-centered services, including outreach, assessment, referral and case management; financial assistance, or vouchers; health education and screening; translation and assistance with forms; shelters and affordable housing; food assistance; nutrition education and much more. CCDSD works with predominantly low-to moderate-income residents, foster children and parents, homeless men and women, older adults, and people living with disabilities. Almost all services are available free of cost (some have a nominal fee) and everyone seeking assistance is served without regard to religion, race, gender, sexual orientation, socioeconomic status, or national origin. With over 100 years of service, CCDSD has adapted and changed in responsive ways to meet the evolving and varying needs of the most vulnerable residents in San Diego and Imperial County.

3. Client Population

Describe the constituencies served by the organization. Include demographic information, such as age, gender, ethnicity, income levels, and any other characteristics particular to the service population.



Catholic Charities Diocese of San Diego (CCDSD) has a proven track record in its 100-year history in San Diego and Imperial counties of working effectively with individuals and families with little to no income. The agency works with predominantly low-to moderate-income (LMI) residents, earning less than 80% of the Area Median Income, men and women experiencing homelessness, foster children and parents, people living with disabilities, immigrants, refugees, and older adults throughout the San Diego and Imperial County region. The ethnic and racial demographics of clients served are 47% Hispanic, 23% White, 11% Black, 11% Other, 4% Asian or Pacific Islander, 3% Multiple Faces, and 1% American or Alaskan Native. The ages composition of clients covers the full spectrum, from children and adolescents, to adults and seniors. Clients of CCDSD struggle with low educational attainment, insufficient access to healthcare, healthy foods, rising crime rates and lack of affordable housing. CCDSD continues to adapt in responsive ways to accommodate the most at-risk and encourages everyone to access all of the available services to help them improve their quality of life. In 2020, CCDSD met the basic needs and closed emergency financial gaps of 11,757 individuals facing financial challenges and experiencing homelessness, increased access to nourishing food for more than 32,104 unduplicated people, facilitated access to safe, stable affordable housing for 3,927 persons, and increased access to healthcare for 6,733 individuals.

4. Income Eligibility for Services

Describe how the organization verifies and documents an individual's income eligibility for services. Identify all income criteria and guidelines used to establish eligibility for services.

Each person receiving services at Catholic Charities Diocese of San Diego (CCDSD) completes a Unified Intake Form that allows our staff to assess which services are most needed to serve the individual's needs. This universal assessment form and its details are entered into our internal database so all programs "can speak to each other" and provide comprehensive, wraparound services to our clients. This form is completed prior to being seen for a consultation for legal services. CCDSD also utilizes an Income Reporting Sheet that assesses household size and total gross annual household income to determine where clients are in relation to the federal poverty guidelines for the current year. For individuals who reside in the United States, CCDSD requests a copy of the most recent tax return to verify the income reported on the Income Reporting Sheet. All homeless clients, and detained asylum-seekers are provided with pro-bono services. Clients who earn less than 250% of the Federal Poverty Line (FPL) are beneficiaries of a limited number of pro Bono services funded by the California Department of Social Services; DACA, Naturalization, T-Visa, VAWA, U-Visa and Adjustment of Status. Those who require legal services not funded by CDSS, and/or whose income exceeds 250% of the FPL pay a nominal fee.

5. Program Activities



Select all the programmatic activities the organization engaged in during the previous calendar year. Do not include fundraising and administrative activities (Eligibility Guidelines 2.3).

5.A. Legal Services Community legal education and information, Legal self-help support,
Activities: Representation, Other legal services

Describe Other: Application preparation

5.B. Other Activities:

i. Legal Services: Provided to non-indigent clients/non-qualified organizations, Fee-generating activities

Under which funding sources did you serve these clients?: Other/Unrestricted

ii. Other Services:

Describe Other Non-Legal Services:

6.A. Total number of impact litigation cases (include partner/co-counsel cases)

Report all impact litigation cases your organization engaged in during the previous calendar year, both open and closed.

0

6.B. Total number of advocacy activities

Report all advocacy activities your organization engaged in the previous calendar year, both completed and ongoing.

0

6.C. Summarize Additional Activities



07/21/2021

If you engaged in more than 10 advocacy activities or more than 15 impact litigation cases in the previous calendar year, briefly summarize the nature of these additional activities.

Non-applicable

Impact Case(s)

#	Case Name	Court Name	Case Status	View / Edit Template	Form Status
1			Draft		

Advocacy Activity(ies)

#	Advocacy Activity	Type	Activity Status	View / Edit Template	Form Status
---	-------------------	------	-----------------	----------------------	-------------

III. Staffing and Volunteers

Staffing as of December 31

Personnel Category	Number of Full-Time Staff	Number of People (Part Time)	Full-Time Equivalent (Part Time)	Total Staffing FTEs	Number of People (Temp Staff)	Total Hours (Temp Staff)	Number of people (Volunteer)	Donated Hours (Volunteer)
Attorneys	4	1	0.80	4.80	0	0	7	1246
Paralegals	10	0	0.00	10.00	0	0	12	687
Law Students	0	0	0.00	0.00	0	0	0	0
Professional Services	0	0	0.00	0.00	0	0	0	0
Clerical/Admin	3	0	0.00	3.00	0	0	20	1229
Other Personnel	2	0	0.00	2.00	0	0	0	0
TOTAL	19	1	0.80	19.80	0	0	39	3162

1.A. Professional Services and Other Personnel



For each position included under Professional Services and Other Personnel, state the title and full-time equivalent of the position(s).

Community Engagement Specialist, one (1) full-time equivalent (FTE)
Director, .3 full-time equivalent (staffing worksheet rounds up to nearest whole number)

2. Use of Non-Legal Professionals

Describe how the organization utilizes non-legal professionals in its service delivery model.

Catholic Charities Diocese of San Diego does not utilize non-legal professionals within the scope of providing legal services to indigent men, women and children in San Diego and Imperial County.

3. How many hours per week does the organization consider a full-time schedule?

Do not include non-numeric characters, this includes commas, periods, etc.

32.00

4. Staffing and/or Organizational Changes

Describe any significant changes in staffing levels or structure in the previous calendar year, and its impact on programmatic activities. Identify any significant vacancies and explain whether the organization is actively recruiting for the position, or is holding the position for budgetary or other reasons.

Catholic Charities Diocese of San Diego (CCDSD) experienced a significant increase in the number of requests for representation in 2020, which led to the expansion of the Removal Defense team from two (2) full-time equivalent (FTE) attorneys to four point eight (4.8) full-time equivalent (FTE) attorneys and seven (7) pro bono attorneys working under the guidance and mentorship of the Removal Defense Team. The result has been a 70% increase in the number of cases retained, both non-detained as well as detained cases. The demand for legal services continues, and CCDSD is working diligently to secure funding to hire one (1) full-time equivalent (FTE) attorney, as well as expand our pro bono pool of attorneys.

IV. Application for Pro Bono Allocation



To qualify for the pro bono allocation in the county(ies) in which the organization provides services, the organization must meet both these requirements (1) coordinate the recruitment of substantial numbers of attorneys in private practice to provide free legal representation to indigent persons or to qualified organizations as its principal means of delivering legal services; and (2) demonstrate that its principal means of delivering legal services is “the recruitment of attorneys in private practice to provide free legal representation to indigent persons or to qualified legal services projects in California” through one of the three tests described in Eligibility Guideline 2.6.3. and 2.9.

1. Are you applying for a pro bono allocation per the qualifications listed?

If yes, the organization should annually recruit at least 30 attorneys, OR recruit at least five percent of the licensed attorneys in the county served, OR receive at least 1,000 hours of donated legal services from volunteer attorneys.

No

V. Quality Control Review

1. Quality Control Report

Has the organization received a written quality control review from the Legal Services Corporation, the California Department of Aging, or an Area Agency on Aging in the previous calendar year?

Yes

1.A. Upload Quality Control Report(s)

Include reports issued by the Legal Services Corporation, the California Department of Aging, or an Area Agency on Aging in previous calendar year.



AAA_Program_Financial_Audit_and_Response.pdf

16.1 MB - 05/14/2021 6:15PM

Total Files: 1

2. Legal Services Staff Supervision

Describe how legal services staff are supervised to ensure quality service. Identify supervisory personnel and provide information regarding their oversight (frequency of case management meetings, etc.). If there is only one staff attorney or the organization only employs contract attorneys, describe how oversight and quality control are ensured.

Within the Immigrant Services Department at Catholic Charities Diocese of San Diego (CCDSD), the case management system allows attorneys and the program compliance team to review cases electronically to ensure legal compliance and agency policies and procedures. The director supervises program evaluation, data collection and analysis to identify training issues, resource allocation and outcome achievement. Attorneys provide one-on-one legal supervision, conduct group case reviews and train staff. The director supervises program implementation and data collection to identify issues, needs, and outcomes. The Immigrant Services Department has two (2) tiers of legal services staff supervision that are utilized to ensure clients receive high quality legal services. The first tier involves lead Department of Justice representatives reviewing applications and forms completed by junior Department of Justice representatives. At CCDSD, lead Department of Justice representatives are highly qualified staff who have extensive experience in the field of immigration. The second tier involves the managing attorney reviewing the applications. The managing attorney supervises the following: quality of work, productivity, job knowledge, and problem-solving/resourcefulness. The managing attorney meets with staff weekly, and at times more often, to review their work, discuss cases and complex issues, as well as provide guidance and direction. The managing attorney provides training to new hires, and ensures Department of Justice representatives receive a minimum of 15 hours of training annually.

3. Volunteer Supervision

Describe the method(s) by which volunteers (attorneys, paralegals, and law students) are supervised. If the organization does not actively supervise volunteers or review their work product, how does the organization ensure compliance with its quality standards?



Paralegals serving in the capacity as volunteers at Catholic Charities Diocese of San Diego (CCDSD) are supervised by Department of Justice accredited representatives and trained solely to assist with the completion of applications. All volunteers are provided with appropriate substantive training, and the work product is reviewed by a Department of Justice accredited representative or managing attorney before the appropriate staff person submits it. Volunteer attorneys are also provided with substantive training and are mentored by staff attorneys and/or the supervising attorney. They generally serve as co-counsel on all cases until they achieve a certain level of proficiency. Department-wide meetings are held weekly, with all attorneys present, as well as one-on-one check-ins. Case tracking takes place during meetings as well as via the database. The oversight and frequent communication with the volunteer lawyer allows the program to determine whether the individual requires assistance in handling the referred case, if working independently on a case.

4. Describe case opening and closing oversight practices.

Consultations are scheduled with Department of Justice accredited representatives and/or attorney to evaluate the nature of the client's immigration case, determine if the case falls within the scope of the immigration services offered by the program, understand the client's particular immigration situation and concerns, obtain all the necessary information and documentation needed to properly assess a client request, and make a judgment about whether a case is actionable, and about who is the most qualified staff person to handle the case. Upon completion of a consultation, the Department of Justice accredited representative or attorney will consult with a lead Department of Justice accredited representative, managing attorney, or supervising attorney to adequately assess a client's case. This level of oversight may include further review, for example, where cases that involve criminal records or other issues of inadmissibility or deportability, and assess if the case is more appropriately handled in its entirety by another Department of Justice representative or attorney. When the level of complexity is determined, an assignment is made to the appropriate staff member and a case is opened within the department's database. A lead Department of Justice representative or managing attorney will monitor case progress via the online database or one-on-one meetings. Upon completion of the application and submission, as well as receipt of all applicable notices, the case will be closed.

VI. Sources of Funding



07/21/2021

Use the table below to itemize the organization's sources of funding in the calendar year 2020.

Enter the cash amount received for each funding source. Do not include State Bar monies.

- Under Foundations, list the largest three grants by organization, and then add the remaining amounts together under Other Foundation Funding.
- Under Government Resources, for each Federal, State, and Cities and Counties, list the largest three grants by agency, and then add the remaining amounts together in the corresponding Other field.

Source	Amount Received
Individual Contributions	\$1,081,714
Attorneys/Private Donors/Individual Gifts	\$0
Event Sponsorship/Special Events	\$0
Other	\$0
Total	\$1,081,714
Organizations	
Bar Associations	\$5,000
Law Firms	\$0
Law Schools	\$0
Other, including subgrants from nonprofits	\$0
Total	\$5,000
Foundations	
	Subtotal
Barbara Wetzel Foundation	\$400,000
Price Philanthropies	\$145,000
The San Diego Foundation	\$100,000
Other Foundation Funding	\$479,350
Total	\$1,124,350
Legal	
Legal Services Corporation	\$0
Area Agency on Aging	\$0



Total	\$0
Government Resources	
Federal (not LSC or OAA)	
Wilson/Fish Project Social Services	\$666,012
Wilson/Fish Project Social Services	\$443,272
Corporation for National and Community Service (Foster Grandparent Program)	\$475,564
Other Federal Funding	\$3,109,878
State	
Emergency Solutions Grant	\$200,000
CDBG Carlsbad	\$54,848
Area Agency on Aging	\$720,874
Other State Funding	\$941,002
Cities and Counties	
City of San Diego Community Development Block Grant	\$287,500
Alliance for Regional Solutions	\$109,648
Behavioral Health - Alcohol and Drug Services	\$452,893
Other City and County Funding	\$2,045,829
Total	\$9,507,320
Residual and Cy Pres Awards	
State Court	\$0
Federal Court	\$0
Total	\$0
Fees and Reimbursements	
Attorneys' Fees	\$0
Client-Paid Amounts	\$0
Cost Reimbursements	\$0
Other Professional Fees	\$0
Total	\$0
Other Cash Support	
Rent Revenue	\$230,744
Program generated income	\$736,094
Diocese of San Diego - Annual Catholic Appeal	\$500,000



United Way and Federal Campaign	\$21,301
	\$0
Total	\$1,488,139
TOTAL OF NON-STATE BAR REVENUE	\$13,206,523

1.A. Other Funding

Itemize sources included in any "other" line items listed in the Sources of Funding worksheet.

Other Foundation Funding- LB Charitable Foundation \$100,000, Alliance Healthcare Foundation \$100,000, Albertsons \$75,000, Scripps \$70,000, Nourishing Neighbors \$59,350, Imperial Valley Wellness \$50,000, Menard Family Foundation \$25,000
 Other Federal Funding- , US Department of Health and Social Services \$1,026,993, Targeted Assistance Grant \$2,082,885
 Other State- Catholic Charities California (CAIFresh, Covered California, CAL OES) \$941,002
 Other City and County Funding- Community Development Block Grant \$28,500, Multi-Family Funding \$346,464, Emergency Solutions Grant \$540,563, U.S. Department of State Bureau Population \$135,59, ESG-CV Imperial county R 1 & 2 \$994,529

VII. Total Corporate Expenditures

Organization's Fiscal June 30
Year End:

1. Upload Audited or Reviewed Financial Statement Ended in the Previous Year

Upload a final copy of the organization's audit or financial review for the organization's fiscal year ending in 2020; qualified expenditures will be calculated based on this document. Organizations with gross corporate expenditures less than \$500,000 can provide a financial review in lieu of an audited financial statement (Rule 3.680(E)(1)). Applicant must also upload a copy of the most recent audit or financial review to the Organization Profile under the Documents tab as soon as available, and no later than May 1.



Catholic_Charities_Diocese_of_San_Diego_Consolidated_Financial_Statements_6_30_20.pdf

502.3 KB - 05/14/2021 2:39PM

Total Files: 1



07/21/2021

Total Corporate Expenditures

NON-CASH		Expenditures
In-kind/Donated Services		\$286,873
Unrealized Losses		\$0
Other		\$0
Total Non-Cash Items		\$286,873
PASS-THROUGH / FISCAL SPONSOR		Expenditures
Pass-through		\$0
Total Pass-through		\$0
PERSONNEL		Expenditures
Attorneys		\$441,647
Paralegals		\$527,096
Other Staff		\$6,901,016
Subtotal		\$7,869,759
Employee Benefits		\$0
Total Personnel		\$7,869,759
NON-PERSONNEL		Expenditures
Space		\$446,844
Equipment Rental and Maintenance		\$142,690
Office Supplies and Small Equipment		\$330,614
Printing and Postage		\$0
Telecommunications		\$281,208
Technology		\$0
Program Travel		\$56,518
Training		\$0
Library		\$0
Insurance		\$128,683
Audit		\$0
Litigation		\$0
Depreciation		\$390,309
Contract Service to Clients		\$0
Contract Service to Program		\$1,675,263



Other	\$1,982,401
Total Non-Personnel	\$5,434,530
TOTAL CORPORATE EXPENDITURES (Personnel + Non-Personnel +Non-Cash+Pass-through)	\$13,591,162
TOTAL PERSONNEL + NON-PERSONNEL EXPENDITURES (Personnel + Non-Personnel)	\$13,304,289

Itemize all expenses included under Depreciation.

property and natural loss and routine wear and tear.

Itemize all expenses included under Contract Service to Program.

These expenses are contracts we have with other agencies to help serve our clients and provide wrap around services.

Itemize all expenses included under Other (Non-Personnel).

These include: transportation, direct client assistance, volunteer expenses, stipends, meeting dues

3. Total Personnel + Non-Personnel

\$13,304,289

4. Total Corporate Expenditures

\$13,591,162

a. Audited \$13,304,289

Financial/Review's Total Corporate Expenditures:

Enter Total Corporate Expenditures amount as listed on the organization's submitted financial audit or review.



b. Explain Any There is no variance applicable for this reporting fiscal year cycle.

Variance:

If your organization's reported corporate expenditures do not align with your organization's uploaded audit as entered in 3A above, please explain the variance.

VIII. Qualified Expenditures



07/21/2021

Questions	Amount	Explanation
1. Total Personnel + Non-Personnel Expenditures from the previous fiscal year	\$13,304,289	
2. Did the organization engage in activities other than the delivery of legal services?	\$12,335,536	Reflects other programs across the organization
3. Did the organization lease or sublease space to another organization?	\$0	
4. With regards to leased or subleased space, did the organization incur property management expenses, whether as primary owner or lessor?	\$0	
5. Did the organization provide legal services in criminal matters?	\$0	
6. Did the organization charge clients for any legal services in civil matters, other than requiring payment for costs and expenses or processing fee of \$20 or less?	\$0	
7. Did the organization provide any free civil legal services to persons who were not indigent as defined in B & P Code Section 6213(d) and Eligibility Guidelines 2.3.3 and 2.3.4, or to organizations not providing benefits primarily on behalf of the indigent?	\$0	
8. Did the organization provide free civil legal services outside California?	\$0	
9. Did the organization incur expenses that did not contribute to the provision of civil legal services to indigent people and that were not itemized above?	\$0	
10. TOTAL EXPENDITURES FOR NON-QUALIFIED ACTIVITIES	\$12,335,536	
11. SUB-TOTAL OF QUALIFIED EXPENDITURES	\$968,753	

12. PERCENT OF QUALIFIED EXPENDITURES FOR FREE CIVIL LEGAL SERVICES TO INDIGENT PERSONS

Once you have completed and saved the Qualified Expenditures table above, click the "Save & Finish Later" button below to calculate this percentage.



7.28%

12.A. Less than 75% Explanation

If the percentage of expenditures for free civil legal services to indigent persons calculated above is less than 75 percent, explain how the organization meets the primary purpose requirement for funding (B&P §6213(a)).

CCDSD conducted 2,253 legal consultations/screenings and from that a total of 2,141 cases were retained. CCDSD uses a sliding scale for the indigent persons served. CCDSD uses donations and other funding sources to offset the cost to our agency to serve this population.

13. Exchanged Funds

Did the organization exchange funds with another legal services project that is applying for a State Bar grant in the 2020 grant year?

No

Enter exchanged funds during fiscal year ending in 2020. Do not include the exchange of IOLTA, EAF or Shriver Grant monies.

Monies Paid

Monies Received

13.C. Upload Exchanged Funds Agreements

Include all agreements pertaining to the funds exchanged with another LSP applicant. Agreements should be uploaded by LSP and Grant Type. Include contract periods and amounts, and how the exchanged funds will be claimed by each organization.

13.D. Discrepancies in Reported Funds and Agreements



Explain any differences between the amounts listed in 13 A or B, and their corresponding agreements.

14. TOTAL DEDUCTION OF EXCHANGED FUNDS

\$0

15. Shriver Funds

Enter funds received in 2020 for a grant, subgrant, or contract for a pilot project pursuant to the Sargent Shriver Civil Counsel Act of 2009.

\$0

16. TOTAL QUALIFIED EXPENDITURES FOR FREE CIVIL LEGAL SERVICES TO INDIGENT PERSONS IN CALIFORNIA

\$968,753

17. IOLTA and EAF Expenditures Net of Capital Additions

Enter all IOLTA and EAF expenditures for 2020 in 17a and 17b, respectively. This should include any carry-over from 2019

Reference Button:

17.A. IOLTA Expenditures Net of Capital Additions (FISCAL YEAR)

\$0

17.B. EAF Expenditures Net of Capital Additions (FISCAL YEAR)

\$0

17.C. IOLTA AND EAF EXPENDITURES NET OF CAPITAL ADDITIONS (AUTO-CALCULATED)

\$0



18. GRAND TOTAL NON-STATE BAR QUALIFIED EXPENDITURES FOR FREE CIVIL LEGAL SERVICES TO INDIGENT PERSONS IN CALIFORNIA

\$968,753

19. Upload Any Additional Expenditure Documents

Include any additional documents regarding the information entered in this form.

VIII-A. Expenditures by County

GRAND TOTAL NON-STATE BAR QUALIFIED EXPENDITURES FOR FREE CIVIL LEGAL SERVICES TO INDIGENT PERSONS IN CALIFORNIA

\$968,753

1. Allocation of Expenditures for Each County

If the organization provides free civil legal services to indigent persons in more than one county, describe the basis for allocating expenses among those counties. Include any calculations or relevant data to support your explanation.

At Catholic Charities Diocese of San Diego (CCDSD), all Removal Defense and Affirmative Legal Services are offered to both San Diego County and Imperial County based upon need. Within the agency's Immigration Services department, a survey is conducted annually to determine the respective caseload percentages for each of the counties served. The results of the survey are compared to previous years to determine trends, which in turn inform how staffing will pivot to serve the needs of each county during the coming year. In 2020, the agency provided 2,253 legal consultations and screenings with indigent persons needing immigration services. Of that total, 95 percent of the immigration cases were retained for further processing. This success demonstrates the expertise and trusted partnership CCDSD has demonstrated with the San Diego and Imperial County regions for over three decades through our Immigrant Services program.

2. New or Discontinued Counties



If the organization is seeking IOLTA and EAF funds to serve any counties in addition to those for which it is currently receiving IOLTA and EAF funds, or is not seeking funding in a county for which it currently receives funding, provide information on new and/or discontinued counties. See application instructions for additional details. Enter N/A if not applicable.

3. Out of County Work

Describe any work in county(ies) other than those for which funding is being sought. Include name of county(ies), nature of work, start and/or end date, approximate county expenditures, and any other relevant information.



Expenditures by County

Previous Fiscal Year Quarterly Reports:

In the tables below, indicate the amount of total expenditures for free civil legal services to indigent persons in California for each county.

The total amount of the "Qualified Expenditures" column should equal the amount that appears at the top of this form. IOLTA and EAF expenditures should match Quarterly Report submissions for your fiscal year ending in 2020, including any carry-over from 2019. Reference the "View" button located above this instruction box to view your Quarterly Report submissions for your fiscal year ending in 2020.

Click "Save" within the table, then "Save & Finish Later" to update county tables.

Update Form II to adjust the counties appearing below.

Imperial

County Expenditures (Fiscal year)	IOLTA Expenditures (Fiscal year)	EAF Expenditures (Fiscal year)	Qualified Expenditures
\$726,565	\$0	\$0	\$726,565

San Diego

County Expenditures (Fiscal year)	IOLTA Expenditures (Fiscal year)	EAF Expenditures (Fiscal year)	Qualified Expenditures
\$242,188	\$0	\$0	\$242,188

County Totals

County Expenditures (Fiscal year)	IOLTA Expenditures (Fiscal year)	EAF Expenditures (Fiscal year)	Qualified Expenditures
968753	0	0	968753

IX. Certifications & Assurances



**Upload Signed
Certifications &
Assurances Document:**

Certifications_and_Assurances_Doc_signed_05_14_2021.pdf
392.1 KB - 05/14/2021 5:58PM

Total Files: 1

Supporting Documents (Optional)

When naming optional supporting documents, please include the Organization's acronym (or short name) and a 1-5 word description of the file.

Legal Services Projects

IX. CERTIFICATIONS AND ASSURANCES**CERTIFICATIONS**

The applicant hereby certifies the following:

- It is a California corporation.
- It is a nonprofit organization.
- It operates exclusively in California. A project that is part of an organization that operates other projects outside of California may be considered as operating exclusively within California as long as funds granted are expended in California and the project or organization is a California nonprofit corporation.
- It provides civil legal services to the indigent without charge as its primary purpose and function.
- It receives annually a financial statement that has been reviewed by an independent certified public accountant. If gross expenditures exceed \$500,000, the financial statement must be audited.
- It has updated, in the previous calendar year, the information pertaining to itself in the statewide legal services directory (LAACDirectory.org), LawHelpCA.org, and if applicable, on SmartSimple for use in the Pro Bono Directory hosted on the State Bar website.

ASSURANCES

The applicant assures compliance with the following:

- The applicant will use any funds allocated by the State Bar only for the purposes set forth in Business and Professions Code §§6210-6228, and the corresponding State Bar rules and any amendments thereto.
- The applicant will expend all funds allocated from the State Bar exclusively for services in California.
- The applicant will expend all funds allocated by the State Bar exclusively on civil matters.
- The applicant will expend all funds allocated by the State Bar exclusively on services to the indigent.
- The applicant will expend all funds allocated by the State Bar exclusively for services in the county for which such funds were allocated.
- The applicant will make significant efforts to utilize 20 percent of the funds allocated under this article for increasing the availability of services to members of disadvantaged and underserved groups.

- The applicant will use any attorneys' fees received in cases funded through the State Bar to provide legal services without charge to indigent persons.
- The applicant will:
 - At all times honor the attorney-client privilege and uphold the integrity of the adversary process;
 - Not impose restrictions unrelated to statutes and rules of professional conduct on attorneys who provide representation to indigent clients with funds provided, in whole or in part, from the State Bar; and
 - Not discriminate based on race, color, national origin, religion, gender, disability, age, marital or domestic partnership status, medical condition, or sexual orientation.
- The applicant will comply with all quality control review procedures adopted by the State Bar.
- The applicant will comply with all fiscal management and control procedures adopted by the State Bar.
- The applicant will permit reasonable site visits and present information reasonably necessary to determine compliance with the laws and rules governing the State Bar.
- The applicant will immediately notify the State Bar if the criteria under which it was deemed eligible for a Legal Services Trust Fund Program grant changes during the grant period.

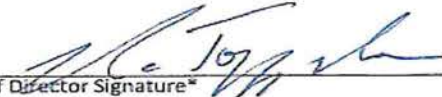
Under penalty of perjury, we, the undersigned, state that the information provided in response to the above statements is true and correct to the best of our knowledge.

Catholic Charities Diocese of San Diego

Organization Name*

Nadine Topozada

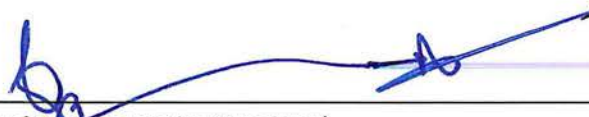
Staff Director Printed Name*


Staff Director Signature*

5/14/21
Date

Appaswamy "Vino" Pajanor , Chief Executive Officer (CEO)

Board Representative Printed Name and Title*


Board Representative Signature*

05/14/2021
Date*

* = required field



CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019



Leaf & Cole, LLP
Certified Public Accountants

**CATHOLIC CHARITIES, DIOCESE OF SAN DIEGO
CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1 - 2
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4 - 5
Consolidated Statements of Functional Expenses	6 - 7
Consolidated Statements of Cash Flows	8
Notes to Consolidated Financial Statements	9 - 28
Supplementary Information:	
Consolidating Schedule of Financial Position - 2020	29
Consolidating Schedule of Activities - 2020	30
Schedule of Expenditures of Federal Awards	31 - 35
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Consolidated Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	36 - 37
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	38 - 39
Schedule of Findings and Questioned Costs	40



Leaf & Cole, LLP
 Certified Public Accountants
 A Partnership of Professional Corporations

Independent Auditor's Report

To the Board of Directors
 Catholic Charities, Diocese of San Diego

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Catholic Charities, Diocese of San Diego, which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

To the Board of Directors
Catholic Charities, Diocese of San Diego

Page 2

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Catholic Charities, Diocese of San Diego as of June 30, 2020 and 2019, and the changes in their net assets and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information on pages 29 and 30 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis, and is not a required part of the consolidated financial statements. Such information is the responsibility of management, and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements, or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2020, on our consideration of Catholic Charities, Diocese of San Diego's internal control over financial reporting, and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of Catholic Charities, Diocese of San Diego's internal control over financial reporting, or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Catholic Charities, Diocese of San Diego's internal control over financial reporting and compliance.

Leaf & Cole LLP

San Diego, California
December 3, 2020

CATHOLIC CHARITIES, DIOCESE OF SAN DIEGO
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

ASSETS

	<u>2020</u>	<u>2019</u>
<u>Current Assets:</u> (Notes 2, 4, 5, 6 and 7)		
Cash and cash equivalents	\$ 1,565,360	\$ 485,600
Investments	4,474,998	5,467,182
Accounts receivable	2,008,286	1,577,262
Contributions receivable	10,871	700,000
Deposits and other current assets	58,065	95,660
Security deposits	17,637	-
Custodial funds	389,139	354,164
Total Current Assets	<u>8,524,356</u>	<u>8,679,868</u>
<u>Noncurrent Assets:</u> (Notes 2, 4, 8, 9, 10, 11, 12 and 13)		
Due from related party	-	545,000
Restricted reserves	496,396	249,465
Investment in limited partnership	-	219,769
Donated property	30,000	30,000
Property and equipment, net	8,802,399	5,313,183
Beneficial interest in endowment funds	14,495	14,388
Total Noncurrent Assets	<u>9,343,290</u>	<u>6,371,805</u>
TOTAL ASSETS	<u><u>\$ 17,867,646</u></u>	<u><u>\$ 15,051,673</u></u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities:</u> (Notes 2, 7, 11 and 14)		
Accounts payable	\$ 894,154	\$ 785,500
Accrued payroll and compensated absences	490,468	446,324
Security deposits	14,521	-
Deferred revenue	1,581,664	183,869
Custodial liability	389,139	354,164
Current portion of notes payable	16,004	13,560
Total Current Liabilities	<u>3,385,950</u>	<u>1,783,417</u>
<u>Noncurrent Liabilities:</u> (Note 11)		
Notes payable, net of current portion	5,831,242	2,987,068
Other noncurrent liabilities	97,866	142,996
Total Noncurrent Liabilities	<u>5,929,108</u>	<u>3,130,064</u>
Total Liabilities	<u>9,315,058</u>	<u>4,913,481</u>
<u>Commitments and Contingencies</u> (Note 14)		
<u>Net Assets:</u> (Notes 2, 12 and 13)		
Without donor restrictions	5,901,443	8,512,080
With donor restrictions	2,651,145	1,626,112
Total Net Assets	<u>8,552,588</u>	<u>10,138,192</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 17,867,646</u></u>	<u><u>\$ 15,051,673</u></u>

The accompanying notes are an integral part of the financial statements.

**CATHOLIC CHARITIES, DIOCESE OF SAN DIEGO
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<u>Revenue and Support:</u>						
Federal, state and local grants	\$ 7,920,947	\$ -	\$ 7,920,947	\$ 7,519,954	\$ -	\$ 7,519,954
Contributions	1,088,151	1,157,890	2,246,041	1,612,700	266,461	1,879,161
Program generated income	736,094	-	736,094	1,271,166	-	1,271,166
Diocese of San Diego - Annual Catholic Appeal	500,000	-	500,000	500,000	-	500,000
Rental income	230,744	-	230,744	84,899	-	84,899
United Way and Federal Campaign	21,301	-	21,301	50,794	-	50,794
Fundraising	-	-	-	93,898	-	93,898
Net assets released from restrictions	228,973	(228,973)	-	193,519	(193,519)	-
Total Revenue and Support	<u>10,726,210</u>	<u>928,917</u>	<u>11,655,127</u>	<u>11,326,930</u>	<u>72,942</u>	<u>11,399,872</u>
<u>Expenses:</u>						
Program Services:						
Open arms	4,125,151	-	4,125,151	4,133,145	-	4,133,145
Family, youth, children and community services	2,969,959	-	2,969,959	2,150,411	-	2,150,411
Homeless services	2,550,354	-	2,550,354	3,137,817	-	3,137,817
Senior services	1,811,914	-	1,811,914	1,706,666	-	1,706,666
Housing	524,718	-	524,718	113,424	-	113,424
Total Program Services	<u>11,982,096</u>	<u>-</u>	<u>11,982,096</u>	<u>11,241,463</u>	<u>-</u>	<u>11,241,463</u>
Supporting Services:						
Management and general	1,322,193	-	1,322,193	1,083,161	-	1,083,161
Fundraising	-	-	-	204,848	-	204,848
Total Supporting Services	<u>1,322,193</u>	<u>-</u>	<u>1,322,193</u>	<u>1,288,009</u>	<u>-</u>	<u>1,288,009</u>
Total Expenses	<u>13,304,289</u>	<u>-</u>	<u>13,304,289</u>	<u>12,529,472</u>	<u>-</u>	<u>12,529,472</u>
Change in Net Assets Before Other Revenue (Loss)	<u>(2,578,079)</u>	<u>928,917</u>	<u>(1,649,162)</u>	<u>(1,202,542)</u>	<u>72,942</u>	<u>(1,129,600)</u>

(Continued)

The accompanying notes are an integral part of the financial statements.

CATHOLIC CHARITIES, DIOCESE OF SAN DIEGO
CONSOLIDATED STATEMENTS OF ACTIVITIES (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<u>Other Revenue (Loss):</u>						
Investment income	\$ 118,588	\$ 96,116	\$ 214,704	\$ 221,336	\$ 47,945	\$ 269,281
Gain on sale of property	7,000	-	7,000	-	-	-
Partnership loss	<u>(158,146)</u>	<u>-</u>	<u>(158,146)</u>	<u>(262,245)</u>	<u>-</u>	<u>(262,245)</u>
Total Other Revenue (Loss)	<u>(32,558)</u>	<u>96,116</u>	<u>63,558</u>	<u>(40,909)</u>	<u>47,945</u>	<u>7,036</u>
Change in Net Assets	(2,610,637)	1,025,033	(1,585,604)	(1,243,451)	120,887	(1,122,564)
Net Assets at Beginning of Year	<u>8,512,080</u>	<u>1,626,112</u>	<u>10,138,192</u>	<u>9,755,531</u>	<u>1,505,225</u>	<u>11,260,756</u>
NET ASSETS AT END OF YEAR	<u>\$ 5,901,443</u>	<u>\$ 2,651,145</u>	<u>\$ 8,552,588</u>	<u>\$ 8,512,080</u>	<u>\$ 1,626,112</u>	<u>\$ 10,138,192</u>

The accompanying notes are an integral part of the financial statements.

**CATHOLIC CHARITIES, DIOCESE OF SAN DIEGO
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020**

	Program Services						Management and General	Total Expenses
	Open Arms	Homeless Services	Family, Youth, Children and Community Services	Senior Services	Housing	Total Programs		
<u>Direct Expenses:</u>								
Personnel	\$ 1,957,496	\$ 1,568,180	\$ 2,142,318	\$ 754,681	\$ 142,386	\$ 6,565,061	\$ 1,304,698	\$ 7,869,759
Direct client assistance	710,737	75,539	6,980	367,863	98,624	1,259,743	-	1,259,743
Subcontractors/consultants	876,829	82,222	192,922	12,497	41,190	1,205,660	492,800	1,698,460
Occupancy, utilities and insurance	227,442	178,876	329,831	94,885	76,457	907,491	(16,118)	891,373
Supplies and equipment	48,661	106,809	108,822	71,474	8,209	343,975	134,302	478,277
Depreciation	-	197,643	-	-	117,121	314,764	75,545	390,309
Stipends and volunteers	-	1,088	61	273,370	-	274,519	484	275,003
Other operational costs	43,745	12,915	15,232	15,725	8,826	96,443	211,697	308,140
Travel and transportation	48,700	11,019	17,158	30,920	1,830	109,627	23,598	133,225
Total Direct Expenses	<u>3,913,610</u>	<u>2,234,291</u>	<u>2,813,324</u>	<u>1,621,415</u>	<u>494,643</u>	<u>11,077,283</u>	<u>2,227,006</u>	<u>13,304,289</u>
<u>Indirect Expenses</u>	<u>211,541</u>	<u>316,063</u>	<u>156,635</u>	<u>190,499</u>	<u>30,075</u>	<u>904,813</u>	<u>(904,813)</u>	<u>-</u>
Total Expenses	<u>\$ 4,125,151</u>	<u>\$ 2,550,354</u>	<u>\$ 2,969,959</u>	<u>\$ 1,811,914</u>	<u>\$ 524,718</u>	<u>\$ 11,982,096</u>	<u>\$ 1,322,193</u>	<u>\$ 13,304,289</u>

The accompanying notes are an integral part of the financial statements.

**CATHOLIC CHARITIES, DIOCESE OF SAN DIEGO
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019**

	Program Services						Management and General	Fundraising	Total Expenses
	Open Arms	Homeless Services	Family, Youth, Children and Community Services	Senior Services	Housing	Total Programs			
<u>Direct Expenses:</u>									
Personnel	\$ 2,061,026	\$ 1,857,834	\$ 1,103,819	\$ 776,740	\$ 52,360	\$ 5,851,779	\$ 1,510,755	\$ 57,297	\$ 7,419,831
Direct client assistance	716,311	48,135	260,718	329,339	-	1,354,503	-	-	1,354,503
Subcontractors/consultants	764,754	94,400	29,792	12,787	590	902,323	153,086	74,162	1,129,571
Occupancy, utilities and insurance	238,415	245,301	359,221	89,026	42,142	974,105	81,859	5,517	1,061,481
Supplies and equipment	68,441	97,506	44,324	62,575	97	272,943	92,200	23,055	388,198
Depreciation	-	208,506	-	-	-	208,506	84,527	-	293,033
Stipends and volunteers	-	316	735	276,896	-	277,947	-	-	277,947
Other operational costs	26,670	171,361	88,159	22,148	5,310	313,648	88,817	42,081	444,546
Travel and transportation	<u>54,431</u>	<u>13,257</u>	<u>21,716</u>	<u>46,911</u>	<u>858</u>	<u>137,173</u>	<u>20,453</u>	<u>2,736</u>	<u>160,362</u>
Total Direct Expenses	3,930,048	2,736,616	1,908,484	1,616,422	101,357	10,292,927	2,031,697	204,848	12,529,472
<u>Indirect Expenses</u>	<u>203,097</u>	<u>401,201</u>	<u>241,927</u>	<u>90,244</u>	<u>12,067</u>	<u>948,536</u>	<u>(948,536)</u>	<u>-</u>	<u>-</u>
Total Expenses	<u>\$ 4,133,145</u>	<u>\$ 3,137,817</u>	<u>\$ 2,150,411</u>	<u>\$ 1,706,666</u>	<u>\$ 113,424</u>	<u>\$ 11,241,463</u>	<u>\$ 1,083,161</u>	<u>\$ 204,848</u>	<u>\$ 12,529,472</u>

The accompanying notes are an integral part of the financial statements.

**CATHOLIC CHARITIES, DIOCESE OF SAN DIEGO
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<u>Cash Flows From Operating Activities:</u>		
Change in net assets	\$ (1,585,604)	\$ (1,122,564)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	390,309	293,033
Realized and unrealized gains on investments	(61,040)	(55,156)
Partnership loss	158,146	262,245
Partnership contribution, net	268,999	-
Notes payable forgiven	(157,600)	(157,600)
Endowment investment income	107	(412)
(Increase) Decrease in:		
Accounts receivable	(435,935)	215,114
Contributions receivable	689,129	(568,502)
Deposits and other current assets	37,595	(59,562)
Due from related party	-	(10,000)
Increase (Decrease) in:		
Accounts payable	63,308	304,170
Accrued payroll and compensated absences	44,144	(86,639)
Deferred revenue	1,397,795	114,069
Custodial liability	34,975	7,257
Other noncurrent liabilities	(45,130)	(42,509)
Net Cash Provided by (Used in) Operating Activities	<u>799,198</u>	<u>(907,056)</u>
<u>Cash Flows From Investing Activities:</u>		
Sales (purchases) of investments, net	1,050,783	1,103,039
Purchase of property and equipment, net	(525,623)	(139,325)
Change in beneficial interest in endowment funds	(107)	(412)
Net Cash Provided by Investing Activities	<u>525,053</u>	<u>963,302</u>
<u>Cash Flows From Financing Activities:</u>		
Advances on notes payable	94,120	-
Repayments on notes payable	(41,402)	(400,533)
Endowment investment income	(107)	412
Net Cash Provided by (Used in) Financing Activities	<u>52,611</u>	<u>(400,121)</u>
Net Increase (Decrease) in Cash and Cash Equivalents and Restricted Cash	1,376,862	(343,875)
Cash and Cash Equivalents and Restricted Cash at Beginning of Year	<u>964,514</u>	<u>1,308,389</u>
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AT END OF YEAR	<u><u>\$ 2,341,376</u></u>	<u><u>\$ 964,514</u></u>
<u>Supplemental Disclosure of of Noncash Investing Activities:</u>		
Property and equipment purchases in accounts payable	\$ <u>-</u>	\$ <u>(134,047)</u>
Acquisition of 9th & F Street	\$ <u>(268,999)</u>	\$ <u>-</u>

The accompanying notes are an integral part of the financial statements.

**CATHOLIC CHARITIES, DIOCESE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

Note 1 - Organization:

Catholic Charities, Diocese of San Diego (“Catholic Charities”) is a California Nonprofit Corporation. Catholic Charities provides social services, and administers various governmental and social programs.

Designed to meet the challenge of the ever-changing community by utilizing spiritual, human, and financial resources, our programs enable those we serve to experience dignity and respect. The following is a brief description of the Catholic Charities’ programs and services:

Open Arms

The Refugee Resettlement Program provides reception and placement services, including cultural orientation, cash assistance, case management, preventive health screening and health education, employment and social services. The services are for newly arrived refugees, asylees, Cuban/Haitian parolees, foreign-born victims of human trafficking, and special immigrant visa holders from Iraq and Afghanistan. The resettlement program assisted 526 persons, and the Refugee Health Assessment Program served 847 persons.

The Immigrant Services Program strives to foster family reunification, economic empowerment, political participation, and social integration by providing low-cost, high quality immigration services that enable eligible immigrants and refugees to obtain legal immigrant or citizenship status. Immigrant Services provides legal assistance to individuals who qualify for immigration benefits, regardless of ethnic background. The offices in San Diego and Imperial Counties offer immigration counseling and application assistance to very low-to-moderate income clientele. The program assisted 4,436 people through casework and group orientation sessions held in a variety of venues.

Homeless Services

Homeless Services’ mission is to provide a safe, supportive, sober environment and opportunities for men and women with few or no resources to gather, begin, and continue self-help efforts.

Homeless Men’s Services provides short-term emergency shelter and case management to general homeless men, day laborers, and farm workers. La Posada de Guadalupe is located in North San Diego County, and Our Lady of Guadalupe is located in Imperial County, City of Calexico. La Posada Homeless Men’s Services Department provided services for 377 unduplicated clients. Our Lady of Guadalupe Homeless Men’s Services provided services for 352 unduplicated clients.

Homeless Women’s Services provides a continuum of services for homeless women in San Diego County. The continuum includes a drop-in day center, night shelter, independent living, affordable housing, and work readiness training. This San Diego continuum assists homeless women by moving them from homelessness to shelter & housing. The San Diego continuum served 1,167 women in San Diego. Imperial County Catholic Charities/Homeless Women’s Services operates a 24-bed shelter for homeless women & children. In the same period 72 persons: 30 women and 42 children, were sheltered at House of Hope. The Leah Residence provides 24 affordable units of permanent housing designated for formerly homeless women with special needs. A Service Coordinator is located onsite to assist the residents with a variety of social service and skill needs. The Service Coordinator provided an average of 173 support services each month to the residents.

**CATHOLIC CHARITIES, DIOCESE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

Note 1 - Organization: (Continued)

Family, Youth, Children, and Community Services

CalFresh Healthy Living Program (formerly SNAP-Ed) (CalFresh) supports healthy and active lifestyles by teaching individuals and families in San Diego and Imperial Counties about good nutrition, leveraging CalFresh benefits, and being physically active. Our program is passionate about making the healthy choice, the *easy choice* in our communities. CalFresh seeks to improve the likelihood that persons eligible for CalFresh Food (SNAP) will make healthy food choices within a limited budget, and choose physically active lifestyles consistent with the current Dietary Guidelines for Americans and the Physical Activity Guidelines for Americans. Our CalFresh program provides behaviorally focused, evidence-based, nutrition and physical activity education classes to low-income individuals in the community. We partner with our sister-agency programs and other local organizations and champions to provide these services, as well as build collaboration and leadership toward healthy community initiatives. Catholic Charities Food Resources Centers provided 43,754 instances of food assistance during 2020. A total of 6,670 unduplicated individuals were assisted at the Food Resources Centers. Because hunger is a chronic problem, Catholic Charities served 104,566 duplicated individuals. Thanksgiving served 100 households representing 167 individuals.

Emergency Services Case Management provides comprehensive case management services to the homeless population, low-income families, and single adults. It serves to foster client self-actualization, and provide them with the tools and resources to achieve self-sufficiency. These services include, but are not limited to:

- Neighbor-to-neighbor program (Utility Assistance)
- Winter rotational shelter
- Hotel voucher program (seasonal)
- Rental assistance program (seasonal)
- Lions vision program at reduced rate
- DMV CA ID voucher reduced fee
- Security deposit program/co-signers
- Shelter referrals

Catholic Charities provided Disaster Relief assistance to hurricane victims throughout the county, and wildfire victims in California during the fiscal year. Provided fiscal relief, and partnered with other agencies to identify the most urgent and unmet needs of those impacted by these disasters.

Supplemental Nutrition Assistance Program - Education (SNAP-Ed) is an evidence-based nutrition education and obesity prevention program, providing healthy food choices to low income families while teaching them how to better leverage their CalFresh benefits and improve their overall health. These services are provided in both San Diego and Imperial Counties through a variety of education and outreach opportunities.

Catholic Charities' Covered California Program provides outreach, education, and enrollment assistance for Medi-Cal and private health insurance through the State exchange. The program also prescreens, assists with applications, and advocates for CalFresh (food stamps).

**CATHOLIC CHARITIES, DIOCESE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

Note 1 - Organization: (Continued)

Family, Youth, Children, and Community Services (Continued)

Smoke-Free for All San Diegans is a tobacco prevention and awareness project, with a focus on low-income families and immigrants in specific neighborhoods. A total of 3,427 contacts were made during 2020.

Shoppportunity Thrift Store, located in Vista, offers quality clothing, furniture, and household items at bargain prices, with proceeds going to help poor families in North San Diego County.

Catholic Charities has provided counseling services to pregnant women since the early 1970s, and services to prospective adoptive parents since the 1980s. Catholic Charities became a state-licensed adoption agency in 1984, and over 400 infants have been placed for adoption through the program. Although Catholic Charities no longer recruits adoptive families or places children in adoptive homes, we honor our history by providing Post-Adoption Services to all adoptees, birth parents, and adoptive parents who have been involved in an adoption through our agency. Respect for clients, and the values of mercy and justice, are continuously at the core of all practices of Catholic Charities Post Adoption Services. We provide the following:

- Exchange of letters, pictures, and gifts between members of the Adoption Triad
- Counseling to adoptees seeking to meet their birth parents
- Support for birth parents seeking to contact their adoptee
- Facilitate meetings between adoptive couples and birth parents
- Share information from case files as permitted by state regulations
- Counseling and support for birth parents and their family members
- Gatherings for members of the adoption triad
- Education relating to adoption issues

Senior Services

Foster Grandparent program seeks to create an enriching environment for retired Seniors to remain active while making an impact on the needs of their communities. The Foster Grandparent Program provides opportunities for seniors 55 years of age or older, who are on a limited income, to volunteer and make an impact in their community through direct service for children with special needs and frail adults, respectively. A total of 119 Foster Grandparents served 452 children, at-risk youth, and frail seniors and their caregivers through 95,483 service hours.

The Senior Nutrition program helps to maintain the health and well-being of seniors through a nutritious meal, the opportunity for socialization, and other needed services. The Senior Nutrition is located in Imperial County, and provides a nutritious lunch for persons 60 years of age and older. The 10 congregate sites provided 47,661 meals to 1,415 seniors. In addition, 443 homebound seniors had 50,995 meals delivered to their homes during the year.

The Senior Residential Services program's purpose is to provide a positive environment for our residents that promotes independence, healthy lifestyles, and the ability to remain contributing members of society by providing access to health care services, social services, spiritual and recreational activities. The Senior Residential Services program provided 14,481 social and support services to 594 seniors/disabled adults living in senior housing.

**CATHOLIC CHARITIES, DIOCESE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

Note 1 - Organization: Continued)

Housing

Imperial County's Continuum of Care - Catholic Charities operates the Homeless Management Information System (HMIS) for the Imperial Valley Homeless Task Force, and under contract of the County of Imperial. HMIS tracks homeless persons, as data is collected from the agencies and providers that serve homeless persons, to determine gaps and services, and improve service delivery benefiting the Imperial Valley community.

Catholic Charities offers Rapid Re-Housing Programs in both San Diego and Imperial Counties, providing rental assistance and security deposits, as well as landlord advocacy, assistance with finding affordable housing, and case management assistance to individuals who are homeless, with the goal of moving them into permanent housing.

Note 2 - Significant Accounting Policies:

Consolidated Financial Statements

The consolidated financial statements include the accounts of Catholic Charities, Diocese of San Diego and Catholic Charities 9th & F Street Apartments, L.P, which are collectively referred to as "Catholic Charities". All material intercompany transactions have been eliminated in consolidation.

Accounting Method

The consolidated financial statements of Catholic Charities have been prepared on the accrual basis of accounting, which is in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), and, accordingly, reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes thereon are classified and reported as follows:

- Net Assets Without Donor Restrictions - Net assets available for use in general operations, and not subject to donor (or certain grantor) restrictions.
- Net Assets With Donor Restrictions - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires—that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

CATHOLIC CHARITIES, DIOCESE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

Note 2 - Significant Accounting Policies: (Continued)

Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Risks and Uncertainties

Catholic Charities invests in various types of investment securities, which are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near-term, and such changes could materially affect the amounts reported in the consolidated statements of financial position.

Fair Value Measurements

Fair value accounting standards define fair value, establish a framework for measuring fair value, outline a fair value hierarchy based on inputs used to measure fair value, and enhance disclosure requirements for fair value measurements. The fair value hierarchy distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Level 1 or 2 of the hierarchy), and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

Catholic Charities' consolidated statements of financial position include the following financial instruments that are required to be measured at fair value on a recurring basis:

- Investments in mutual funds and corporate stock are considered Level 1 assets, and are reported at fair value based on quoted prices in active markets for identical assets at the measurement date.
- Beneficial interest in endowment funds held by San Diego Foundation is considered a Level 3 asset, and is reported at the fair value of the underlying assets, as reported by San Diego Foundation (Note 10).

Allowance for Doubtful Accounts

Bad debts are recognized on the allowance method, based on historical experience and management's evaluation of outstanding receivables. Management believes all accounts and contributions receivable are fully collectible; therefore, no allowance for doubtful accounts and contributions receivable has been established at June 30, 2020 and 2019.

Donated Property

Donated property consists of land donated to Catholic Charities, and is reported at fair value as of the date of donation. Donated property totaled \$30,000 at June 30, 2020 and 2019.

CATHOLIC CHARITIES, DIOCESE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

Note 2 - Significant Accounting Policies: (Continued)

Capitalization and Depreciation

Catholic Charities capitalizes all expenditures in excess of \$5,000 for property and equipment at cost, while donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as support without donor restrictions, unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment, are reported as support with donor restrictions. Absent donor stipulations regarding how those donated assets must be maintained, Catholic Charities reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Catholic Charities reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Property and equipment is depreciated using the straight-line and accelerated methods over the estimated useful lives as follows:

Land improvements	15 years
Buildings and building improvements	5 - 27 ½ years
Furniture and equipment	5 years
Leasehold improvements	5 years

Depreciation totaled \$390,309 and \$293,033 for the years ended June 30, 2020 and 2019, respectively.

Maintenance and repairs are charged to operations as incurred. Upon sale or disposition of property and equipment, the asset account is reduced by the cost, and the accumulated depreciation account is reduced by the depreciation taken prior to the sale. Any resultant gain or loss is then recorded as income or expense.

Impairment of Real Estate

Catholic Charities reviews its property for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amounts of the property to the future net undiscounted cash flows expected to be generated by the property and any estimated proceeds from the eventual disposition of the property. If the property is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the property exceeds the fair value of such property. There were no impairment losses recognized in June 30, 2020 and 2019.

Compensated Absences

Accumulated unpaid vacation totaling \$323,438 and \$292,474 at June 30, 2020 and 2019, respectively, is accrued when incurred, and included in accrued payroll and compensated absences.

CATHOLIC CHARITIES, DIOCESE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

Note 2 - Significant Accounting Policies: (Continued)

Revenue Recognition

Grant revenue is recognized in the period in which the related work is performed in accordance with the terms of the grant. Grants receivable are recorded when revenue earned under a grant exceeds the cash received. Deferred revenue is recorded when cash received under a grant exceeds the revenue earned. Deferred revenue totaled \$62,237 and \$180,131 at June 30, 2020 and 2019, respectively

Contributions are recognized when the donor makes a promise to give to Catholic Charities that is in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions, if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Contributions to be received in future periods are discounted at an appropriate discount rate. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Program generated income, fundraising and rental income are recorded as revenue in the period that the services are provided, the event occurs, or the residential property or facility is rented. Deferred revenue totaled \$27 and \$3,738 at June 30, 2020 and 2019, respectively.

Donated Services

Catholic Charities utilizes the services of many volunteers throughout the year. This contribution of services by the volunteers is not recognized in the financial statements, unless the services received (a) create or enhance nonfinancial assets, or (b) require specialized skills which are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The donated services for the years ended June 30, 2020 and 2019 did not meet the requirements above; therefore, no amounts were recognized in the financial statements.

Functional Allocation of Expenses

The consolidated statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area are reported as expenses of those functional areas. A portion of expenses that benefit multiple functional areas have been allocated between programs and supporting services, based on a cost allocation plan that allocates costs based on time records, space utilized, and estimates made by Catholic Charities' management.

Income Tax Status

Catholic Charities is a public charity, and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. Catholic Charities believes that it has appropriate support for any tax positions taken, and, as such, does not have any uncertain tax positions that are material to the financial statements. Catholic Charities is not a private foundation.

CATHOLIC CHARITIES, DIOCESE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

Note 2 - Significant Accounting Policies: (Continued)

Income Tax Status (Continued)

Catholic Charities' Return of Organization Exempt from Income Tax for the years ended June 30, 2020, 2019, 2018 and 2017 are subject to examination by the Internal Revenue Service and State taxing authorities, generally three to four years after the returns were filed.

No provision for federal and state income taxes for Catholic Charities 9th & F Street Apartments, L.P. is included in the consolidated financial statements, since the taxable income (loss) passes through and is reportable by the partners on their income tax returns.

The Partnership's tax returns for the period ended June 30, 2020 and the years ended December 31, 2020, 2019 and 2018 are subject to examination by the Internal Revenue Service and State taxing authorities, generally three to four years after the returns were filed.

Concentrations

Credit Risk

Catholic Charities maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Catholic Charities has not experienced any losses in such accounts. Catholic Charities believes it is not exposed to any significant credit risk on cash and cash equivalents.

Contracts Receivable and Revenue

Concentrations with respect to receivables are generally diversified due to the large number of grantor agencies composing Catholic Charities' programs. Grants from the Federal government totaled 47% and 49% of total revenue for the years ended June 30, 2020 and 2019, respectively.

Cash and Cash Equivalents and Restricted Cash

For purposes of the consolidated statements of cash flows, Catholic Charities considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. Certificates of deposits that may be redeemed without a significant penalty are considered cash and cash equivalents, regardless of the maturity. The following is a reconciliation of cash and cash equivalents and restricted cash reported within the consolidated statements of financial position that sum to the total in the consolidated statements of cash flows at June 30:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 1,565,360	\$ 485,600
Custodial funds	261,983	229,449
Restricted reserves	496,396	249,465
Tenant security deposits	17,637	-
Total Cash and Cash Equivalents	<u>\$ 2,341,376</u>	<u>\$ 964,514</u>

CATHOLIC CHARITIES, DIOCESE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

Note 2 - Significant Accounting Policies: (Continued)

Accounting Pronouncements Adopted

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). ASU 2014-09 outlines a single, comprehensive model for companies to use in accounting for revenue arising from contracts with customers. The core principle of the revenue model is that revenue is recognized when a customer obtains control of a good or service. The change in accounting principle was adopted on the retrospective basis, which resulted in no change to revenue previously reported and also had no effect on the revenue reported for the year ended June 30, 2020.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows*. ASU 2016-18 requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. The adoption of ASU 2016-18 for the year ended June 30, 2020 had no effect on the beginning-of-period and end-of-period total amounts shown on the consolidated statements of cash flows.

Subsequent Events

In preparing these consolidated financial statements, Catholic Charities has evaluated events and transactions for potential recognition or disclosure through December 3, 2020, the date the consolidated financial statements were available to be issued, and concluded that there were no events or transactions that needed to be disclosed.

Note 3 - Liquidity and Availability:

Catholic Charities regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. Catholic Charities considers investment income without donor restrictions, contributions without donor restrictions and contributions with donor restrictions for use in current programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. For purposes of analyzing resources available to meet general expenditures over a 12-month period Catholic Charities considers all expenditures related to its ongoing activities, as well as the conduct of services undertaken to support those activities, to be general expenditures.

Financial assets available for general expenditure within one year, are comprised of the following at June 30:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 1,565,360	\$ 485,600
Investments	4,474,998	5,467,182
Accounts receivable	2,008,286	1,577,262
Contributions receivable	-	700,000
Less:		
Donor-restricted net assets	<u>(2,636,650)</u>	<u>(1,611,724)</u>
Financial assets available for general expenditure within one year	<u>\$ 5,411,994</u>	<u>\$ 6,618,320</u>

In addition, Catholic Charities operates with a balanced budget, and anticipates collecting sufficient revenue to cover general expenditures.

CATHOLIC CHARITIES, DIOCESE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

Note 4 - Fair Value Measurements:

The following table summarizes assets measured at fair value by classification within the fair value hierarchy at June 30:

	2020			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2020
Mutual and index funds	\$ 4,555,052	\$ -	\$ -	\$ 4,555,052
Corporate stock	47,102	-	-	47,102
Beneficial interest in endowment funds (Note 10)	-	-	14,495	14,495
	<u>\$ 4,602,154</u>	<u>\$ -</u>	<u>\$ 14,495</u>	<u>\$ 4,616,649</u>

	2019			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2019
Mutual and index funds:	\$ 5,553,663	\$ -	\$ -	\$ 5,553,663
Corporate stock	38,234	-	-	38,234
Beneficial interest in endowment funds (Note 10)	-	-	14,388	14,388
	<u>\$ 5,591,897</u>	<u>\$ -</u>	<u>\$ 14,388</u>	<u>\$ 5,606,285</u>

The reconciliation for financial instruments measured at fair value on a recurring basis, using significant unobservable input (Level 3), are included in Note 10 as indicated above.

The following table represents Catholic Charities' Level 3 financial instrument, the valuation techniques used to measure the fair value of the financial instrument, and the significant unobservable inputs and the range of values for those inputs for the years ended June 30:

2020				
Instrument	Fair Value	Principal Valuation Technique	Unobservable Inputs	Significant Input Values
Beneficial interest in endowment funds	\$ 14,495	Valuation of underlying assets as provided by San Diego Foundation	Base price	N/A

2019				
Instrument	Fair Value	Principal Valuation Technique	Unobservable Inputs	Significant Input Values
Beneficial interest in endowment funds	\$ 14,388	Valuation of underlying assets as provided by San Diego Foundation	Base price	N/A

CATHOLIC CHARITIES, DIOCESE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

Note 5 - Investments:

Investments consist of the following at June 30:

	<u>2020</u>	<u>2019</u>
Mutual and index funds	\$ 4,555,052	\$ 5,553,663
Corporate stock	47,102	38,234
Total Investments	<u>\$ 4,602,154</u>	<u>\$ 5,591,897</u>

Investments are classified as follows in the statements of financial position:

	<u>2020</u>	<u>2019</u>
Investments	\$ 4,474,998	\$ 5,467,182
Custodial funds	127,156	124,715
Total Investments	<u>\$ 4,602,154</u>	<u>\$ 5,591,897</u>

Investment income consists of the following for the years ended June 30:

	<u>2020</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Interest and dividends	\$ 72,095	\$ 81,462	\$ 153,557
Realized and unrealized gains	46,493	14,654	61,147
Total Investment Income	<u>\$ 118,588</u>	<u>\$ 96,116</u>	<u>\$ 214,704</u>

	<u>2019</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Interest and dividends	\$ 185,197	\$ 28,516	\$ 213,713
Realized and unrealized gains	36,139	19,429	55,568
Total Investment Income	<u>\$ 221,336</u>	<u>\$ 47,945</u>	<u>\$ 269,281</u>

Note 6 - Contributions Receivable:

Contributions receivable totaling \$10,871 and \$700,000 at June 30, 2020 and 2019, respectively, are due within one year.

CATHOLIC CHARITIES, DIOCESE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

Note 7 - Custodial Funds:

Custodial funds consist of cash and investments held by Catholic Charities as custodian for the Emergency Food and Shelter Program, Rent Deposits Guarantee Program, and Schwarzman Fund. These funds are held in separate bank accounts held by Catholic Charities in its capacity as an administrator of funds for these agencies, and are disbursed on behalf of and to the local agencies upon receipt of approved requests. Custodial funds held by Catholic Charities as custodian and the related custodial liabilities are comprised of the following at June 30:

	<u>2020</u>	<u>2019</u>
Cash and equivalents	\$ 261,983	\$ 229,449
Mutual and index funds	127,156	124,715
Total Custodial Funds and Liability	<u>\$ 389,139</u>	<u>\$ 354,164</u>

Note 8 - Restricted Reserves:

Catholic Charities is required to fund an operating reserve and a replacement reserve in accordance with the provisions of the Regulatory Agreement created with the note payable to the California Department of Housing and Community Development. The operating reserve totaled \$242,974 and \$242,964 at June 30, 2020 and 2019, respectively. The replacement reserve totaled \$8,002 and \$6,501 at June 30, 2020 and 2019, respectively.

According to the Partnership, loan and other regulatory agreements, the Partnership is required to maintain certain reserves as follows:

Replacement Reserve

The Partnership was required to fund a replacement reserve in an initial amount of \$4,800 from the limited partner's capital contribution. In addition, the Partnership is required to fund the replacement reserve in the amount of \$4,800 annually, increasing 3% per year. The partners agreed to defer the funding of the replacement reserve until there is sufficient cash flow. The replacement reserve totaled \$35,199 at June 30, 2020.

Operating Reserve

The Partnership was required to fund an operating reserve in an initial amount of \$100,000 from the limited partner's third and fourth installments of its capital contributions, as defined in the Partnership Agreement. The operating reserve totaled \$210,221 at June 30, 2020.

CATHOLIC CHARITIES, DIOCESE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

Note 9 - Property and Equipment:

Property and equipment consist of the following at June 30:

	<u>2020</u>	<u>2019</u>
Land	\$ 2,416,313	\$ 1,936,526
Land improvements	204,105	-
Buildings and building improvements	13,152,652	7,339,291
Furniture and equipment	1,257,839	946,441
Leasehold improvements	68,714	68,714
Construction in progress	424,503	-
Subtotal	<u>17,524,126</u>	<u>10,290,972</u>
Less: Accumulated depreciation	<u>(8,721,727)</u>	<u>(4,977,789)</u>
Property and Equipment, Net	<u>\$ 8,802,399</u>	<u>\$ 5,313,183</u>

Note 10 - Beneficial Interest in Endowment Funds:

Catholic Charities has a beneficial interest in endowment funds held by San Diego Foundation (the "Foundation"), which is classified as 'with donor restrictions' and must be maintained in perpetuity. The beneficial interest in endowment funds held by the Foundation is invested in a portfolio of equity and debt securities, which is structured for long-term total return, consisting of 25% international equities, 28% domestic equities, 22% alternative investments, 17% fixed income, 6% real estate, and 2% commodities.

The activity in the beneficial interest in endowment funds held by the Foundation consisted of the following for the years ended June 30:

	<u>2020</u>	<u>2019</u>
Balance at Beginning of Year	\$ 14,388	\$ 13,976
Change in fair value	107	412
Balance at End of Year	<u>\$ 14,495</u>	<u>\$ 14,388</u>

Note 11 - Notes Payable:

Notes payable consist of the following at June 30:

	<u>2020</u>	<u>2019</u>
Note payable to the City of Carlsbad, noninterest-bearing and secured by a deed of trust. The note will be payable in full upon the first of following to occur: (i) an event of default on the deed of trust; (ii) 20 years from the date of the note, or September 2017; (iii) the date of the first sale or transfer of property; or (iv) the failure of Catholic Charities to operate a homeless shelter and/or support services on the property in compliance with certain requirements. The City of Carlsbad is currently reviewing an extension or forgiveness of this note, and it is not expected they will require repayment in 2020.	\$ 200,000	\$ 200,000

(Continued)

CATHOLIC CHARITIES, DIOCESE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

Note 11 - Notes Payable: (Continued)

	<u>2020</u>	<u>2019</u>
Note payable to the City of Carlsbad in an amount not to exceed \$150,000, noninterest-bearing and secured by a deed of trust. The note will be payable in full upon the first of following to occur: (i) 20 years from the date of the note, or June 2030; (ii) the date of the first sale or transfer of property; or (iii) the failure of Catholic Charities to operate a homeless shelter and/or support services on the property in compliance with certain requirements. The note shall be forgiven upon the twenty-year term of the note if the facility has been maintained and operated as a homeless shelter.	\$ 78,106	\$ 78,106
Note payable to the City of Carlsbad in an amount not to exceed \$300,000, noninterest-bearing and secured by a deed of trust. The note will be payable in full upon the first of following to occur: (i) 20 years from the date of the note, or March 2032; (ii) the date of the first sale or transfer of property; or (iii) the failure of Catholic Charities to operate a homeless shelter and/or support services on the property in compliance with certain requirements. The note shall be forgiven upon the twenty-year term of the note if the facility has been maintained and operated as a homeless shelter.	217,896	217,896
Note payable to the City of Carlsbad, noninterest-bearing and secured by a deed of trust. The note will be payable in full upon the first of following to occur: (i) 20 years from the date of the note, or July 2029; (ii) the date of the first sale or transfer of property; or (iii) the failure of Catholic Charities to operate a homeless shelter and/or support services on the property in compliance with certain requirements. The note shall be forgiven upon the twenty-year term of the note if the facility has been maintained and operated as a homeless shelter.	211,583	211,583
Note payable to the City of Carlsbad, noninterest-bearing and secured by a deed of trust. The note will be payable in full upon the first of following to occur: (i) 20 years from the date of occupancy, or October 2033; (ii) the date of the first sale or transfer of property; or (iii) the failure of Catholic Charities to operate a homeless shelter and/or support services on the property in compliance with certain requirements. The remaining balance of note shall be forgiven annually upon final occupancy, at one-twentieth per year for each year the facility has been maintained and operated as a homeless shelter.	1,400,000	1,500,000

(Continued)

CATHOLIC CHARITIES, DIOCESE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

Note 11 - Notes Payable: (Continued)

	<u>2020</u>	<u>2019</u>
Note payable to California Department of Housing and Community Development, noninterest-bearing, and repayment is deferred as long as the Partnership owns the project and operates the project in accordance with the requirements of the grant agreement. The loan will be forgiven at the end of 55 years, or February 2068, if the project is still operating. Secured by a subordinate deed of trust.	\$ 480,257	\$ 480,257
Note payable to Center City Development Corporation for the Rachel's Women's Center renovations, non-interest bearing and secured by a deed of trust. Annual payments equal to one-tenth of the outstanding principal are due the day following each anniversary of the completion of the renovations. In lieu of each annual payment, the note shall be repaid by meeting the service operation benchmarks, as defined in the note. Any remaining principal is due in full in October 2020.	17,599	35,199
Note payable to U.S. Department of Housing and Urban Development ("HUD"), noninterest-bearing. If the project ceases to be used as supportive housing within ten years after the project was placed in service on May 2005, the note shall be due and payable. If the project is used as supportive housing for more than ten years, HUD shall reduce the percentage of the amount required to be repaid by 10% for each year in excess of ten that the project is used as supportive housing. Secured by a subordinate deed of trust.	200,000	240,000
The residual receipts promissory note payable, which was originated in October 2003, is held by the Redevelopment Agency of the City of San Diego in the original amount of \$1,244,000. The note is noninterest-bearing. Principal is payable from "residual receipts" as defined in the note, or is due at maturity, October 2058. Secured by a deed of trust.	1,244,000	-
The deferred payment promissory note payable, which was originated in October 2003, is held by the Redevelopment Agency of the City of San Diego in the original amount of \$600,000. The note is noninterest-bearing. Principal is payable from "residual receipts" as defined in the note, or is due at maturity, October 2058. Secured by a deed of trust.	600,000	-

(Continued)

CATHOLIC CHARITIES, DIOCESE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

Note 11 - Notes Payable: (Continued)

	<u>2020</u>	<u>2019</u>
The note payable which was originated in October 2003 is held by the San Diego Housing Commission, in the amount of \$927,500. The note is noninterest-bearing. Principal is due October 2058. Secured by a deed of trust.	\$ 927,500	\$ -
The promissory note payable which was originated in November 2003 is held by Citibank, FSB for the Affordable Housing Program (AHP), in the original amount of \$180,000. The note is noninterest-bearing as long as all compliance requirements of the note are met. Principal is due November 2021. Secured by a deed of trust.	180,000	-
Note payable to Honda Financial Services, payable in monthly installments of \$573 including interest at .9%, due in March 2022.	-	18,646
Note payable to Honda Financial Services, payable in monthly installments of \$581 including interest at .9%, due in March 2022.	-	18,941
Note payable to Honda Financial Services, payable in monthly installments of \$395 including interest at 3.9%, due in March 2026.	24,369	-
Note payable to Honda Financial Services, payable in monthly installments of \$395 including interest at 3.9%, due in March 2026.	24,370	-
Note payable to Honda Financial Services, payable in monthly installments of \$391 including interest at 2.9%, due in March 2025.	20,783	-
Note payable to Honda Financial Services, payable in monthly installments of \$391 including interest at 2.9%, due in March 2025.	20,783	-
Total Notes Payable	5,847,246	3,000,628
Less: Current portion	(16,004)	(13,560)
Notes Payable, Noncurrent	<u>\$ 5,831,242</u>	<u>\$ 2,987,068</u>

Future principal payments on notes payable are as follows:

Years Ended June 30	
2021	\$ 16,004
2022	196,552
2023	17,122
2024	17,712
2025	15,952
Thereafter	5,583,904
	<u>\$ 5,847,246</u>

CATHOLIC CHARITIES, DIOCESE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

Note 12 - Net Assets With Donor Restrictions:

Net assets with donor restrictions represent contributions received or receivable by Catholic Charities, which are limited in their use by time or donor-imposed restrictions. Net assets with donor restrictions are available for the following purpose at June 30:

	<u>2020</u>	<u>2019</u>
Subject to Expenditure for Specified Purpose:		
Rachel's Women's Center	\$ 1,250,064	\$ 1,156,594
COVID Relief Funds	868,304	-
San Diego Fire Relief	215,244	215,244
Emergency Assistance	91,598	91,599
Scripps Voucher Program	60,906	-
Farm Worker Housing	43,700	41,453
Immigration Services	31,700	31,700
La Posada	27,675	27,675
Leah's Residence	23,203	23,203
Homeless Women's Services	20,514	20,514
Refugee	3,742	3,743
Total Subject to Expenditure for Specified Purpose	<u>2,636,650</u>	<u>1,611,725</u>
Perpetual in Nature:		
Endowment (Note 13)	14,495	14,387
Total Net Assets With Donor Restrictions	<u>\$ 2,651,145</u>	<u>\$ 1,626,112</u>

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose, or by the occurrence of the passage of time or other events specified by the donors, are as follows for the years ended June 30:

	<u>2020</u>	<u>2019</u>
Purpose Restrictions Accomplished:		
COVID Relief Funds	\$ 219,587	\$ -
Scripps Voucher Program	9,093	-
Rachel's Women's Center	293	81,368
Emergency Assistance	-	75,022
Homeless Women's Services	-	26,639
Immigration Services	-	10,480
Farm Worker Housing	-	10
Total Net Assets Released From Restrictions	<u>\$ 228,973</u>	<u>\$ 193,519</u>

CATHOLIC CHARITIES, DIOCESE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

Note 13 - Endowment Net Assets:

The endowment funds of Catholic Charities are held by the Foundation. The Foundation manages the funds in accordance with The Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA"). The Foundation's objective is to maintain the purchasing power (real value) of the endowment funds. However, from time to time, the fair value of the assets in the endowment fund may fall below the level that the donors require the Theatre to retain as a fund of perpetual duration. Catholic Charities classifies donor-restricted net assets of a perpetual nature held by the Foundation as:

- The original value of gifts donated to the fund
- The original value of Catholic Charities funds transferred to the fund
- The original value of subsequent gifts donated to the fund
- Investment income and realized and unrealized gains and losses on investments
- Distributions from the fund in accordance with the spending policy

The Foundation has adopted investment and spending policies for endowment funds that:

- Protect the invested assets
- Preserve spending capacity of the fund income
- Maintain a diversified portfolio of assets that meet investment return objectives, while keeping risk at a level commensurate with that of the median fund in comparable foundations
- Comply with applicable laws

The Foundation's endowment funds are invested in debt, and other securities that are structured to satisfy its long-term rate-of-return objectives. To provide diversification to moderate risk, the investments are divided into carefully defined asset classes. Funding available for each asset classification is invested by professional money managers, hired by the Foundation through a competitive process. The investment performance of each money manager is monitored by an independent consultant hired by the Foundation.

The Foundation's spending policy is to disburse 5% annually, based upon endowment principal market value over the last 36 months. These calculations are made on a monthly basis. If the market value of the Endowment Principal of any fund, at the end of each month, is less than the initial value of all contributions made to the Endowment Principal, then distributions will be limited to interest and dividends received. The Foundation's endowment funds distributions are approximately 2.5% of the endowment principal.

Endowment composition by type of fund and changes in endowment net assets as of, and for, the years ended June 30:

	<u>2020</u>	<u>2019</u>
Endowment Net Assets at Beginning of Year	\$ 14,388	\$ 13,976
Change in fair value	<u>107</u>	<u>412</u>
Endowment Net Assets at End of Year	<u>\$ 14,495</u>	<u>\$ 14,388</u>

CATHOLIC CHARITIES, DIOCESE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

Note 14 - Commitments and Contingencies:

Lease Commitments

Catholic Charities occupies facilities in various locations under operating lease agreements on a month-to-month basis, and leases expiring at various dates through January 2022. Rent expense totaled \$338,766 and \$493,580 for the years ended June 30, 2020 and 2019, respectively. The following is a schedule of future minimum lease payments under the leases:

Years Ended June 30	
2021	\$ 368,450
2022	77,856
2023	175
Total	<u>\$ 446,481</u>

Pension Plan

Employees of Catholic Charities are eligible to participate in a multiemployer pension plan (the “Plan”) sponsored by the Diocese of San Diego. Catholic Charities contributed \$260,809 and \$245,312 to the Plan for the years ended June 30, 2020 and 2019, respectively.

Revocable Grant Agreement

The Revocable Grant Agreement (the “Grant”) in the amount of \$350,000 was issued to the Partnership by the City of San Diego, and is subject to an Amendment Affecting Real Property, including rental restrictions. The Grant was issued pursuant to an owner participation agreement between the former Redevelopment Agency of the City of San Diego and the General Partner in 2014, to provide financing for the construction of certain improvements to the property. The Grant bears no interest, and is not required to be repaid as long as the Partnership meets the affordable housing restrictions imposed by the Amendment Affecting Real Property for a period of not less than 55 years. The final advance under the grant, totaling \$44,172, was recognized as revenue for the year ended June 30, 2020.

Payroll Protection Program Loan

In April 2020, Catholic Charities received a loan totaling \$1,519,400 from the U.S. Small Business Administration, under the CARES Act Paycheck Protection Program (“PPP”). The loan is forgivable to the extent that Catholic Charities meets the terms and conditions of the PPP. Any portion of the loan that is not forgiven bears interest at 1%, and is due in April 2022. The amount totaling \$1,519,400 has been included in deferred revenue at June 30, 2020. Catholic Charities expects to satisfy the terms and conditions of forgiveness of the PPP, and will recognize the amount received as revenue during the year ended June 30, 2021, when forgiveness has been granted by the lender.

CATHOLIC CHARITIES, DIOCESE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

Note 14 - Commitments and Contingencies: (Continued)

Litigation

Legal claims and lawsuits arise from time to time in the normal course of business. Catholic Charities has been named in a lawsuit. The lawsuit is in the early phase of discovery, and legal counsel is unable to estimate the potential claim against Catholic Charities not covered by insurance; however, the results from such litigation could materially affect the operations and financial condition of Catholic Charities.

Property Contingencies

Catholic Charities owns several pieces of property that could result in a liability to remediate asbestos or other environmental issues, should Catholic Charities dispose of the properties. Catholic Charities has examined the properties for potential liabilities associated with remediation, and have concluded that one facility has asbestos. Catholic Charities has not recognized a liability for the potential clean-up of asbestos, because management cannot reasonably estimate the fair value, as it is not known when settlement will occur. Catholic Charities will recognize a liability in the period in which sufficient information becomes available.

Coronavirus Pandemic Contingency

On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic. On March 19, 2020, the Governor of California declared a health emergency and issued an order to close all nonessential businesses until further notice. There has been no immediate impact to Catholic Charities operations. The potential impacts to Catholic Charities include disruptions or restrictions on employees' ability to work, suspension of some programs, reduction in contributions from donors, and reduced grant revenue. In addition, there has been significant volatility in the financial markets, which may have an impact on the valuation of Catholic Charities' investments and investment income. Changes to the operating environment may increase operating costs. The future effects of these issues are unknown.

CATHOLIC CHARITIES, DIOCESE OF SAN DIEGO
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

	ASSETS			
	Catholic Charities	9th & F Street	Eliminations	Consolidated
<u>Current Assets:</u>				
Cash and cash equivalents	\$ 1,525,833	\$ 39,527	\$ -	\$ 1,565,360
Investments	4,474,998	-	-	4,474,998
Accounts receivable	2,008,286	44,189	(44,189)	2,008,286
Contributions receivable	10,871	-	-	10,871
Deposits and other current assets	58,065	-	-	58,065
Security deposits	-	17,637	-	17,637
Custodial funds	389,139	-	-	389,139
Total Current Assets	<u>8,467,192</u>	<u>101,353</u>	<u>(44,189)</u>	<u>8,524,356</u>
<u>Noncurrent Assets:</u>				
Due from related party	555,000	-	(555,000)	-
Restricted reserves	250,976	245,420	-	496,396
Investment in limited partnership	26,289	-	(26,289)	-
Donated property	30,000	-	-	30,000
Property and equipment, net	5,565,618	3,236,781	-	8,802,399
Beneficial interest in endowment funds	14,495	-	-	14,495
Total Noncurrent Assets	<u>6,442,378</u>	<u>3,482,201</u>	<u>(581,289)</u>	<u>9,343,290</u>
TOTAL ASSETS	<u>\$ 14,909,570</u>	<u>\$ 3,583,554</u>	<u>\$ (625,478)</u>	<u>\$ 17,867,646</u>
LIABILITIES AND NET ASSETS				
<u>Current Liabilities:</u>				
Accounts payable	\$ 902,126	\$ 36,217	\$ (44,189)	\$ 894,154
Accrued payroll and compensated absences	490,468	-	-	490,468
Security deposits	-	14,521	-	14,521
Deferred revenue	1,581,637	27	-	1,581,664
Custodial liability	389,139	-	-	389,139
Current portion of notes payable	16,004	-	-	16,004
Total Current Liabilities	<u>3,379,374</u>	<u>50,765</u>	<u>(44,189)</u>	<u>3,385,950</u>
<u>Noncurrent Liabilities:</u>				
Due to related party	-	155,000	(155,000)	-
Notes payable, net of current portion	2,879,742	3,351,500	(400,000)	5,831,242
Other noncurrent liabilities	97,866	-	-	97,866
Total Noncurrent Liabilities	<u>2,977,608</u>	<u>3,506,500</u>	<u>(555,000)</u>	<u>5,929,108</u>
Total Liabilities	<u>6,356,982</u>	<u>3,557,265</u>	<u>(599,189)</u>	<u>9,315,058</u>
<u>Commitments and Contingencies</u>				
<u>Net Assets:</u>				
Without donor restrictions	5,901,443	26,289	(26,289)	5,901,443
With donor restrictions	2,651,145	-	-	2,651,145
Total Net Assets	<u>8,552,588</u>	<u>26,289</u>	<u>(26,289)</u>	<u>8,552,588</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 14,909,570</u>	<u>\$ 3,583,554</u>	<u>\$ (625,478)</u>	<u>\$ 17,867,646</u>

CATHOLIC CHARITIES, DIOCESE OF SAN DIEGO
CONSOLIDATING SCHEDULE OF ACTIVITIES
JUNE 30, 2020 AND 2019

	Catholic Charities	9th & F Street	Eliminations	Consolidated
<u>Revenue and Support:</u>				
Federal, state and local grants	\$ 7,876,775	\$ 44,172	\$ -	\$ 7,920,947
Contributions	2,246,041	-	-	2,246,041
Program generated income	741,094	-	(5,000)	736,094
Diocese of San Diego - Annual Catholic Appeal	500,000	-	-	500,000
Rental income	80,891	149,853	-	230,744
United Way and Federal Campaign	21,301	-	-	21,301
Total Revenue and Support	<u>11,466,102</u>	<u>194,025</u>	<u>(5,000)</u>	<u>11,655,127</u>
<u>Expenses:</u>				
Program Services:				
Open arms	4,125,151	-	-	4,125,151
Family, youth, children and community services	2,969,959	-	-	2,969,959
Homeless services	2,550,354	-	-	2,550,354
Senior services	1,811,914	-	-	1,811,914
Housing	300,149	229,569	(5,000)	524,718
Total Program Services	<u>11,757,527</u>	<u>229,569</u>	<u>(5,000)</u>	<u>11,982,096</u>
Supporting Services:				
Management and general	1,322,193	-	-	1,322,193
Fundraising	-	-	-	-
Total Supporting Services	<u>1,322,193</u>	<u>-</u>	<u>-</u>	<u>1,322,193</u>
Total Expenses	<u>13,079,720</u>	<u>229,569</u>	<u>(5,000)</u>	<u>13,304,289</u>
Change in Net Assets Before Other Revenue and (Expense)	<u>(1,613,618)</u>	<u>(35,544)</u>	<u>-</u>	<u>(1,649,162)</u>
<u>Other Revenue (Loss):</u>				
Investment income	214,494	210	-	214,704
Gain on sale of property	7,000	-	-	7,000
Partnership loss	(193,480)	-	35,334	(158,146)
Total Other Revenue (Loss)	<u>28,014</u>	<u>210</u>	<u>35,334</u>	<u>63,558</u>
Change in Net Assets	(1,585,604)	(35,334)	35,334	(1,585,604)
Net Assets at Beginning of Year	10,138,192	-	-	10,138,192
Acquisition of Partnership Interest	-	61,623	(61,623)	-
NET ASSETS AT END OF YEAR	<u>\$ 8,552,588</u>	<u>\$ 26,289</u>	<u>\$ (26,289)</u>	<u>\$ 8,552,588</u>

**CATHOLIC CHARITIES, DIOCESE OF SAN DIEGO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

Federal Grants/Pass-Through Grantor/Program or Cluster Title	Program Title	Federal CFDA Number	Grant Identification Number	Passed Through to Subrecipient	Federal Expenditures	Total Expenditures
US Department of Agriculture:						
Pass-Through Program:						
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program:						
Catholic Charities of California	SNAP/Ed/NEOP/FRC	10.561	18-3058	\$ -	\$ 17,199	\$ 17,199
Catholic Charities of California	SNAP/Ed/NEOP/FRC		17-7007	-	275,966	275,966
Total U.S. Department of Agriculture				-	293,165	293,165
U.S. Department of Housing and Urban Development:						
Direct Programs:						
Continuum of Care:						
U.S. Department of HUD	Rapid Rehousing	14.267	CA1438L9D011702	-	25,032	25,032
U.S. Department of HUD	COC IV		CA1438L9D011803	-	99,162	99,162
U.S. Department of HUD	Leah's Residence		CA0539L9D011811	-	34,621	34,621
Total Continuum of Care				-	158,815	158,815
Total Direct Program				-	158,815	158,815
Pass-Through Program From:						
Multifamily Housing Service Coordinators:						
Cathedral Plaza Development Corporation	Senior Services Coordinator	14.191	MFSC179573	-	136,332	136,332
Guadalupe Plaza Development Corporation	Senior Services Coordinator		MFSC179560	-	52,682	52,682
Escondido Gardens Housing Foundation	Senior Services Coordinator		MFSC179640	-	76,481	76,481
Calexico Plaza Development Corporation	Senior Services Coordinator		MFSC179642	-	77,587	77,587
Cathedral Plaza Development Corporation	Senior Services Coordinator		MFSC179573	-	3,382	3,382
Total Multifamily Housing Service Coordinators				-	346,464	346,464
Community Development Block Grants/Entitlement Grants:						
City of El Centro	House of Hope	14.218	N/A	-	8,500	8,500
City of Carlsbad	La Posada De Guadalupe Operations		N/A	-	20,000	20,000
Total Community Development Block Grants/Entitlement Grants				-	28,500	28,500
Emergency Solutions Grant Program:						
California Department of Housing and Community Development	House of Hope	14.231	17-ESG-11912	-	6,784	6,784
Total Emergency Solutions Grant Program				-	6,784	6,784
Total Pass-Through Programs				-	381,748	381,748
Total U.S. Department of Housing and Urban Development				-	540,563	540,563

(Continued)

CATHOLIC CHARITIES, DIOCESE OF SAN DIEGO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

Federal Grants/Pass-Through Grantor/Program or Cluster Title	Program Title	Federal CFDA Number	Grant Identification Number	Passed Through to Subrecipient	Federal Expenditures	Total Expenditures
U.S. Department of State Bureau of Population, Refugees, and Migration:						
Pass-Through Program From:						
U.S. Refugee Admissions Program:		19.510				
United States Conference of Catholic Bishops	Immigration & Nationality Act (R&P), – Refugee Reception & Placement II		N/A	\$ -	\$ 135,591	\$ 135,591
Total U.S. Refugee Admissions Program				-	135,591	135,591
Total U.S. Department of State Bureau of Population, Refugees, and Migration				-	135,591	135,591
U.S. Department of Health and Human Services:						
Direct Programs:						
Refugee and Entrant Assistance						
Targeted Assistance Grants:		93.566				
Office of Refugee Resettlement	Wilson/Fish Project Social Services		1801CARS0C-04	34,269	409,003	443,272
Office of Refugee Resettlement	Wilson/Fish Project Social Services		1931CARSOC	468,325	197,687	666,012
Office of Refugee Resettlement	Wilson/Fish Project Social Services		1901CARSOC-02	-	205,697	205,697
Total Refugee and Entrant Assistance Targeted Assistance Grants				502,594	812,387	1,314,981
Refugee and Entrant Assistance						
Wilson/Fish Program:		93.583				
Office of Refugee Resettlement	Wilson Fish (CRC) Project RCA ADMIN		90RW0068-04	-	81,500	81,500
Office of Refugee Resettlement	Wilson Fish (CRC) Project ADMIN/RCA		90RW0068-04	252,920	323,122	576,042
Office of Refugee Resettlement	Wilson Fish (CRC) Int Case Management		90RW0068-04	59,307	47,098	106,405
Total Refugee and Entrant Assistance Wilson/Fish Programs				312,227	451,720	763,947
Refugee and Entrant Assistance						
Targeted Assistance Grants:		93.584				
Office of Refugee Resettlement	Wilson/Fish Project Targeted Assistance		N/A	3,957	-	3,957
Total Refugee and Entrant Assistance Targeted Assistance Grants				3,957	-	3,957
Total Direct Programs				818,778	1,264,107	2,082,885
Pass-Through Program From:						
Aging Cluster:						
Special Programs for the Aging - Title III,						
Part C - Nutrition Services:		93.045				
Area Agency on Aging – Imperial County	Congregate Meals		AP-1819-24-CC-IIIC1	-	238,780	238,780
Area Agency on Aging – Imperial County	Home Delivered Meals		AP-1819-24-CC-IIIC2	-	115,184	115,184
Total Special Programs for the Aging - Title III, Part C - Nutrition Services				-	353,964	353,964
Nutrition Services Incentive Program:		93.053				
Area Agency on Aging – Imperial County	Congregate Meals		AP-1819-24-CC-IIIC1	-	37,993	37,993
Area Agency on Aging – Imperial County	Home Delivered Meals		AP-1819-24-CC-IIIC2	-	38,420	38,420
Total Nutrition Services Incentive Program				-	76,413	76,413
Total Aging Cluster				-	430,377	430,377

(Continued)

CATHOLIC CHARITIES, DIOCESE OF SAN DIEGO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

Federal Grants/Pass-Through Grantor/Program or Cluster Title	Program Title	Federal CFDA Number	Grant Identification Number	Passed Through to Subrecipient	Federal Expenditures	Total Expenditures
U.S. Department of Health and Human Services: (Continued)						
Pass-Through Program From:						
Refugee and Entrant Assistance State/Replacement						
Designee Administered Programs:						
County of San Diego	Refugee Health Assessment Program	93.566	546544	\$ -	\$ 330,342	\$ 330,342
Total Refugee and Entrant Assistance State/Replacement Designee Administered Programs				-	330,342	330,342
Refugee and Entrant Assistance - Voluntary						
Agency Programs:						
United States Conference of Catholic Bishops and ORR		93.567	N/A	-	35,778	35,778
Total Refugee and Entrant Assistance Voluntary Agency Programs				-	35,778	35,778
Total Pass-Through Programs				-	796,497	796,497
Total U.S. Department of Health and Human Services				818,778	2,060,604	2,879,382
Corporation for National and Community Service:						
Foster Grandparent/Senior Companion Cluster:						
Direct Programs:						
Foster Grandparent Program:						
Foster Grandparent Program	Foster Grandparents	94.011	18SFPCA004	-	475,564	475,564
Total Foster Grandparent Program				-	475,564	475,564
Senior Companion Program:						
Senior Companion Program	Senior Companion – PNS	94.016	17SCPCA004	-	25,860	25,860
Total Senior Companion Program				-	25,860	25,860
Total Foster Grandparent/Senior Companion Cluster				-	501,424	501,424
Total Corporation for National and Community Service				-	501,424	501,424
U.S. Department of Homeland Security:						
Pass-Through Program From:						
Emergency Food and Shelter National						
Board Program:						
Emergency Food and Shelter Program		97.024				
(EFSP) Phase 36	Emergency Food and Shelter Program		N/A	1,082,884	123,721	1,206,605
(EFSP) Phase 36	Emergency Food and Shelter Program		N/A	-	24,625	24,625
Total Emergency Food and Shelter National Board Program				1,082,884	148,346	1,231,230
Total Pass-Through Program				1,082,884	148,346	1,231,230
Total U.S. Department of Homeland Security				1,082,884	148,346	1,231,230
Total Expenditures of Federal Awards				\$ 1,901,662	\$ 3,679,693	\$ 5,581,355

**CATHOLIC CHARITIES, DIOCESE OF SAN DIEGO
SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020**

Note 1 - Basis of Presentation:

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Catholic Charities under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Catholic Charities, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Catholic Charities.

Note 2 - Summary of Significant Accounting Policies:

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Catholic Charities has elected not to use the 10-percent de minimis indirect cost rate as allowed under Uniform Guidance.

Note 3 - Emergency Food and Shelter Program ("EFSP"):

EFSP funds are held by the Agency in its capacity as an administrator of funds and are disbursed on behalf of and to local agencies upon receipt of approved requests as follows:

CFDA #97.024:

**Emergency Food and Shelter National Board Program -
EFSP Phase 36 Expenditures:**

Group Shelter	\$ 420,740
Rent and Mortgage	267,158
Supplemental Food	295,496
Congregate Food	123,527
Shelter Voucher	91,896
Administration	24,625
Utilities	7,788
	<u>1,231,230</u>

**CATHOLIC CHARITIES, DIOCESE OF SAN DIEGO
SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020**

Note 4 - Subrecipients:

The Agency provided Federal awards to subrecipients for the year ended June 30, 2020, as follows:

CFDA #93.566:**Refugee Social Services Program**

Alliance for African Assistance	\$ 71,962
International Rescue Committee	295,133
Jewish Family Services	135,499
Total	<u>\$ 502,594</u>

CFDA #93.583:**Wilson Fish Comprehensive Resettlement Collaborative**

International Rescue Committee	\$ 196,998
Alliance for African Assistance	82,095
Jewish Family Services	33,134
Total	<u>\$ 312,227</u>

CFDA #93.584:**Refugee Targeted Assistance Program**

International Rescue Committee	\$ 3,957
Total	<u>\$ 3,957</u>

Note 5 - Nutrition Service Programs:

The following schedule reflects the source of the funds received by the Agency under U.S. Department of Health and Human Services Federal CFDA numbers 93.045 and 93.053, as well as state funds:

Program Title	Federal Number	Contract Number	Code	Federal	State	Total
Senior Nutrition – Congregate	93.045	AP-1819-24 CC III C1	120	\$ 238,780	\$ 20,653	\$ 259,433
Senior Nutrition – Home Delivered	93.045	AP-1819-24 CC III C2	126	115,184	28,716	143,900
Senior Nutrition – Congregate	93.053	AP-1819-24 CC III C1	120	37,993	-	37,993
Senior Nutrition – Home Delivered	93.053	AP-1819-24 CC III C2	126	38,420	-	38,420
				<u>\$ 430,377</u>	<u>\$ 49,369</u>	<u>\$ 479,746</u>



Leaf & Cole, LLP
 Certified Public Accountants
 A Partnership of Professional Corporations

**Independent Auditor's Report on Internal Control Over
 Financial Reporting and on Compliance and Other Matters
 Based on an Audit of Consolidated Financial Statements
 Performed in Accordance With *Government Auditing Standards***

To the Board of Directors
 Catholic Charities, Diocese of San Diego

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Catholic Charities, Diocese of San Diego, which comprise the consolidated statement of financial position as of June 30, 2020, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated December 3, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Catholic Charities, Diocese of San Diego's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Catholic Charities, Diocese of San Diego's internal control. Accordingly, we do not express an opinion on the effectiveness of Catholic Charities, Diocese of San Diego's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Board of Directors
Catholic Charities, Diocese of San Diego

Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Catholic Charities, Diocese of San Diego's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Catholic Charities, Diocese of San Diego's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Catholic Charities, Diocese of San Diego's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Leaf & Cole LLP

San Diego, California
December 3, 2020



Leaf & Cole, LLP
 Certified Public Accountants
 A Partnership of Professional Corporations

**Independent Auditor's Report on Compliance
 for Each Major Program and on Internal Control Over
 Compliance Required by the Uniform Guidance**

To the Board of Directors
 Catholic Charities, Diocese of San Diego

Report on Compliance for Each Major Federal Program

We have audited Catholic Charities, Diocese of San Diego's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Catholic Charities, Diocese of San Diego's major federal programs for the year ended June 30, 2020. Catholic Charities, Diocese of San Diego's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Catholic Charities, Diocese of San Diego's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Catholic Charities, Diocese of San Diego's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Catholic Charities, Diocese of San Diego's compliance.

Opinion on Each Major Federal Program

In our opinion, Catholic Charities, Diocese of San Diego complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

To the Board of Directors
Catholic Charities, Diocese of San Diego

Page 2

Report on Internal Control over Compliance

Management of Catholic Charities, Diocese of San Diego is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Catholic Charities, Diocese of San Diego's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Catholic Charities, Diocese of San Diego's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Leaf & Cole LLP

San Diego, California
December 3, 2020

**CATHOLIC CHARITIES, DIOCESE OF SAN DIEGO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

Section I - Summary of Auditor's Results:**Financial Statements**

Type of auditor's report issued on whether the consolidated financial statements audited were prepared in accordance with U.S. GAAP. Unmodified

Internal control over financial reporting:

Material weaknesses identified?	<u> </u> Yes	<u> X </u> No
Significant deficiencies identified?	<u> </u> Yes	<u> X </u> No

Noncompliance material to the consolidated financial statements noted?

<u> </u> Yes	<u> X </u> No
-----------------------	-------------------------

Federal Awards

Type of auditor's report issued on compliance for major programs: Unmodified

Internal control over major programs:

Significant deficiencies identified?	<u> </u> Yes	<u> X </u> No
Material weaknesses identified?	<u> </u> Yes	<u> X </u> No

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?

<u> </u> Yes	<u> X </u> No
-----------------------	-------------------------

Identification of major programs:

CDFA Numbers

93.583

97.024

Name of Federal Program or Cluster

Refugee and Entrant Assistance

Emergency Food and Shelter National Board Program

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

<u> X </u> Yes	<u> </u> No
--------------------------	----------------------

Section II - Consolidated Financial Statement Findings:

None

Section III - Federal Award Findings and Questioned Costs:

None

0698689

FILED JRM
 Secretary of State
 State of California

MAY 24 2016

**RESTATED ARTICLES OF INCORPORATION
 OF
 CATHOLIC CHARITIES, DIOCESE OF SAN DIEGO**

Rodrigo Valdivia and James Brennan certify that:

1. They are the President and Secretary, respectively, of Catholic Charities, Diocese of San Diego, a California nonprofit public benefit corporation.
2. The Articles of Incorporation of this corporation are amended and restated to read as follows:

I.

The name of this corporation is Catholic Charities, Diocese of San Diego.

II.

A. This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes.

B. The specific and primary purposes for which this corporation is formed are to engage in social welfare activities in the Roman Catholic Diocese of San Diego, consisting of San Diego and Imperial Counties, including but without being limited to services designed to promote the social, psychological and physical needs of the poor and vulnerable within San Diego and Imperial Counties.

III.

A. This corporation is organized and operated exclusively for charitable purposes described in Section 501(c)(3) of the Internal Revenue Code.

B. Notwithstanding any other provision of these articles, this corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code or (b) by a corporation contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.

C. No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in or intervene in any political campaign (including the publishing or distribution of statements) on behalf of, or in opposition to, any candidate for public office.

IV.

The property of this corporation is irrevocably dedicated to charitable purposes meeting the requirements of California Revenue and Taxation Code Section 214. No part of the net income or assets of this corporation shall ever inure to the benefit of any director, officer or member thereof, or to the benefit of any private person. Upon the dissolution or winding up of the corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of the corporation shall be distributed to one or more nonprofit funds, foundations or corporations which have established their tax exempt status under Section 501(c)(3) of the Internal Revenue Code and which are organized and operated exclusively for charitable purposes under Section 214 of the California Revenue and Taxation Code. Such funds, foundations or corporations must support the social welfare activities of the Roman Catholic Diocese of San Diego, consisting of San Diego and Imperial Counties, and shall be selected by the corporation's Member, in his sole discretion.

3. The forgoing amendment and restatement has been duly approved by the Board of Directors.


4. The foregoing amendment and restatement has been duly approved by the Members.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

Date: May 23, 2016


Rodrigo Valdivia, President

Date: May 23, 2016


James Brennan, Secretary

Excerpts from Governing Authorities (CCDSD's Application)

Business and Professions Code section 6213(a) (QLSP primary purpose)

As used in this article:

(a) "Qualified legal services project" means either of the following:

(1) A nonprofit project incorporated and operated exclusively in California that provides as its primary purpose and function legal services without charge to indigent persons and that has quality control procedures approved by the State Bar of California.

State Bar Rules 3.671(A) and (C) (primary purpose).

(A) A qualified legal services project is required by statute to have as its primary purpose and function providing legal services without charge to indigent persons. A qualified legal services project applying for Trust Fund Program funds is presumed to have such a purpose and function if 75% or more of the budget for the fiscal year for which it is seeking funds is designated to provide free legal services to indigents, and 75% or more of its expenditures for the most recent reporting year were incurred for such services. The calculation of 75% of expenditures may include a reasonable share of administrative and overhead expenses.

...

(C) A qualified legal services project or qualified support center that does not meet the 75% test may nevertheless apply, provided that the applicant can satisfactorily demonstrate that it meets the primary purpose and function requirement by other means.

Legal Services Trust Fund Program Guidelines – Legal Services Projects, Guideline 2.3.5 (primary purpose).

2.3.5. as the primary purpose and function of the corporation.

Commentary:

Your application must state the net percentage of the corporation's overall expenses that were incurred in the previous calendar year to provide civil legal services without charge to persons who are indigent. You are required to demonstrate the corporation's primary purpose, and not simply the primary purpose of a part of the corporation. (If your project is operated by a law school, see the last section of this Commentary on Guideline 2.3.5.)

If more than 75 percent of the corporation's expenditure budget for the fiscal year for which it is seeking an allocation is designated for the provision of civil legal services without charge to persons who are indigent, and if 75 percent of its expenditures for the most recent reporting year were incurred for such legal services, the corporation will be presumed to meet the primary purpose and function test. In demonstrating your compliance with this 75 percent test, you cannot include the value of donated services. [Rule 3.671(A)]

An applicant not qualifying for the 75 percent presumption may nevertheless apply for an allocation, demonstrating its purpose and function by other means. An applicant not qualifying for the presumption shall state separately each purpose and function of the corporation, and state what percentage of the expenditures in the most recent calendar year, and what percentage of the budget in the upcoming year, are allocated to each of these separate purposes and functions. The application shall further state the basis for these allocations. [Rule 3.671(C)]

In addition to this submission of expenditure and of budget information, primary purpose and function can be additionally supported by historic expenditure information, by the organization's stated purpose in articles, bylaws or policy statements or case priority guidelines, or by the demonstrated track record of the applicant in providing legal services without charge to indigent persons.

An applicant that operated in previous years as a project within an organization providing substantial services other than legal services to indigent persons, or as an entity other than a corporation, but which has since become a separate California nonprofit corporation whose primary purpose and function is the provision of legal services without charge to indigent persons, may establish its status as a qualified legal services project and its proportionate entitlement to funds based upon financial statements which strictly segregate that portion of the organization's expenditures in prior years which were devoted to civil legal services for indigents. Thus, if you are recently incorporated and previously operated as a part of an umbrella organization, you may utilize the expenditures of your predecessor organization so long as financial statements strictly segregate the expenditures for such legal services.

...



The State Bar of California

DATE: August 13, 2021

TO: Legal Services Trust Fund Commission (LSTFC) Eligibility and Budget Review Committee

FROM: Louise Bayles-Fightmaster, Member, LSTFC Eligibility and Budget Review Committee
Zahirah Mann, Member, LSTFC Eligibility and Budget Review Committee

SUBJECT: Eligibility Review Conference for 2022 IOLTA and EAF Funding for Community Lawyers Inc.

EXECUTIVE SUMMARY

Community Lawyers Inc. (CLI) has applied for 2022 Interest on Lawyers' Trust Accounts (IOLTA) and Equal Access Fund (EAF) funding as a qualified legal services project (QLSP). The working group held an eligibility review conference (ERC) with CLI on July 29, 2021. This conference assessed, *inter alia*, whether CLI has quality control procedures that are approved by the State Bar of California. California Business and Professions Code section 6213(a)(1). Among other areas of inquiry, the ERC examined whether CLI's staffing levels and structure meet the quality assurance expectations of the *Standards for the Provision of Civil Legal Aid*. State Bar Rule 3.661(C). After considering CCDS's application and ERC, the working group recommends that the committee find CLI eligible for 2022 funding.

BACKGROUND

Organizational Description

CLI is a nonprofit corporation located in the City of Compton and serving Los Angeles County. Begun in 2005, CLI's purpose is to "provide underserved low and no income community members access to legal representation, pro bono legal clinics, and community advocacy and engagement."¹ CLI primarily coordinates pro bono legal services through clinics in immigration, family, housing, expungement, and special education law. It focuses on low-income Angelenos, reporting that last year 78 percent of its clients qualified for IOLTA-funded services. On December 31, 2020, CLI had 1.75 full-time equivalent (FTE) staff members and five volunteer attorneys. In 2020, it served about 470 clients.

¹ "Amended and Restated Articles of Incorporation of Community Lawyers, Inc." (p. 1).

Last year, the committee found CLI ineligible for funding due to failure to submit an on-time and complete application. This included failure to provide a financial review by an independent CPA. CLI did submit a complete and timely application, including qualifying financial review, for 2022 funding.

Governing Authorities

- Business and Professions Code section 6213(a)(1) (quality control procedures).
- State Bar Rules 3.661 (C) (quality control procedures).
- American Bar Association *Standards for the Provision of Civil Legal Aid* Standard 2.7 (on Integrating the Resources of the Legal Profession and Involvement of Members of the Bar).

DISCUSSION

Quality Control Procedures

Going into its ERC, the working's group's primary question about CLI's application was whether it has sufficient staffing—paid or volunteer—to provide safe and effective pro bono legal services. Related to this question was whether CLI has the staffing necessary to implement the quality control procedures that it describes in its application. CLI both coordinates *pro bono* clinics and, through its Interim Executive Director (ED), represents clients directly. Since CLI's part-time, Interim ED is its only paid lawyer, most of CLI's work is coordinating volunteer representation via pro bono clinics.²

A QLSP must have quality control procedures approved by the State Bar of California. California Business and Professions Code section 6213(a)(1). The commission uses the American Bar Association's 2006 *Standards for the Provision of Civil Legal Aid* (standards) to evaluate applicants' quality control procedures. Legal Services Trust Fund Program Rule 3.661(C). The standards explain that providers should develop infrastructure—staffing, procedures, and resources—to make referrals that are protective of clients' interests.³ The commentary to

² Indeed, in-house representation might have been on hold at CLI in 2020. In its application, CLI wrote that "[d]ue to the nature of CLI's community work, the agency specializes in limited scope representation and self-help education ("Know-your-Rights" etc.) For that reason, CLI did not carry any caseload in the traditional sense in the reported year." From this statement, staff deduced that most or all of the 470 clients that CLI reported serving in 2020 participated in CLI's pro bono clinics.

³ The commentary to ABA Standard 2.7 states, for instance, that "[Private bar] resources should be focused on the identified, most compelling needs of the low income community served by the provider. To accomplish that calls for the provider to match the identified legal needs of low income persons it serves with the skills and knowledge offered by its participating practitioners. Because members of the bar may come from diverse backgrounds and many may not have experience in areas directly pertinent to the legal needs of the program's clients, the provider needs to be deliberate in the design of its private attorney component." American Bar Association, *Standards for the Provision of Civil Legal Aid* (2006) available at

standard 2.7 states that “provider[s] should assure that [they have] sufficient staff to recruit members of the bar, to assign cases properly, to follow-up on referrals and to provide appropriate support.”⁴ That commentary also details “necessary” features of an effective pro bono delivery model such as:

- Establishing a clear understanding with clients.
- Establishing a clear understanding with pro bono attorneys.
- Exercising quality assurance/supervision if the referring organization maintains an attorney-client relationship in the matter.
- Providing any critical support, including trainings, to pro bono attorneys.

CLI describes the following quality control procedures, among others, in its application⁵:

- The ED and Board interview all pro bono attorneys to screen for “basic competency”.
- The ED approves all pro bono attorneys.
- The ED supervises all legal services staff and volunteers.
- The ED supervises all legal intake and assesses the legal merit of and CLI’s capacity—competency and funding ability—to provide services in each case.
- The ED approves every application (e.g. citizenship application) and pro bono referral.
- The ED meets weekly with staff to review clinic intake procedures and prevent the unauthorized practice of law.
- The ED conducts weekly case management meetings.
- The ED and Board create scripts for staff and volunteers to ensure consistent messaging to clients.
- CLI requires pro bono attorneys to carry malpractice insurance and enter into limited-scope, pro bono representation agreements with clients.

On December 31, 2020, CLI’s only paid attorney was its half-time (0.5 FTE), Interim ED. CLI also had a full-time program services coordinator and quarter-time grant writer for a total of 1.75 FTE paid employees. The Interim ED oversees both administration and services/pro bono placements. CLI states that “[t]he ED is responsible for overseeing day-to-day operations of the organization; supervising all CLI staff and volunteers; supervising the intake of all consumers to prepare for limited-scope consultations with volunteer or staff attorney(s).”

CLI described during its ERC a level of attorney oversight that could meet standard 2.7 in light of CLI’s small size. The ERC revealed that CLI’s current practice areas are limited to immigration and family law. CLI places all cases in each area of law with a single, experienced, volunteer

https://www.americanbar.org/content/dam/aba/administrative/legal_aid_indigent_defendants/ls_sclaid_civillegalaidstds2007.pdf. (p. 75).

⁴ *Id.* (p. 77).

⁵ This list captures the major quality control procedures that CLI describes in form V (“Quality Control Review”) of its application. For a complete list, please see form II (“Description of Programs”, p. 4) and form V (“Quality Control Review”, pp. 13-16).

attorney.⁶ In immigration, the Interim ED provides limited-scope help with green card replacement forms, naturalization applications, and deferred action for childhood arrival renewals. In family law, CLI's pro bono attorney helps pro per litigants to complete paperwork in divorce, custody, visitation, child support, spousal support, and related cases.

CLI describes that both attorneys are experienced in these matters and limit their involvement to what they have the availability to handle. Furthermore, both attorneys monitor all legal information and advice in what are either limited-scope (for immigration) or self-help (for family law) settings. Finally, both attorneys have access to the administrative support of a full-time and experienced services coordinator. With about 470 clients in 2020, it is therefore possible that CLI's pro bono coordination meets standard 2.7's expectations for very small services providers.

Working Group Recommendation

Based on CLI's application and assurances during the ERC, the working group believes that CLI meets quality control standards for sufficient staffing and attorney oversight. This conclusion is based in part on CLI's modest caseload in 2020 and limited-scope, pro bono-based delivery model. The working group and staff also note that the standards are "guidelines", rather than one-size-fits-all requirements. State Bar Rules 3.661 (C).⁷ The working group takes this caveat to heart in recognizing that CLI's approach can meet quality control expectations given its size and reliance on pro bono attorneys.

Identifying no other eligibility issues with CLI's application, the working group recommends that the committee find CLI eligible for funding in 2022.

ATTACHMENTS LIST

A. CLI's 2022 IOLTA/EAF Application

B. Excerpts from Governing Authorities:

- a. Business and Professions Code section 6213(a)(1) (quality control procedures).
- b. State Bar Rules 3.661 (C) (quality control procedures).
- c. American Bar Association *Standards for the Provision of Civil Legal Aid* Standard 2.7 (on Integrating the Resources of the Legal Profession and Involvement of Members of the Bar).

⁶ Both volunteer attorneys are board members. In response to feedback during its 2020 ERC, CLI's Board passed a policy that prohibits pro bono attorneys, including Board members, from soliciting CLI's current or former clients.

⁷ The introduction to the standards themselves states, "Where application of a particular Standard is not reasonable or is impractical for some types of providers, it need not be followed." American Bar Association, *Standards for the Provision of Civil Legal Aid* (2006) available at https://www.americanbar.org/content/dam/aba/administrative/legal_aid_indigent_defendants/ls_sclaid_civillegalaidstds2007.pdf. (p. ii).



Grant Year: 2022

Due Date: May 14, 2021 at 5:00pm PST

Prepared by: Sarah Wild

Email: swild@community-lawyers.org

Contact Phone: 619-436-7161

Funding Opportunity: IOLTA LSP

Project Title: 3982-IOLTA LSP-2022-Community Lawyers Inc.-266

Program Name: Community Lawyers Inc.

Applicant Title: Grants Manager

Address: 1216 East Compton Boulevard

City: Compton

Update Organization Profile

Confirm the organization's record is up to date. To access the Organization Profile, click on the "Review Organization Profile" button to open it in a new page. Review the Organization Profile, including the "Main," "Organization Details," and "Documents" tabs; make any necessary updates, and click Save.

Confirm that the designated Primary and Secondary Contacts are correct. For reference, identified responsible staff are listed below. The "Executive Contact" should be the Executive Director (or Clinic Director for law schools) and should have the authority to sign grant agreements with the State Bar. "Executive Contact" and "Primary Contact" are used interchangeably. Secondary Contacts for an organization will receive the same email communications as the Executive/Primary Contact.

For contact updates in the Organization Profile, contact the organization's SmartSimple User Administrator, identified under roles in the contact tab. Refer to the SmartSimple Managing Contacts user guide posted on the homepage under the "Key Documents & Authorities" section for more information on how to update contact information.

Executive Contact: Rosa Hirji

Secondary Contact(s): Salvador Sanchez, Sarah Wild,

I verify the information in the Organization Profile is accurate and up to date.

I verify that I have read, and am familiar with, the eligibility guidelines for IOLTA funding for legal services projects.



I. Eligibility Criteria

1. New or Currently Funded Applicant

Initial Funding or Returning Applicant not Currently Funded as a Legal Services Project

2. Applicant Type

A nonprofit corporation that provides civil legal services to the indigent without charge as its primary purpose and function

Upload a letter of support from the law school dean describing the history of the law school clinical program.

3. Applicant Eligibility

Select all that apply

An organization that receives at least \$20,000 annual cash funds from sources other than the State Bar of California to support free legal representation to indigent persons (as reflected in the Total of Non-State Bar Revenue calculated on Form VI) and can show community support for the program

3.A. Community Support

Describe the community support for the operation of a viable, ongoing program.

CLI received donations from individuals, holds an annual fundraising event called "Justice Jam," and also receives grant funding from local foundations such as: Weingart Foundation, Adamma Foundation, California Community Foundation; banks such as First Republic Bank; and corporate giving programs such as Smart and Final. In 2020, CLI received COVID-related relief from LISC Los Angeles.

3.B. Which of the following services does your organization provide?



Provides legal representation, training, or technical assistance on matters concerning indigent special client groups, or substantive law important to special client groups

Special Client Group(s) Served

Nature of Assistance

Special Client Group Served/ Relevant Substantive Law

Legal Representation

Training

Technical Assistance

Immigration

Yes

Yes

Yes

Family Law

Yes

Yes

Yes

Landlord Tenant/Eviction Defense

Yes

Yes

Yes

Criminal Post Conviction Relief

Yes

Yes

Yes

Special Education

Yes

Yes

Yes

II. Description of Organization

Provide a comprehensive but concise description of the entire organization's work in the previous calendar year. Currently funded organizations should not limit responses to activities funded by the State Bar.

Click "Save & Finish Later" after adding counties.

County

Los Angeles

1. Organization's Mission and Vision

Provide the organization's mission and vision statement(s) describing the organization's purpose and impact. (250 word limit)



Based in the City of Compton, CLI's mission is to provide underserved, low- and no-income community members access to legal representation, pro-bono legal clinics, and community advocacy and engagement.

Purpose as stated in Bylaws: This Corporation is a California public benefit corporation and is not organized for the private gain of any person. The Corporation provides underserved low and no income community members access to legal representation, pro-bono legal clinics, and community advocacy and engagement. The Corporation is not established for the purpose of providing funds to supplemental law firm salaries, wages and employee benefits.

Through a pro-bono model that leverages the talents and dedication of attorney and law student volunteers, Community Lawyers Inc. assists individuals and nonprofit organizations and addresses systemic poverty and civil rights issues through education and legal self-help.

2. Core Programs

Describe the organization's core programs as reflected in promotional materials (include a summary of all work, not just activities funded by State Bar monies).

Community Lawyer's Inc. ("CLI") provides a wide variety of legal and advocacy services to indigent, low-income individuals, and working people. As a private nonprofit, CLI generally does not charge for legal services. We rely on our donors and volunteers to enable us to provide services to as many individuals as possible.

Pro bono Legal Clinics

CLI relies on volunteer attorneys to staff our legal clinics. Each volunteer attorney provides limited scope representation to indigent and low-income individuals. We recruit attorneys who have demonstrated expertise in their areas of practice and whose backgrounds and experiences are culturally relevant to the CLI community.

The Executive Director and the Board interview applicants to ensure their basic competency and require that the volunteer attorney be covered by malpractice insurance. The volunteer attorney enters into a limited scope, pro bono representation agreement with the client. CLI's role is to provide administrative support including pre-screening and scheduling consumers; obtaining demographic data; assisting with fee waivers, if necessary; and provide non-legal supportive services. CLI also offers substantive training to the volunteer attorneys, if needed.

CLI provides assistance in the following areas through pro bono legal clinics:

1. Immigration

a. The immigration clinic provides counsel and advice in family-based matters, including adjustment of status and consular process, and removal proceedings, relating to process and procedure of immigration court proceedings and possible defenses such as cancelation of removal (42A and 42B); asylum; and Violence



Against Women's Act (VAWA) and U-Visa petitions.

2. Family Law

a. The Family Law clinic provides limited scope advice and assistance with Family Law issues such as divorce, custody, visitation, child support, spousal support, and property issues. Consumers consult individually with the Family Law attorney to receive advice to advance their case. The attorney, staff, and volunteers, comprised of students and other community members, work together to complete any of the necessary paperwork for the consumer during the clinic. The goal is to provide the consumer with the knowledge to represent themselves in their own case, assist with paperwork, and encourage the self-represented litigant through their family law case with advice and strategy. Consumers are encouraged to make follow up appointments in case they need further assistance to complete their case or issue.

3. Landlord Tenant/Eviction Defense

a. The eviction defense clinic provides advice to tenants regarding the unlawful detainer process, from service of notice to relocation of tenant. CLI provides advice on relocation assistance and fees, and assistance in drafting Answers to Unlawful Detainer Complaints. When applicable

4. Criminal Post Conviction Relief

a. The post-conviction relief clinic provides information, eligibility requirements, and instructions to members of the community who aspire to expunge a conviction from their criminal record. Due to new legislation such as Proposition §47, Proposition §64, and AB-109; those individuals who now legally qualify to apply for an expungement has expanded. Expungement documents: (1) Petition for Dismissal (CR-180); (2) Order for Dismissal (CR-181); (3) Proof of Service (FL-330); and (4) Request to Waive Court Fees [optional] (FW-001).

5. Special Education

a. The special education clinic offers counsel, advice and limited scope representation in all matters relating to the educational rights of children with disabilities and their parents. This includes counsel on procedural protections, a review the child's Individualized Education Program or other relevant documents, preparation of records requests, letters and requests to the school for evaluations or services, compliance complaints and the California Department of Education.

Direct Legal Representation

CLI's Executive Director provides legal representation in the areas of immigration and landlord-tenant rights.

CLI's immigration work focuses on assisting individuals with (1) family-based petitions (I-130s, Petition for Alien Relative); (2) Applications for Consideration of Deferred Action for Childhood Arrivals ("DACA"); (3) Applications for Employment Authorization; (4) Applications to Replace Permanent Resident Card; and (5) Applications for Naturalization. When necessary for the client's case, CLI will assist in requesting records through the Freedom of Information Act (FOIA). CLI also assist clients qualify for Fee Waivers, due to their inability to pay the filing fees.



CLI's landlord-tenant work focuses on preventing loss of housing or exploitation of tenants. This includes legal counsel on housing and tenant rights, preparing Answers to Unlawful Detainer Complaints, and representing tenants in unlawful detainer lawsuits. CLI also provides advice on affirmative lawsuits relating to tenant's rights, habitability, and relocation assistance, where applicable.

Legal Document Preparation

In an effort to increase access to low-cost services, CLI provides a legal document preparation service, drafted by and/or under the supervision of an attorney. The cost for document preparation is on a sliding scale and waived if the consumer meets federal poverty guidelines. The document preparation service is critical to consumers who are primarily Spanish speaking. The types of legal documents prepared by CLI staff include:

Immigration documents: (1) family-based petitions (I-130s, Petition for Alien Relative); (2) Applications for Consideration of Deferred Action for Childhood Arrivals ("DACA") (forms I-821D, I-765, and I-765WS); (3) Applications for Employment Authorization (I-765); (4) Applications to Replace Permanent Resident Card (I-90); and (5) Applications for Naturalization (N-400).

Unlawful Detainer Documents: Answers to Unlawful Detainer Complaints (form UD-105).

The Executive Director trains and supervises CLI staff to identify issues that may require the assistance of an attorney. For those matters, CLI staff will refer the consumer to a pro bono clinic, or for direct legal services with CLI.

Supporting Non-Legal Needs

CLI staff and volunteers counsel and provide support to consumers with respect to their non-legal needs such as helping to navigate public services, connecting to other community services, translating documents, and general support. This is an essential aspect to supporting CLI's legal services, as our consumers come from disenfranchised communities and may require supportive services to follow through with their legal issues.

Community Advocacy

CLI advocates for its consumers and client's interests in the community through advocacy campaigns. These activities include participating in voter registration and citizenship application drives, educational know-your-rights workshops, coalition building, and collaborations with various community groups, such as the Community Legal Aid SoCal; Watts/Century Latino Organization; Los Angeles County Sheriff's Department; and different churches in Compton and neighboring communities.

Other Legal Matters

CLI receives walk-ins and telephone calls from consumers requesting legal services outside the scope of those



provided by CLI legal services and/or volunteer attorneys. In those instances, CLI refers consumers to the State Bar of California Website and/or the State Bar of California hotline (866-442-2529).

3. Client Population

Describe the constituencies served by the organization. Include demographic information, such as age, gender, ethnicity, income levels, and any other characteristics particular to the service population.

Last year, CLI served 470 consumers from the following cities/communities in Los Angeles County: Los Angeles, Compton, Long Beach, South Gate, Lynwood, Paramount, Carson, Norwalk, Torrance, Downey, Bell, Wilmington, Bell Gardens, Bellflower, Inglewood, Whittier, Hawthorne, Lawndale, Signal Hill, Cudahy, Lakewood, Lennox, San Pedro, Culver City, Hawaiian Gardens, Panorama City, Westminster, Montebello, Pico Rivera, Walnut Park, Redondo Beach, La Habra, San Gabriel, Canoga Park, and Maywood.

Ages served: 16-25 10%, 26-35 14%, 36-45 20%, 46-55 20%, 56-65 21%, 66-75 7%, 76-85 2%, 86-95 <1%, decline to state 6%.

Gender: Female 57%, Male 43%, Other >1%

Ethnicity: African American 2%, Asian 1%, Latina/o 93%, Other/unknown 2%, White 1%

Monthly Income: \$0-\$850 50%, \$851-\$1,699 17%, \$1,700-\$2,549 15%, \$2,550-\$3,399 11%, \$3,400-\$4,249 3% unknown 4%

At least 78% of consumers served at CLI earn 125 percent or less of the current poverty threshold established by the United States Office of Management and Budget, and/or are eligible for Supplemental Security Income or free services under the Older Americans Act or Developmentally Disabled Assistance Act. At least 20% of Cal State Bar IOLTA funding, if awarded, will help CLI to provide core services to more individuals qualified as indigent. These funds would help CLI to increase the availability of service to the elderly, the disabled, and non-English-speaking persons within the Compton service area.

4. Income Eligibility for Services

Describe how the organization verifies and documents an individual's income eligibility for services. Identify all income criteria and guidelines used to establish eligibility for services.



Intake sheets containing income and family size are archived for all consumers. All data from these intake sheets are maintained in Excel spreadsheets. Access to CLI intake documentation will be made accessible for IOLTA review to verify eligibility upon request. Additionally, many CLI consumers meet requirements for immigration application fee waivers, which require demonstrating specific income-related documentation. CLI considers consumers as those clients receiving services such as immigration application assistance and limited scope, supervised assistance. Others who attend "Know your Rights" type clinics or other public events are not required to submit documentation or meet any specific income guidelines.

5. Program Activities

Select all the programmatic activities the organization engaged in during the previous calendar year. Do not include fundraising and administrative activities (Eligibility Guidelines 2.3).

5.A. Legal Services Community legal education and information, Limited services, Legal self-help
Activities: support, Representation

Describe Other:

5.B. Other Activities:

i. Legal Services: Provided to non-indigent clients/non-qualified organizations, Fee-generating activities

Under which funding sources did you serve these clients?: Foundation, Other/Unrestricted

ii. Other Services:

Describe Other Non-Legal Services:

6.A. Total number of impact litigation cases (include partner/co-counsel cases)

Report all impact litigation cases your organization engaged in during the previous calendar year, both open and closed.



0

6.B. Total number of advocacy activities

Report all advocacy activities your organization engaged in the previous calendar year, both completed and ongoing.

0

6.C. Summarize Additional Activities

If you engaged in more than 10 advocacy activities or more than 15 impact litigation cases in the previous calendar year, briefly summarize the nature of these additional activities.

Impact Case(s)

#	Case Name	Court Name	Case Status	View / Edit Template	Form Status
---	-----------	------------	-------------	----------------------	-------------

Advocacy Activity(ies)

#	Advocacy Activity	Type	Activity Status	View / Edit Template	Form Status
---	-------------------	------	-----------------	----------------------	-------------

III. Staffing and Volunteers



Staffing as of December 31

Personnel Category	Number of Full-Time Staff	Number of People (Part Time)	Full-Time Equivalent (Part Time)	Total Staffing FTEs	Number of People (Temp Staff)	Total Hours (Temp Staff)	Number of people (Volunteer)	Donated Hours (Volunteer)
Attorneys	0	1	0.50	0.50	0	0	5	600
Paralegals	1	0	0.00	1.00	0	0	0	0
Law Students	0	0	0.00	0.00	0	0	0	0
Professional Services	0	1	0.25	0.25	0	0	0	0
Clerical/Admin	0	0	0.00	0.00	0	0	0	0
Other Personnel	0	0	0.00	0.00	0	0	0	0
TOTAL	1	2	0.75	1.75	0	0	5	600

1.A. Professional Services and Other Personnel

For each position included under Professional Services and Other Personnel, state the title and full-time equivalent of the position(s).

Grant Writer, contract .25 FTE

2. Use of Non-Legal Professionals

Describe how the organization utilizes non-legal professionals in its service delivery model.



CLI uses non-legal professionals in the service delivery model by engaging them in intake activities, outreach and PR activities, translation efforts, and the completion of basic paperwork. These individuals are overseen by volunteer attorneys, and CLI staff including the Executive Director. Running a small, community non-profit required a high level of support from non-legal professionals to properly engage community members, disseminate information, and to organize the legal clinics and workshops. Over the next two years, CLI aims to begin expanding from a solely service- based organization to one with the ability to work on systemic legal and social justice issues affecting immigrants and indigent community members in Compton and surrounding communities. Since 2005, Community Lawyers, Inc. (CLI) has provided free to low-cost legal and immigration services, education, and advocacy to individuals regardless of their legal status or income.

Haydee Perez, Program Services Coordinator, is not an attorney or a Paralegal, but is an experienced programs coordinator.

3. How many hours per week does the organization consider a full-time schedule?

Do not include non-numeric characters, this includes commas, periods, etc.

32.00

4. Staffing and/or Organizational Changes

Describe any significant changes in staffing levels or structure in the previous calendar year, and its impact on programmatic activities. Identify any significant vacancies and explain whether the organization is actively recruiting for the position, or is holding the position for budgetary or other reasons.



CLI is currently recruiting for a permanent Executive Director. The job posting for permanent Executive Director is uploaded in the "position description" section of the "Organization Documents." In the meantime, Salvador Sanchez has stepped off the Board to fulfill the Executive Director role on an interim basis, where his specialization in immigration and tenants' rights informs CLI programming and support of indigent community members in and around Compton, CA.

About Salvador Sanchez: Attorney Salvador Sanchez focuses his practice on immigration law, criminal law, and consumer rights law. Mr. Sanchez is an experienced and aggressive litigator who is committed to passionately championing his clients' rights in all legal forums. Mr. Sanchez is admitted to practice law in the State of California and the State of New Jersey.

Mr. Sanchez graduated from Arizona State University where he earned a B.S. degree in Justice Studies with a minor in Political Science. In college, Mr. Sanchez was on the Dean's list and was the Vice-President of the school's pre-law fraternity, Phi Alpha Delta. Mr. Sanchez received his law degree from Rutgers School of Law – Newark, where he was involved in running the Association of Latin American Law Students, the Public Interest Law Foundation, and volunteered for Rutgers Citizenship Now. While in law school, Mr. Sanchez interned at the Los Angeles District Attorney's Office (Appellate and Habeas Division) and the Los Angeles City Attorney's Office (Housing Department).

Following graduation, Mr. Sanchez clerked for the Honorable Wendel E. Daniels, the Presiding Judge in the Criminal Division, Superior Court of New Jersey. Mr. Sanchez then worked at two law firms while living in New Jersey. At these firms, he prosecuted and defended cases involving commercial leases and loans, residential foreclosures, consumer fraud, personal injuries, and criminal defense. In 2015, Mr. Sanchez and his family relocated to Southern California, where he grew up. Mr. Sanchez is proud to be a product of Compton, California. To familiarize himself with California law, Mr. Sanchez worked at a law firm in Huntington Park focusing on immigration and criminal law.

IV. Application for Pro Bono Allocation



To qualify for the pro bono allocation in the county(ies) in which the organization provides services, the organization must meet both these requirements (1) coordinate the recruitment of substantial numbers of attorneys in private practice to provide free legal representation to indigent persons or to qualified organizations as its principal means of delivering legal services; and (2) demonstrate that its principal means of delivering legal services is “the recruitment of attorneys in private practice to provide free legal representation to indigent persons or to qualified legal services projects in California” through one of the three tests described in Eligibility Guideline 2.6.3. and 2.9.

1. Are you applying for a pro bono allocation per the qualifications listed?

If yes, the organization should annually recruit at least 30 attorneys, OR recruit at least five percent of the licensed attorneys in the county served, OR receive at least 1,000 hours of donated legal services from volunteer attorneys.

No

V. Quality Control Review

1. Quality Control Report

Has the organization received a written quality control review from the Legal Services Corporation, the California Department of Aging, or an Area Agency on Aging in the previous calendar year?

No

2. Legal Services Staff Supervision

Describe how legal services staff are supervised to ensure quality service. Identify supervisory personnel and provide information regarding their oversight (frequency of case management meetings, etc.). If there is only one staff attorney or the organization only employs contract attorneys, describe how oversight and quality control are ensured.

Interim Executive Director, Salvador Sanchez, must approve every application and referral made by legal services professionals, one example being the citizenship applications. Salvador signs off on every application completed by legal service specialists at CLI. He must approve all referrals and recruitment of any community



lawyers. CLI is specifically working to strengthen its internal standards and systems for supervision, effective case management, adherence to practice standards, and training and staff development. In the most recent strategic plan (2020), the agency included policies for case management to strengthen areas of responsibility and expectations for all staff. Case management meetings occur weekly, either before or after staff meetings, also before and after monthly Board meetings. Legal services staff is supervised by the Executive Director, who is also an attorney licensed in the State of California. Each week, the Executive Director meets with staff specifically to review intake procedures during legal clinic to ensure quality assurance, training on unauthorized practices of law, annual reviews. The Executive Director reviews professional performance goals on a quarterly basis. The Executive Director and Board members create phone and talking scripts for staff and volunteers to ensure consistent messaging and adherence to policy and procedure for staff members. The Executive Director and Board members periodically revisit expectations for roles and responsibilities to ensure that they are clearly articulated and closely followed by all members of staff to ensure proper protection and advocacy of the consumers that CLI serves.

Executive Director (ED)

The ED is responsible for overseeing day-to-day operations of the organization; supervising all CLI staff and volunteers; supervises the intake of all consumers to prepare for limited-scope consultations with volunteer or staff attorney(s). The ED is responsible for the hiring of all CLI clerical staff; staff attorneys; volunteer attorneys; and volunteers.

Staff Attorneys

Staff Attorneys are individuals licensed by the State Bar of California, in good-standing. Staff Attorneys are responsible for providing limited-scope representation, in areas of law that he/she is competent in, to consumers in the form of consultations and drafting respective forms for the consumers. The Staff Attorneys supervise the clerical staff and volunteers in drafting legal forms and reviewing all legal forms for consumers. The Staff attorney is responsible for recommending to the ED which cases for CLI to take on pro bono. Cases taken on pro-bono will be handled by a Staff Attorney as designated by the ED.

[The ED, as a licensed attorney, may execute the role of a Staff Attorney.]

PRO-BONO CASE ANALYSIS

The ED, at the recommendation of the staff attorneys and volunteer attorneys, will conduct the following analysis when determining whether CLI should take a case on pro-bono:

1. The ED will analyze the validity of the matter;
2. The ED will determine CLI's competency in taking on the matter; and
3. The ED will evaluate the consumer's indigency and CLI's ability to take on the matter based on available funding.



The ED will review possible pro-bono cases twice per week (at the beginning and end of the week). The ED may review a case requiring urgent attention at any time.

If the ED must review possible pro-bono cases involving an area of law that the ED is not familiar with, with a Staff Attorney or Volunteer Attorney competent in that area of law. The Staff Attorney and Volunteer Attorney will provide a recommendation to the ED.

3. Volunteer Supervision

Describe the method(s) by which volunteers (attorneys, paralegals, and law students) are supervised. If the organization does not actively supervise volunteers or review their work product, how does the organization ensure compliance with its quality standards?

Volunteers are responsible for assisting all CLI Staff in carrying out day-to-day operations of CLI; assisting staff and volunteer attorneys in providing limited scope representation to consumers; and preparing consumer intakes for limited-scope consultations with volunteer and staff attorneys.

Volunteer Attorneys- Volunteer Attorneys are not compensated by CLI. Volunteer attorneys are responsible for providing 3-5 hours of limited-scope representation, in areas of law that he/she is competent in, to consumers in the form of consultations and drafting respective forms for the consumers. The Volunteer Attorney supervises the clerical staff and volunteers in drafting and reviewing all legal forms for consumers. The Volunteer attorney is responsible for recommending to the ED which cases for CLI to take on pro bono.

At Community Lawyers Inc., (CLI) volunteers are at the core of our mission and the programs and services we provide to low and moderate-income community members in and around Compton. CLI provides access to underserved communities through advocacy and affordable or pro bono legal services to further development in local communities. Community Lawyers, Inc. has over 15 consecutive years of experience in Compton and surrounding communities and through volunteer lawyers, advocates, Board members and staff members, continues to leverage relationships with dozens of public, private, and nonprofit partners to provide education and outreach to engage community members who would potentially benefit from core CLI legal, educational, and advocacy services. Volunteers adhere to volunteer manuals, which they receive at the time of their training, and they are bound to a strict code of ethics, especially given the vulnerable nature of the population served and the sensitive nature of many of the cases, volunteer recruitment, supervision, and retention is an important part of CLI's service model.

4. Describe case opening and closing oversight practices.



Due to the nature of CLI's community work, the agency specializes in limited scope representation and self-help education ("Know-your-Rights" etc.) For that reason, CLI did not carry any caseload in the traditional sense in the reported year.

Moving forward, case opening and closing oversight practice include weekly review of cases at staff meetings, also at monthly Board meetings, where issues are discussed and passed along to staff and volunteers. Conflict checks are run at the time when an attorney relationship is established at CLI and periodically updated as necessary. CLI recently began using MyCase, an all-in-one case management software
<https://www.mycase.com/features/legal-case-management>

VI. Sources of Funding

Use the table below to itemize the organization's sources of funding in the calendar year 2020.

Enter the cash amount received for each funding source. Do not include State Bar monies.

- Under Foundations, list the largest three grants by organization, and then add the remaining amounts together under Other Foundation Funding.
- Under Government Resources, for each Federal, State, and Cities and Counties, list the largest three grants by agency, and then add the remaining amounts together in the corresponding Other field.

Source	Amount Received
Individual Contributions	\$697
Attorneys/Private Donors/Individual Gifts	\$44,200
Event Sponsorship/Special Events	\$20,000
Other	\$0
Total	\$64,897
Organizations	
Bar Associations	\$0
Law Firms	\$0
Law Schools	\$0



Other, including subgrants from nonprofits	\$0
Total	\$0
Foundations	Subtotal
Adamma Foundation	\$10,000
California Community Foundation (year two of \$75K award)	\$26,000
First Republic Foundation	\$5,000
Other Foundation Funding	\$0
Total	\$41,000
Legal	
Legal Services Corporation	\$0
Area Agency on Aging	\$0
Total	\$0
Government Resources	
Federal (not LSC or OAA)	
n/a	\$0
n/a	\$0
n/a	\$0
Other Federal Funding	\$0
State	
n/a	\$0
n/a	\$0
	\$0
Other State Funding	\$0
Cities and Counties	
n/a	\$0
n/a	\$0
n/a	\$0
Other City and County Funding	\$0
Total	\$0
Residual and Cy Pres Awards	
State Court	\$0
Federal Court	\$0
Total	\$0

**Fees and Reimbursements**

Attorneys' Fees	\$0
Client-Paid Amounts	\$13,994
Cost Reimbursements	\$0
Other Professional Fees	\$0
Total	\$13,994

Other Cash Support

Rent Revenue	\$0
n/a	\$0
n/a	\$0
n/a	\$0
n/a	\$0
Total	\$0
TOTAL OF NON-STATE BAR REVENUE	\$119,891

1.A. Other Funding

Itemize sources included in any "other" line items listed in the Sources of Funding worksheet.

n/a

VII. Total Corporate Expenditures

Organization's Fiscal December 31
Year End:

1. Upload Audited or Reviewed Financial Statement Ended in the Previous Year

Upload a final copy of the organization's audit or financial review for the organization's fiscal year ending in 2020; qualified expenditures will be calculated based on this document. Organizations with gross corporate expenditures less than \$500,000 can provide a financial review in lieu of an audited financial statement (Rule 3.680(E)(1)). Applicant must also upload a copy of the most recent audit or financial review to the Organization Profile under the Documents tab as soon as available, and no later than May 1.



2021_CLI_FINANCIAL_REVIEW_.pdf

319.1 KB - 05/14/2021 5:44PM

Total Files: 1



Total Corporate Expenditures

NON-CASH		Expenditures
In-kind/Donated Services		\$43,200
Unrealized Losses		\$0
Other		\$0
Total Non-Cash Items		\$43,200
PASS-THROUGH / FISCAL SPONSOR		Expenditures
Pass-through		\$0
Total Pass-through		\$0
PERSONNEL		Expenditures
Attorneys		\$0
Paralegals		\$16,122
Other Staff		\$48,368
Subtotal		\$64,490
Employee Benefits		\$13,000
Total Personnel		\$77,490
NON-PERSONNEL		Expenditures
Space		\$12,000
Equipment Rental and Maintenance		\$6,912
Office Supplies and Small Equipment		\$1,989
Printing and Postage		\$800
Telecommunications		\$1,800
Technology		\$1,875
Program Travel		\$0
Training		\$900
Library		\$0
Insurance		\$612
Audit		\$3,500
Litigation		\$0
Depreciation		\$3,491
Contract Service to Clients		\$0
Contract Service to Program		\$0



Other	\$0
Total Non-Personnel	\$33,879
TOTAL CORPORATE EXPENDITURES (Personnel + Non-Personnel +Non-Cash+Pass-through)	\$154,569
TOTAL PERSONNEL + NON-PERSONNEL EXPENDITURES (Personnel + Non-Personnel)	\$111,369

Itemize all expenses included under Depreciation.

Furniture and equipment \$3,491

3. Total Personnel + Non-Personnel

\$111,369

4. Total Corporate Expenditures

\$154,569

a. Audited \$154,569

**Financial/Review's Total
Corporate
Expenditures:**

Enter Total Corporate
Expenditures amount as
listed on the organization's
submitted financial audit or
review.



**b. Explain Any n/a
Variance:**

If your organization's reported corporate expenditures do not align with your organization's uploaded audit as entered in 3A above, please explain the variance.

VIII. Qualified Expenditures



06/23/2021

Questions	Amount	Explanation
1. Total Personnel + Non-Personnel Expenditures from the previous fiscal year	\$111,369	
2. Did the organization engage in activities other than the delivery of legal services?	\$0	
3. Did the organization lease or sublease space to another organization?	\$0	
4. With regards to leased or subleased space, did the organization incur property management expenses, whether as primary owner or lessor?	\$0	
5. Did the organization provide legal services in criminal matters?	\$0	
6. Did the organization charge clients for any legal services in civil matters, other than requiring payment for costs and expenses or processing fee of \$20 or less?	\$0	
7. Did the organization provide any free civil legal services to persons who were not indigent as defined in B & P Code Section 6213(d) and Eligibility Guidelines 2.3.3 and 2.3.4, or to organizations not providing benefits primarily on behalf of the indigent?	\$23,180	yes, last year 22% of our consumers, although classified as low- and extremely-low income, did not meet the "indigent" mark as prescribed by IOLTA
8. Did the organization provide free civil legal services outside California?	\$0	no
9. Did the organization incur expenses that did not contribute to the provision of civil legal services to indigent people and that were not itemized above?	\$0	
10. TOTAL EXPENDITURES FOR NON-QUALIFIED ACTIVITIES	\$23,180	
11. SUB-TOTAL OF QUALIFIED EXPENDITURES	\$88,189	

12. PERCENT OF QUALIFIED EXPENDITURES FOR FREE CIVIL LEGAL SERVICES TO INDIGENT PERSONS

Once you have completed and saved the Qualified Expenditures table above, click the "Save & Finish Later" button below to calculate this percentage.



79.19%

12.A. Less than 75% Explanation

If the percentage of expenditures for free civil legal services to indigent persons calculated above is less than 75 percent, explain how the organization meets the primary purpose requirement for funding (B&P §6213(a)).

N/A

13. Exchanged Funds

Did the organization exchange funds with another legal services project that is applying for a State Bar grant in the 2020 grant year?

No

Enter exchanged funds during fiscal year ending in 2020. Do not include the exchange of IOLTA, EAF or Shriver Grant monies.

Monies Paid

Monies Received

13.C. Upload Exchanged Funds Agreements

Include all agreements pertaining to the funds exchanged with another LSP applicant. Agreements should be uploaded by LSP and Grant Type. Include contract periods and amounts, and how the exchanged funds will be claimed by each organization.

13.D. Discrepancies in Reported Funds and Agreements

Explain any differences between the amounts listed in 13 A or B, and their corresponding agreements.



14. TOTAL DEDUCTION OF EXCHANGED FUNDS

\$0

15. Shriver Funds

Enter funds received in 2020 for a grant, subgrant, or contract for a pilot project pursuant to the Sargent Shriver Civil Counsel Act of 2009.

\$0

16. TOTAL QUALIFIED EXPENDITURES FOR FREE CIVIL LEGAL SERVICES TO INDIGENT PERSONS IN CALIFORNIA

\$88,189

17. IOLTA and EAF Expenditures Net of Capital Additions

Enter all IOLTA and EAF expenditures for 2020 in 17a and 17b, respectively. This should include any carry-over from 2019

Reference Button:

17.A. IOLTA Expenditures Net of Capital Additions (FISCAL YEAR)

\$0

17.B. EAF Expenditures Net of Capital Additions (FISCAL YEAR)

\$0

17.C. IOLTA AND EAF EXPENDITURES NET OF CAPITAL ADDITIONS (AUTO-CALCULATED)

\$0

18. GRAND TOTAL NON-STATE BAR QUALIFIED EXPENDITURES FOR FREE CIVIL LEGAL SERVICES TO INDIGENT PERSONS IN CALIFORNIA



\$88,189

19. Upload Any Additional Expenditure Documents

Include any additional documents regarding the information entered in this form.

VIII-A. Expenditures by County

GRAND TOTAL NON-STATE BAR QUALIFIED EXPENDITURES FOR FREE CIVIL LEGAL SERVICES TO INDIGENT PERSONS IN CALIFORNIA

\$88,189

1. Allocation of Expenditures for Each County

If the organization provides free civil legal services to indigent persons in more than one county, describe the basis for allocating expenses among those counties. Include any calculations or relevant data to support your explanation.

N/A

2. New or Discontinued Counties

If the organization is seeking IOLTA and EAF funds to serve any counties in addition to those for which it is currently receiving IOLTA and EAF funds, or is not seeking funding in a county for which it currently receives funding, provide information on new and/or discontinued counties. See application instructions for additional details. Enter N/A if not applicable.

N/A

3. Out of County Work

Describe any work in county(ies) other than those for which funding is being sought. Include name of county(ies), nature of work, start and/or end date, approximate county expenditures, and any other relevant information.

N/A



Expenditures by County

Previous Fiscal Year Quarterly Reports:

In the tables below, indicate the amount of total expenditures for free civil legal services to indigent persons in California for each county.

The total amount of the "Qualified Expenditures" column should equal the amount that appears at the top of this form. IOLTA and EAF expenditures should match Quarterly Report submissions for your fiscal year ending in 2020, including any carry-over from 2019. Reference the "View" button located above this instruction box to view your Quarterly Report submissions for your fiscal year ending in 2020.

Click "Save" within the table, then "Save & Finish Later" to update county tables.

Update Form II to adjust the counties appearing below.

Los Angeles

County Expenditures (Fiscal year)	IOLTA Expenditures (Fiscal year)	EAF Expenditures (Fiscal year)	Qualified Expenditures
\$88,189	\$0	\$0	\$88,189

County Totals

County Expenditures (Fiscal year)	IOLTA Expenditures (Fiscal year)	EAF Expenditures (Fiscal year)	Qualified Expenditures
88189	0	0	88189

IX. Certifications & Assurances

Upload Signed
Certifications &
Assurances Document:

CERTIFICATIONS_AND_ASSURANCES_CLI.pdf
281.4 KB - 05/14/2021 1:29PM

Total Files: 1

Supporting Documents (Optional)



When naming optional supporting documents, please include the Organization's acronym (or short name) and a 1-5 word description of the file.

Legal Services Projects

IX. CERTIFICATIONS AND ASSURANCES**CERTIFICATIONS**

The applicant hereby certifies the following:

- It is a California corporation.
- It is a nonprofit organization.
- It operates exclusively in California. A project that is part of an organization that operates other projects outside of California may be considered as operating exclusively within California as long as funds granted are expended in California and the project or organization is a California nonprofit corporation.
- It provides civil legal services to the indigent without charge as its primary purpose and function.
- It receives annually a financial statement that has been reviewed by an independent certified public accountant. If gross expenditures exceed \$500,000, the financial statement must be audited.
- It has updated, in the previous calendar year, the information pertaining to itself in the statewide legal services directory (LAACDirectory.org), LawHelpCA.org, and if applicable, on SmartSimple for use in the Pro Bono Directory hosted on the State Bar website.

*This has not
yet been
done.*
(Rat)

ASSURANCES

The applicant assures compliance with the following:

- The applicant will use any funds allocated by the State Bar only for the purposes set forth in Business and Professions Code §§6210-6228, and the corresponding State Bar rules and any amendments thereto.
- The applicant will expend all funds allocated from the State Bar exclusively for services in California.
- The applicant will expend all funds allocated by the State Bar exclusively on civil matters.
- The applicant will expend all funds allocated by the State Bar exclusively on services to the indigent.
- The applicant will expend all funds allocated by the State Bar exclusively for services in the county for which such funds were allocated.
- The applicant will make significant efforts to utilize 20 percent of the funds allocated under this article for increasing the availability of services to members of disadvantaged and underserved groups.

- The applicant will use any attorneys' fees received in cases funded through the State Bar to provide legal services without charge to indigent persons.
- The applicant will:
 - At all times honor the attorney-client privilege and uphold the integrity of the adversary process;
 - Not impose restrictions unrelated to statutes and rules of professional conduct on attorneys who provide representation to indigent clients with funds provided, in whole or in part, from the State Bar; and
 - Not discriminate based on race, color, national origin, religion, gender, disability, age, marital or domestic partnership status, medical condition, or sexual orientation.
- The applicant will comply with all quality control review procedures adopted by the State Bar.
- The applicant will comply with all fiscal management and control procedures adopted by the State Bar.
- The applicant will permit reasonable site visits and present information reasonably necessary to determine compliance with the laws and rules governing the State Bar.
- The applicant will immediately notify the State Bar if the criteria under which it was deemed eligible for a Legal Services Trust Fund Program grant changes during the grant period.

Under penalty of perjury, we, the undersigned, state that the information provided in response to the above statements is true and correct to the best of our knowledge.

COMMUNITY LAWYERS INC.
Organization Name*

SAVADOR SANCHEZ
Staff Director Printed Name*

[Signature]
Staff Director Signature*

05/02/2021
Date*

Rosa K. Hirji, Board Member
Board Representative Printed Name and Title*

[Signature]
Board Representative Signature*

5/12/21
Date*

* = required field

Reviewed Financial Statements

Community Lawyers, Inc.

December 31, 2020

Quigley & Miron

Community Lawyers, Inc.
Reviewed Financial Statements
Table of Contents
December 31, 2020

Page
Number

Independent Accountant's Review Report.....	1
Reviewed Financial Statements	
Statement of Financial Position.....	2
Statement of Activities.....	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6

Quigley & Miron

Certified Public Accountants

Suite 1660
3550 Wilshire Boulevard
Los Angeles, California 90010

Telephone: (213) 639-3550
Facsimile: (213) 639-3555

Suite 700
1999 South Bascom Avenue
Campbell, California 95008

Telephone: (408) 614-0100
Facsimile: (213) 639-3555

Independent Accountant's Review Report

Board of Directors
Community Lawyers, Inc.
Compton, California

We have reviewed the accompanying statement of financial position of Community Lawyers, Inc., a nonprofit corporation, which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements


Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.



Los Angeles, California
May 3, 2021

Community Lawyers, Inc.
Statement of Financial Position
December 31, 2020

Assets

Cash and cash equivalents	\$	185,008
Property and equipment, net—Note 4		5,238
		<hr/>
Total Assets	\$	190,246
		<hr/>

Liabilities and Net Assets**Liabilities**

Accrued liabilities	\$	3,742
EIDL loan—Note 5		78,700
		<hr/>
Total Liabilities		82,442

Net Assets

Without donor restrictions		107,804
		<hr/>
Total Net Assets		107,804
		<hr/>
Total Liabilities and Net Assets	\$	190,246
		<hr/>

See independent accountant's review report and notes to the financial statements.

Community Lawyers, Inc.
Statement of Activities
Year Ended December 31, 2020

Without Donor Restrictions

Support and Revenue

Grants and contributions	\$ 61,697
In-kind contributions	43,200
Program fees	13,993
Government grants	13,806
Interest income	1

Total Support and Revenue	132,697
----------------------------------	----------------

Expenses

Program services	70,499
Management and general	72,013
Fundraising	12,057

Total Expenses	154,569
-----------------------	----------------

Change in Net Assets	(21,872)
-----------------------------	-----------------

Net Assets at Beginning of Year	129,676
--	----------------

Net Assets at End of Year	\$ 107,804
----------------------------------	-------------------

See independent accountant's review report and notes to the financial statements.

Community Lawyers, Inc.
Statement of Functional Expenses
Year Ended December 31, 2020

	Legal Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ 13,598	\$ 35,354	\$ 5,439	\$ 54,391
Payroll taxes	1,131	2,943	453	4,527
Employee benefits	1,393	3,622	557	5,572
Total Payroll, Payroll Taxes, and Benefits	16,122	41,919	6,449	64,490
In-kind expense	43,200			43,200
Legal and accounting		14,066		14,066
Rent	3,000	7,800	1,200	12,000
Equipment rental and maintenance	5,184		1,728	6,912
Utilities	1,623	4,220	649	6,492
Depreciation	873	2,269	349	3,491
Office expenses	497	995	497	1,989
Other fundraising expense			1,185	1,185
Insurance		612		612
Licensing fees		132		132
Total Expenses	\$ 70,499	\$ 72,013	\$ 12,057	\$ 154,569

See independent accountant's review report and notes to the financial statements.

Community Lawyers, Inc.
Statement of Cash Flows
Year Ended December 31, 2020

Cash Flows from Operating Activities

Change in net assets	\$ (21,872)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	3,491
Changes in operating assets and liabilities:	
Other receivables	1,360
Accrued liabilities	591

Cash Used in Operating Activities (16,430)

Cash Flows from Financing Activities

EIDL loan advance	<u>78,700</u>
-------------------	---------------

Cash Provided by Investing Activities 78,700

Net Increase in Cash 62,270

Cash and Cash Equivalents at Beginning of Year 122,738

Cash and Cash Equivalents at End of Year \$ 185,008

Supplementary Disclosures

Income taxes paid	<u>\$</u>
Interest paid	<u><u>\$</u></u>

See independent accountant's review report and notes to the financial statements.

Community Lawyers, Inc.
Notes to Financial Statements
December 31, 2020

Note 1—Organization

Organization—Community Lawyers, Inc. (Organization) is a California not-for-profit corporation, incorporated in May 2005. The Organization provides underserved low- and no-income community members access to legal representation, pro-bono legal clinics, and community advocacy and engagement.

Note 2—Summary of Significant Accounting Policies

Financial Statement Presentation—The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Organization recognizes contributions, including unconditional promises to give, as revenue in the period received. Contributions and net assets are classified based on the existence or absence of donor-imposed restrictions. The Organization reports information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions—Net assets that are not subject to donor-imposed stipulations and that may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the board of directors.

Net assets with donor restrictions—Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; such restrictions that may or will be met either by actions of the Organization and/or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. Generally, the donors of such assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes. At December 31, 2020, there were no net assets with donor restrictions.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Measure of Operations—The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of the Organization’s program services, including legal services provided to low- and moderate-income people. Nonoperating activities are limited to activities considered to be of a more unusual or nonrecurring nature.

Community Lawyers, Inc.
Notes to Financial Statements—Continued

Note 2—Summary of Significant Accounting Policies—Continued

Income Taxes—The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (Code) and from California franchise tax under Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for federal or state income taxes is included in the financial statements. Accounting standards require an organization to evaluate its tax positions and provide for a liability for any positions that would not be considered ‘*more likely than not*’ to be upheld under a tax authority examination. Management has evaluated its tax positions and has concluded that a provision for a tax liability is not necessary at December 31, 2020. Generally, the Organization’s information returns remain open for examination for a period of three years (federal) or four years (state of California) from the date of filing.

Recently Adopted Accounting Principles

Contributions—In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU clarifies and improves the scope of the accounting guidance for contributions received and contributions made. The clarifications and improved scope assist entities in 1) evaluating whether transactions should be accounted for as contributions (nonreciprocal) or as exchange (reciprocal) transactions, and 2) determining whether a contribution is conditional. The clarified guidance applies to all entities that receive or make contributions (grants). ASU No. 2018-08 has been adopted by the Organization for the year ended December 31, 2020. The Organization has determined that adopting ASU No. 2018-08 has had no material effect on the financial statements.

Revenue Recognition—In May 2014, FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*, which supersedes most of the current revenue recognition requirements. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The guidance provides a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include capitalization of certain contract costs, consideration of time value of money in the transaction price and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The guidance also requires enhanced disclosures regarding the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. The Organization has adopted ASU No. 2014-09 for the year ended December 31, 2020 and noted that there was no material effect on the financial statements.

Cash Equivalents—The Project considers all unrestricted highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Certificates of deposit are valued at original purchase cost, which, when combined with accrued interest receivable, approximates fair market value at December 31, 2020.

Furniture and Equipment—Depreciable assets are recorded at historical cost or fair market value at date of donation and are depreciated using the straight-line method over their useful lives, ranging from three to seven years. It is the Organization’s policy to expense items under \$1,000.

Community Lawyers, Inc.
Notes to Financial Statements—Continued

Note 2—Summary of Significant Accounting Policies—Continued

Concentrations of Credit Risk—The Organization maintains cash balances with various high quality financial institutions, where accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times, such cash and cash equivalent balances are in excess of the FDIC insurance limits. Management regularly reviews the financial stability of its cash and money market fund depositories and deems the risk of loss due to these concentrations to be minimal.

Grants and Contributions—Contributions are reported as support revenue in the period received and as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expiration of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions in the accompanying statement of activities.

Program fees—Program fees consist of income generated from providing legal clinics and workshops, and are recognized as revenue when the activities occur.

In-kind contributions—Contributed services are recorded at fair value at the date of donation only if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills that are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. In-kind contributions consist of contributed legal services totaling \$43,200 for the year ended December 31, 2020.

Functional Expenses—The costs of providing the various program and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between the program services and supporting services benefitted. Salaries, payroll taxes, employee benefits, rent, equipment rental and maintenance, utilities, depreciation, and office expenses are allocated on the basis of estimates of time and effort. All other functional expenses are charged directly to either programs, management and general, or fundraising.

Estimates—The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that can affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 3—Availability and Liquidity

The following represents the Organization's financial assets at December 31, 2020:

Financial assets at year-end:	
Cash and cash equivalents	\$ 185,008
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	\$ 185,008

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses, excluding in-kind expenses (approximately \$30,000).

Community Lawyers, Inc.
Notes to Financial Statements—Continued

Note 4—Property and Equipment, Net

Property and equipment, net at December 31, 2020 consists of the following:

Software	\$	8,574
Furniture and equipment		3,168
		<hr/> 11,742
Less accumulated depreciation		(6,504)
		<hr/>
Net	\$	<u>5,238</u>

Total depreciation expense recorded for the year ended December 31, 2020 was \$3,491.

Note 5—PPP Advance and EIDL Loan

On May 7, 2020, the Organization received \$13,806 in Paycheck Protection Program (PPP) funding from the U.S. Small Business Administration (SBA). The funding is designed to provide a direct incentive for small businesses struggling from the impact of the COVID-19 pandemic (see Note 8) to keep their workers on the payroll. While these funds carry loan repayment terms, it is the opinion of management that all funds received will be forgiven under the present terms of the PPP. Total grant revenue recognized during the year ended June 30, 2020 amounted to \$13,806 based on qualifying expenditures incurred.

On June 23, 2020, the Organization received a \$78,700 SBA Economic Injury Disaster Loan (EIDL). The loan requires monthly payments of principal and interest, beginning twelve months from the date of the agreement. Interest will accrue at a rate of 2.75% per annum and the balance of the loan will be payable in thirty years from the date of the agreement.

Note 6—Contingencies

Grants and contracts awarded to the Organization are subject to the funding agencies' criteria, contract terms, and regulations under which expenditures may be charged and are subject to audit under such terms, regulations, and criteria. Occasionally, such audits may determine that certain costs incurred in connection with the grants do not comply with the established criteria that govern them. In such cases, the Organization could be held responsible for repayments to the funding agency for the costs or be subject to a reduction of future funding in the amount of the costs. Management does not anticipate any material questioned costs for the contracts and grants administered during the period. The Organization would be responsible for the absorption of any over-expenditure of its restricted grants which cannot be covered by additional grant funds or contributions from other sources.

Community Lawyers, Inc.
Notes to Financial Statements—Continued

Note 7—Recent Accounting Pronouncements

Gifts-in-Kind—In September 2020, FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires increased transparency around the use and valuation of contributed nonfinancial assets (also known as gifts-in-kind) received by not-for-profit entities. Under the updated guidance, gifts-in-kind are required to be presented as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, and to be disaggregated in the notes to the financial statements by the category that depicts the type of contributed nonfinancial assets. There are additional required disclosures regarding qualitative information denoting whether the gifts-in-kind were monetized or utilized during the reporting period; the entity's policy, if any, about monetizing rather than utilizing contributed nonfinancial assets; and the valuation techniques and inputs used to arrive at a fair value measure. ASU No. 2020-07 is to be applied retrospectively and is effective for annual reporting periods beginning after June 15, 2021, and interim periods within annual reporting periods beginning after June 15, 2022. Early adoption is permitted. The Organization is currently evaluating the impact that the adoption of ASU 2020-07 will have on its financial statements.

Note 8—Risks and Uncertainties

In early March 2020, the COVID-19 virus was declared a global pandemic. Business continuity, including supply chains and consumer demand across a broad range of industries and countries, has been, and continues to be, severely impacted, as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. The Organization has continued to conduct its activities, primarily on a remote basis, and to monitor the ongoing impact of the pandemic response on its overall operations. At the time of this reporting, the cumulative financial impact of the pandemic on the Organization, if any, cannot be fully determined, therefore no related adjustment has been made to these financial statements.

Note 9—Subsequent Events

Management evaluated all activities of Community Lawyers, Inc. through May 3, 2021, which is the date the financial statements were available to be issued, and concluded that no material subsequent events have occurred that would require adjustment to the financial statements or disclosure in the notes to the financial statements.

Eligibility Review Conference for Community Lawyers Inc.

Excerpts from Governing Authorities

Business and Professions Code section 6213(a)(1) (quality control procedures)

A nonprofit project incorporated and operated exclusively in California that provides as its primary purpose and function legal services without charge to indigent persons and that has quality control procedures approved by the State Bar of California.

State Bar Rules 3.661(C) (quality control procedures).

The *Standards for the Provision of Civil Legal Aid* adopted by the American Bar Association's House of Delegates on August 7, 2006, as limited by the general introduction to the standards, are the guidelines used by the Commission in approving the quality control procedures and reviewing and evaluating the maintenance of quality service and professional standards of applicant and recipient programs. With due notice, the Commission may also rely on other standards that are consistent with law and generally accepted access to justice principles in the legal aid community.

Excerpt from the commentary for ABA Standard 2.7 ("on Integrating the Resources of the Legal Profession and Involvement of Members of the Bar")

Appropriate institutional support

A legal aid provider should dedicate resources to support the infrastructure necessary to support its efforts to integrate the resources of the legal profession in its work. It should make an adequate commitment of its own resources to be used in conjunction with those available from the bar to recruit, train and provide backup assistance to members of the bar who represent legal aid clients. That calls for support from both the governing body of the organization and from senior management. The provider should make certain that adequate financial resources are provided to support the effective operation of its private attorney component. Staff of the component should be well trained and should have the skills and capability to interact effectively private practitioners and with the leadership of the bar. The provider should assure that it has sufficient staff to recruit members of the bar, to assign cases properly, to follow-up on referrals and to provide appropriate support.

There are a number of activities that are necessary to carry out an effective project to involve members of the bar in representing clients of the provider.

Establishing a clear understanding with the client

It is very important that the provider establish a clear understanding with clients whom it refers to an outside attorney for representation. Clients should know that an outside attorney, and not the provider, will be representing them.

It should be clear whether the provider retains an attorney-client relationship with the referred client. It is a matter of contract among the client, the outside attorney and the provider as to whether the provider is included in the attorney-client relationship, once the referral has been made. The existence - or absence - of an attorney-client relationship between the provider and the client is significant since it directly implicates whether the provider can receive confidential information to provide support for the outside attorney, or to oversee the representation and to intervene if a problem arises between the client and the attorney.

Clients to be represented by a practitioner who is not employed by the provider should be advised how to contact their attorney, and of the importance of following up with the lawyer. Clients should be informed that although they will be represented by an outside attorney, they will not be charged a fee. The provider should also let the client know that the attorney has agreed to represent the individual only with regard to the matter referred and that clients who encounter other legal problems for which they seek uncompensated representation should contact the provider and not the outside attorney to seek new assistance. The client should also be told what to do in the event of a complaint about the representation.

Establishing a clear understanding with the attorney to whom a case has been referred

Whenever a case is referred to a lawyer who is not employed by the provider, there should be an explicit determination of the level of responsibility the provider assumes for the case and of its authority to oversee the representation. A number of factors should be resolved by specific agreement between the legal aid provider and the outside attorney:

- The extent to which the attorney-client relationship includes the provider within its purview;
- Who is responsible for costs that may be incurred in the course of the representation;
- The extent of involvement of the provider's staff in strategic decision making prior to referral and during the course of the representation, particularly if the provider has agreed to pay costs;
- Who is responsible for determining if the client will be represented in a possible appeal in the case;
- The level of back-up and support that will be offered and how to access it;
- The reports that the provider will request during the course of the representation and at its end; and
- The procedures that will be followed in the event of a complaint by the client regarding the representation.

Supervision of referred cases

The extent to which the provider can directly supervise the conduct of each case is a function of the extent to which it stands within the attorney-client relationship that is created. If the provider stands outside the relationship between the client and the outside practitioner, it cannot ethically obtain confidential information about the case without the client's consent, nor can it interfere with the professional judgment of the lawyer. Its authority to supervise the representation is, therefore, necessarily circumscribed. If on the other hand, the provider and the outside practitioner share in the attorney-client relationship, the provider has both greater responsibility and greater authority to supervise the handling of each case matter.

The degree of responsibility that a provider assumes for a case referred by it and the nature of the quality assurance procedures that it employs, will vary among different types of providers. In some instances, a full range of quality assurance measures, including requiring the submission of progress and close-out reports may be appropriate. In other cases, the staff of the provider may engage in substantial preparation of the case, including legal research, investigation, and preliminary counsel and advice to the client, but may relinquish further direct responsibility for the matter on consummation of the referral. In such circumstances the provider may offer research and other support, as well as discussing strategy with the outside attorney.

A few providers, because of budget and staff limitations may simply forward cases to participating volunteer attorneys in accordance with the policies and procedures agreed upon between the provider and its panel of attorneys, and may explicitly delegate all responsibility for the case to the outside practitioner. When a legal aid provider does not directly supervise the work of participating attorneys it, nevertheless, should offer training, take reasonable steps to assure that referrals are made to lawyers of known competence, and provide backup and support.

In all cases, the provider should ask for a close out report indicating that the case has terminated and whether the client's objective was achieved. The information should be reviewed by the provider to gauge the effectiveness of its plan for using other members of the bar.

Backup and support

The provider should offer back-up and support to its participating attorneys. The type of support that is possible will vary depending on whether the provider falls within the attorney-client relationship and on practical considerations, such as staff size in relation to the number of participating outside attorneys.

A provider can offer guidance through printed and on-line manuals covering the law and procedure in commonly occurring cases. The provider can assign a staff lawyer to provide

advice and support to the outside practitioner, when requested. Some providers have paired less experienced attorneys with more experienced ones for consultation and assistance.

Training

To the extent that outside practitioners are called upon to represent clients in areas such as public benefits, or indigent health care with which they may not be familiar, they should be offered appropriate training. Training can be in substantive areas or regarding issues related to representing low income clients generally, as well as what is necessary to work with a particular low income population. A project, for example, to work with members of the bar to represent homeless persons or persons with HIV/AIDS, should include training in the challenges associated with serving those populations. Many members of the bar will not have had significant experience working with low income clients, although training may have the ancillary effect of encouraging them to represent other low income clients who seek their assistance directly. The provider should also make its cultural competence training available to its participating attorneys.

Recruitment of attorneys

The provider should have an ongoing capacity through its own organization or by agreement with another to recruit new attorneys. To the extent possible, it should work closely with the judiciary and bar leadership to support its efforts to engage volunteer attorneys in assisting clients and to increase the pool of attorneys available to assist the low income community. The provider should also recruit in-house corporate counsel and government attorneys to the extent to which their participation is allowed.

The provider should take appropriate steps to show appreciation for volunteer attorneys who have assisted clients. Appreciation can be shown through bar luncheons, favorable articles in bar publications and the local press and a simple thank you letter.



The State Bar of California

DATE: August 13, 2021

TO: Legal Services Trust Fund Commission - Eligibility and Budget Review Committee

FROM: Herman DeBose, Member, LSTFC Eligibility and Budget Review Committee
James Meeker, Member, LSTFC Eligibility and Budget Review Committee
Bob Planthold, Member, LSTFC Eligibility and Budget Review Committee

SUBJECT: Eligibility Review Conference for 2022 IOLTA and EAF Funding for East Bay Family Defenders

EXECUTIVE SUMMARY

East Bay Family Defenders (EBFD) is a returning, not currently funded applicant, applying for IOLTA/EAF funding as a Qualified Legal Services Project (QLSP) for the 2022 grant year. EBFD previously applied for the 2021 grant year and was found ineligible.

EBFD was incorporated in 2017 and provides free, court-appointed legal representation to parents and children in dependency proceedings before the Alameda County Superior Court. EBFD attorneys work in an integrated manner with social workers and peer parent advocates to deliver legal representation.

The Eligibility and Budget Review Committee requested an Eligibility Review Conference to consider the following two issues raised in the IOLTA/EAF application:

1. Whether EBFD's income screening data provides a reasonable basis for its calculated qualified expenditures and primary purpose.
2. Whether EBFD's social work is tied to actual legal outcomes and whether any updates to EBFD's qualified expenditures percentage should be adjusted.

The conference was held on July 20, 2021 and attended by EBFD Co-Executive Directors Eliza Patten and Zabrina Aleguire, EBFD accountant Ragini Singh, Committee Working Group members Herman Debose, James Meeker, Bob Planthold, and State Bar staff members Christal Bundang, Erica Carroll, and Doan Nguyen.

BACKGROUND

ORGANIZATIONAL DESCRIPTION

According to its 2022 IOLTA/EAF application, “EBFD was co-founded by Eliza Patten and Zabrina Aleguire, experienced juvenile dependency attorneys, to prioritize the reunification of families separated by child protective authorities in Alameda County. ...EBFD was founded on a commitment to nationally-recognized, fundamental attributes of quality legal representation for children and parents in the child welfare system and is participating as a demonstration site with the American Bar Association's Family Justice Initiative for implementation and measurement of improved outcomes resulting from strengthened legal representation.” EBFD was incorporated as a 501(c)(3) nonprofit organization in California on December 29, 2017.

Since September 1, 2018, EBFD has been providing court-appointed dependency counsel services to the Superior Court of California, County of Alameda. EBFD’s attorneys staff each of the Alameda County Superior Court’s three Family Treatment Courts and represent parent clients and child clients as conflicts counsel in all stages of dependency proceedings. In its first year, EBFD served 2,000 clients and closed 800 cases. EBFD attorneys work collaboratively with their clients and, in some cases, with the support of an in-house social worker or peer parent advocate, to holistically understand client needs and develop a case strategy.

GOVERNING AUTHORITIES

Business and Professions Code section 6213(d) (definition of indigent person):

“Indigent person” means a person whose income is (1) 125 percent or less of the current poverty threshold established by the United States Office of Management and Budget, or (2) who is eligible for Supplemental Security Income or free services under the Older Americans Act or Developmentally Disabled Assistance Act. For the purpose of this subdivision, the income of a person who is disabled shall be determined after deducting the costs of medical and other disability related special expenses.

Business and Professions Code section 6213(a)(1) and State Bar Rule 3.671(A) (“primary purpose”):

A qualified legal services project is required by statute to have as its primary purpose and function providing legal services without charge to indigent persons. A qualified legal services project applying for Trust Fund Program funds is presumed to have such a purpose and function if 75 percent or more of the budget for the fiscal year for which it is seeking funds is designated to provide free legal services to indigent clients, and 75 percent or more of its expenditures for the most recent reporting year were incurred for such services. The calculation of 75 percent of expenditures may include a reasonable share of administrative and overhead expenses.

State Bar Rule 3.672(A) (“legal services”):

“Legal services” include all professional services provided by a licensee of the State Bar and similar or complementary services of a law student or paralegal under the supervision and control of a licensee of the State Bar in accordance with law.

DISCUSSION

As set forth in the eligibility guidelines, to meet the definition of a QLSP, an organization must have a primary purpose to provide free civil legal aid in California to indigent individuals. In addition, pursuant to current office practice interpreting the definition of “legal services,” an organization utilizing social workers must demonstrate that work is tied to legal services/outcomes and can therefore be considered as qualifying in determining if they meet the primary purpose test.

INCOME ELIGIBILITY FOR SERVICES/PRIMARY PURPOSE CALCULATION

Under state statute, QLSPs are defined as organizations having the primary purpose and function of providing legal services without charge to indigent persons. State Bar Rules reiterate this standard, and further provide that this primary purpose may be presumed if 75 percent or more of the organization’s expenditures were incurred providing legal services without charge to indigent people. Grant allocations for both IOLTA and EAF grants are calculated based upon each organization’s total expenditures for legal services in the prior year.

Under EBFD’s service model, clients may not always be present when EBFD is appointed by the court as counsel, and services are provided regardless of income since the appointing authority – the superior court - does not require any form of income screening. According to its 2022 IOLTA/EAF application, EBFD began incoming screening on July 1, 2020 and has since only obtained financial information from 20 percent of its new clients. EBFD indicates that its administrative staff attempts to complete an intake form with all new clients, documenting their monthly household income before taxes and the number of people in their household to determine which clients satisfy the below 125 percent threshold). In addition to COVID-19 related challenges, EBFD reported difficulty reaching clients for income-screening purposes due to clients being under extreme stress and/or due to homelessness.

From limited available income information, EBFD reported that 60 percent of clients for whom they were appointed in the month of July 2020 were indigent and 67 percent of the clients for whom they were appointed in January 2021 were indigent. EBFD thus asserts that 60 percent and 67 percent of its expenditures were for the provision of civil legal services without charge to indigent clients. EBFD explained that in January 2021 it undertook greater efforts to secure this information from all clients, explaining the discrepancy. On average, EBFD estimated that 64 percent of its clients meet the definition of indigent.

After EBFD attended an Eligibility Review Conference for 2021 funding in July 2020 EBFD provided preliminary income data then newly launched intake process which showed that 100 percent of its new clients met the indigency standard. Based on the information provided in EBFD’s 2022 IOLTA/EAF application, that estimate appears to have been premature and overstated.

Eligibility for 2022 IOLTA/EAF funding is based on review of 2020 fiscal year and 2020 calendar year information (various parts of the application request information from one or the other).

Although EBFD began income screening in July 2020, it has only been able to income screen in approximately 20 percent of its new clients in the relevant review year. This limited data does not adequately support EBFD's overall estimated indigency of 64 percent to help support a finding that it meets the primary purpose test. EBFD's ongoing difficulties in obtaining client income data suggests that EBFD may not have the ability at this time to implement complete and accurate income screening, which is a key component in determining grant eligibility, primary purpose, qualified expenditures, and allocation awards.

During the conference, EBFD presented supplemental information for the Committee's consideration (Attachment B). According to EBFD, it completed income screening for 40 percent (instead of 20 percent) of its new clients from July 1, 2020 to June 30, 2021. Based on this additional data, EBFD estimated that 68 percent of its clients were indigent, four percentage points higher than what was reported in its 2022 IOLTA/EAF application. EBFD also provided a breakdown of the income screening data for 2020. From July 1 to December 31, 2020, EBFD completed income screening for 41 percent of its new clients, from which EBFD confirmed that 69 percent were indigent.

EBFD requested that the Commission use its discretion to find that it meets the primary purpose test, despite only 64 – 69 percent of its expenditures being for qualified purposes. EBFD notes that its work is intended to primarily support low-income and indigent clients. While the Commission has approved other IOLTA/EAF applicants with qualified expenditures below 75 percent in the past (as low as 51 percent), the difficulty in this matter is that EBFD's percentage of qualified expenditures relies heavily on estimates and projections. Most IOLTA/EAF applicants screen all, or nearly all, of their new clients, giving the Commission confidence that those organizations' calculated qualified expenditures and primary purpose percentages are accurate.

Since EBFD has acknowledged that it has only been able to income screen roughly 40 percent of its new clients in 2020, this is not large enough of a data sample to confirm that a 68 percent indigency rate is representative for all of EBFD's new clients and that reported qualified expenditures are accurate. In light of the fact that the funding formula takes into account the reported qualified expenditures of each eligible applicant when calculating grant awards, the accuracy of this number (and not just the associated percentage for determining primary purpose) is essential in determining accurate grant allocations because it has the potential to impact grant awards for other organizations operating in the same county.

Deducting Potentially Non-Qualified Legal Services

"Legal services" are defined by State Bar Rules as including all professional services of an attorney, and similar or complementary services of a law student or paralegal under the supervision and control of an attorney.⁵

EBFD employs an interdisciplinary family defense team model in which out-of-court advocates, including social workers and peer parent advocates, help to gather information to provide a full picture of the client's context to aid in developing the strongest legal strategy to achieve client goals. These advocates work in close partnership with attorneys and support the representation

through strengthening attorney-client communication and client engagement. The attorney oversees the case and provides direction to the social worker and peer parent advocates who operate as agents of the attorney in advancing the legal representation.

Current office practice acknowledges that the successful provision of legal services can involve the assistance of social workers or other advocates, as long as it is tied directly to the legal services work. This eligibility issue was raised during EBFD's conference in 2020, and staff and the Working Group are satisfied with EBFD's updated description of how social work and peer parent advocates are tied to its legal case outcomes and would consider this work as qualifying for the 2022 IOLTA/EAF grant year. This issue is still being reviewed as part of the ongoing the codification process and this determination may change in future grant years.

Working Group Recommendation

The Working Group recommends that EBFD be found ineligible for the 2022 IOLTA/EAF grant year because the income screening information provided by EBFD is insufficient to determine whether it meets the primary purpose test and the amount of its qualified expenditures. While the Working Group appreciates EBFD's important work and recognizes its challenges in obtaining income information for court-appointed clients, the Commission's fiduciary obligations require it to ensure that allocation determinations are based on accurately reported qualified expenditures.

ATTACHMENTS LIST

- A.** East Bay Family Defenders 2021 IOLTA/EAF Application
- B.** Supplemental information from EBFD
- C.** Excerpts from Governing Authorities



Grant Year: 2022

Due Date: May 14, 2021 at 5:00pm PST

Prepared by: Eliza Patten

Email: eliza@familydefender.org

Contact Phone: 510-671-0063

Funding Opportunity: IOLTA LSP

Project Title: 3994-IOLTA LSP-2022-East Bay Family Defenders-268

Program Name: East Bay Family Defenders

Applicant Title: Co-Executive Director

Address: 101 Callan Avenue, Suite 210

City: San Leandro

Update Organization Profile

Confirm the organization's record is up to date. To access the Organization Profile, click on the "Review Organization Profile" button to open it in a new page. Review the Organization Profile, including the "Main," "Organization Details," and "Documents" tabs; make any necessary updates, and click Save.

Confirm that the designated Primary and Secondary Contacts are correct. For reference, identified responsible staff are listed below. The "Executive Contact" should be the Executive Director (or Clinic Director for law schools) and should have the authority to sign grant agreements with the State Bar. "Executive Contact" and "Primary Contact" are used interchangeably. Secondary Contacts for an organization will receive the same email communications as the Executive/Primary Contact.

For contact updates in the Organization Profile, contact the organization's SmartSimple User Administrator, identified under roles in the contact tab. Refer to the SmartSimple Managing Contacts user guide posted on the homepage under the "Key Documents & Authorities" section for more information on how to update contact information.

Executive Contact: Eliza Patten

Secondary Contact(s): Zabrina Aleguire,

I verify the information in the Organization Profile is accurate and up to date.

I verify that I have read, and am familiar with, the eligibility guidelines for IOLTA funding for legal services projects.



I. Eligibility Criteria

1. New or Currently Funded Applicant

Initial Funding or Returning Applicant not Currently Funded as a Legal Services Project

2. Applicant Type

A nonprofit corporation that provides civil legal services to the indigent without charge as its primary purpose and function

Upload a letter of support from the law school dean describing the history of the law school clinical program.

3. Applicant Eligibility

Select all that apply

An organization that receives at least \$20,000 annual cash funds from sources other than the State Bar of California to support free legal representation to indigent persons (as reflected in the Total of Non-State Bar Revenue calculated on Form VI) and can show community support for the program

3.A. Community Support

Describe the community support for the operation of a viable, ongoing program.



East Bay Family Defenders (EBFD) receives funding support from a variety of sources, including: the California Community Reinvestment Grants Program, the Kaiser Community Benefits Program, Casey Family Programs, the Zellerbach Family Foundation, the van Loben Sels/RembeRock Foundation, and the Bernard E. and Alba Witkin Charitable Foundation. We collaborate closely with the Alameda County Public Defender's Office and the Alameda County Office of Collaborative Courts. We contract with the Early Intervention Services program at UCSF Benioff Children's Hospital Oakland for clinical supervision and consultation. We received early support for our founding from the Parent and Caregiver Advisory Group, a subgroup of the Alameda County Children of Incarcerated Parents Partnership (ACCIPP), and we participate regularly in ACCIPP community awareness and education events.

3.B. Which of the following services does your organization provide?

Provides legal representation, training, or technical assistance on matters concerning indigent special client groups, or substantive law important to special client groups



Special Client Group(s) Served

Nature of Assistance

Special Client Group Served/ Relevant Substantive Law	Legal Representation	Training	Technical Assistance
Indigent parents involved in the juvenile dependency system / juvenile dependency law	Yes	No	No
Children involved in the juvenile dependency system / juvenile dependency law	Yes	No	No
Indigent parents and children who are non English speaking and involved in the child welfare system / juvenile dependency law	Yes	No	No
Undocumented indigent parents and children involved in the juvenile dependency system / juvenile dependency law	Yes	No	No
Incarcerated parents involved in the juvenile dependency system / juvenile dependency law	Yes	No	No
Homeless parents involved in the juvenile dependency system/ juvenile dependency law	Yes	No	No
Indigent parents with mental health and substance use disorders involved in the juvenile dependency system / juvenile dependency law	Yes	No	No

II. Description of Organization

Provide a comprehensive but concise description of the entire organization's work in the previous calendar year. Currently funded organizations should not limit responses to activities funded by the State Bar.

Click "Save & Finish Later" after adding counties.



County

Alameda

1. Organization's Mission and Vision

Provide the organization's mission and vision statement(s) describing the organization's purpose and impact. (250 word limit)

East Bay Family Defenders' mission is to keep families together and minimize the time children spend in foster care. We believe that when the government seeks to separate a family, every parent and child should have access to the best legal representation, regardless of ability to pay. We believe that a society that cares about its children must cherish its parents, and that means ensuring all parents access to the basic necessities for raising a family. Family separation is both an accelerator and a symptom of poverty. We believe that family separation all but ensures that certain segments of our society will remain trapped in cycles of economic and social disinvestment that will cripple their chances at meaningful civic participation and that, by contrast, strong, intact families strengthen communities. Our purpose is to reduce over-reliance on system intervention, to divert families with poverty-based needs from the foster care system, and to improve the well-being of children and families through supporting parents. Our evidence-based program model has been shown to reduce lengths of stay in foster care, improve rates of reunification and placement of children with relatives, and to reduce system reentry.

2. Core Programs

Describe the organization's core programs as reflected in promotional materials (include a summary of all work, not just activities funded by State Bar monies).

East Bay Family Defenders (EBFD) was co-founded by Eliza Patten and Zabrina Aleguire, experienced juvenile dependency attorneys, to prioritize the reunification of low-income families separated by child protective authorities in Alameda County. Eliza and Zabrina each started their legal careers representing parents and then spent years representing children in foster care, which reinforced their conviction to move back upstream to prevent so many children from experiencing displacement from their families and communities in the first place. EBFD became their vision, inspired by the successful models of interdisciplinary parent representation pioneered in New York City. This vision became realized with community-based support from Alameda County Public Defender Brendon Woods, the Alameda County Children of Incarcerated Parents Partnership, and Root & Rebound, which advocates for parents reentering their communities from incarceration. Key to EBFD's launch was fiscal sponsorship by Dependency Advocacy Center (DAC), the organization providing court-appointed interdisciplinary representation to all parents in Santa Clara County.



Since September 1, 2018, East Bay Family Defenders (EBFD), now its own 501(c)(3) nonprofit organization, provides court-appointed dependency counsel services to the Superior Court of California, County of Alameda. EBFD attorneys represent parent clients and conflict child clients in all stages of dependency proceedings. The vast majority of our clients are parents or legal guardians (95%), while 5% of our clients are minors where separate counsel is necessary due to conflicts of interest among children. Most of the parents we represent have been separated from their children and are seeking reunification, while in about 40% of our cases parents have their children at home under court-ordered supervision by the child welfare agency.

EBFD attorneys are appointed by the Court to represent parents once a petition is filed in court, followed by preliminary hearings to determine whether removal of children from home was warranted when that has occurred, usually days before the first court hearing. Parents then face a jurisdictional trial for the Court determine if neglect or abuse occurred, and if findings are made then the Court orders where the child is to remain while still under court jurisdiction. Cases are reviewed every 6 months to determine whether children should be returned home and/or the case should be continued or dismissed. Depending on the age of the child, if parents do not reunify with their children within 6 to 12 months, they may face the termination of their parental rights or placement of their children in legal guardianships or long-term foster care. Thus, quality legal representation is crucial to preserve families' rights at each stage of the case.

EBFD was founded on a commitment to nationally recognized, fundamental attributes of quality legal representation for children and parents in the child welfare system (see FJI Attributes Fact Sheet, attached) and is participating as a demonstration site with the American Bar Association's Family Justice Initiative for implementation and measurement of improved outcomes resulting from strengthened legal representation. Strong interdisciplinary family defense programs in New York City have demonstrated improved outcomes, including increased and more timely reunification of children with parents or family members, just as safely as if they had stayed in foster care longer. (Gerber, 2019).

First and foremost, EBFD attorneys adhere to their ethical duties to their clients, including their professional obligations of competence and diligence. They work collaboratively with their clients and, in some cases, with the support of out of court advocates including an in-house social worker, legal and social work interns, and peer parent advocates, to holistically understand client goals and develop case strategy. EBFD attorneys and out of court advocates conduct a thorough and independent investigation, including obtaining and reviewing child welfare agency and service provider records. They zealously pursue clients' case goals and, when consistent with client's interests and objectives, proactively drive the case forward through filing motions, litigating significant legal and factual disputes, and employing experts as needed. They ensure clients' right to attend court hearings, including through filing requests for transportation of parents who are incarcerated. Recognizing that, pursuant to statute, a non-adversarial approach to the resolution of juvenile dependency cases is encouraged, EBFD attorneys use mediation and other informal settlement negotiations to advance clients' objectives and achieve case resolution wherever possible.



EBFD is committed to providing client-centered holistic legal representation. This means that EBFD attorneys, together with our EBFD out of court advocates, engage with and get to know their clients, gaining an understanding of their clients' specific trauma history and how that impacts their experience with the child welfare system and the attorney-client relationship. They engage in proactive case planning, help to identify service providers, and advocate for visitation arrangements that promote healthy parent-child attachment and provide opportunities for strengthened parenting skills development. Wherever possible, EBFD staff work to achieve placement arrangements that support a child's connection to family, siblings, education, language, and culture. EBFD staff also routinely refer clients to legal resources to address ancillary legal issues and cooperate and communicate with the client's other legal services providers to ensure coordinated representation.

In cases where it is appropriate and necessary, EBFD files California Rules of Court Sections 8.452 and 8.490 extraordinary writs. EBFD attorneys routinely advise their clients of the right to file Notices of Appeal in all appropriate cases and coordinate with appointed counsel from the First District Appellate Project as needed.

3. Client Population

Describe the constituencies served by the organization. Include demographic information, such as age, gender, ethnicity, income levels, and any other characteristics particular to the service population.



EBFD represents about 1150 clients at any time and each year we assist 600 parents in exiting juvenile court involvement. Since opening in 2018, EBFD has represented 3336 clients (mostly parents) in Juvenile Dependency Court. Our clients are the parents of the 841 children and 309 youth (ages 18-21) currently in foster care in Alameda County, out of 1393 children and 359 youth under the supervision of the Juvenile Dependency Court.

The proportion of children in foster care from impoverished homes in Alameda County is 10 times higher than for children in the general population. Approximately 64% of EBFD clients are indigent, 50% have unstable housing, about 40% depend on public benefits, and 24% have not graduated high school. 30% of our clients live with disabilities and 20% have limited English proficiency. 82% of our clients are people of color: 30% Black parents, 30% LatinX parents, 11% Multi-ethnic parents, 8% API parents, and 3% Native American, while 16% of our clients are white and 2% are unspecified. Currently, 44% of children in foster placements in Alameda County are Black (4x their rate in the child population); 35% are LatinX (1.5x their child population rate), and 14% are white (less than 1/3 of their child population rate) while 6% are Asian Pacific Islander (less than 1/5 their population rate). A slightly higher percentage of our clients are mothers (57%) with fathers representing 43% of our clients. About 11% of the parents we represent identify as LGBTQ.

At least 55% of our clients have criminal histories and 33% have been incarcerated. At any time, 20% of our clients are simultaneously facing other forms of court involvement, most commonly in Criminal Court (15% of our clients). Intrinsic to our representation is assistance to parents in exiting all forms of court involvement, addressing the socioeconomic factors that have contributed to their system involvement, and promoting family wellness and resilience.

4. Income Eligibility for Services

Describe how the organization verifies and documents an individual's income eligibility for services. Identify all income criteria and guidelines used to establish eligibility for services.



Our administrative staff attempt to complete an Intake Form with all new clients, documenting their monthly household income before taxes and the number of people in their household. We compare this to 125% of the federal poverty index to determine which clients are "indigent" (those below the 125% threshold). We began this income screening on July 1, 2020. Since then, we have been able to obtain financial information from only 20% of our new clients due to constraints imposed by the COVID-19 pandemic -- our court has been physically closed since March 17, 2020 and almost all of our client contact has been remote by phone and video. Our clients, who are usually experiencing extreme stress and overwhelm at the start of their cases, rarely return calls or return forms by mail to our administrative staff to complete their intake forms. In light of this challenge with obtaining income data, we have been tracing back month-by-month to make every effort to complete income screening back to July 1, 2020. To date, we completed 100% screening for January 2021. The indigence rate for that month was 67%, while the indigence rate among completed forms back to July 1, 2020 is 60%. Based on these numbers, we estimate that 64% of our new clients are indigent. The discrepancy between the two sets of numbers may be accounted for because a significant number of our clients are hard to reach or unreachable due to homelessness -- and thus it is more difficult to complete intake forms with them than clients with means. With more concerted effort to reach all clients as well as review of all information available about hard-to-reach clients, which we completed for January with attorney assistance, the indigence % of our clients was higher. We continue to make progress on completing all months back to July 1, 2020 for thorough indigence screening.

5. Program Activities

Select all the programmatic activities the organization engaged in during the previous calendar year. Do not include fundraising and administrative activities (Eligibility Guidelines 2.3).

5.A. Legal Services Representation Activities:

Describe Other:

5.B. Other Activities:

i. Legal Services: Provided to non-indigent clients/non-qualified organizations

Under which funding Government
sources did you serve
these clients?:

ii. Other Services:



**Describe Other Non-
Legal Services:**

6.A. Total number of impact litigation cases (include partner/co-counsel cases)

Report all impact litigation cases your organization engaged in during the previous calendar year, both open and closed.

0

6.B. Total number of advocacy activities

Report all advocacy activities your organization engaged in the previous calendar year, both completed and ongoing.

0

6.C. Summarize Additional Activities

If you engaged in more than 10 advocacy activities or more than 15 impact litigation cases in the previous calendar year, briefly summarize the nature of these additional activities.

n/a

Impact Case(s)

#	Case Name	Court Name	Case Status	View / Edit Template	Form Status
---	-----------	------------	-------------	----------------------	-------------

Advocacy Activity(ies)

#	Advocacy Activity	Type	Activity Status	View / Edit Template	Form Status
---	-------------------	------	-----------------	----------------------	-------------

III. Staffing and Volunteers



Staffing as of December 31

Personnel Category	Number of Full-Time Staff	Number of People (Part Time)	Full-Time Equivalent (Part Time)	Total Staffing FTEs	Number of People (Temp Staff)	Total Hours (Temp Staff)	Number of people (Volunteer)	Donated Hours (Volunteer)
Attorneys	15	0	0.00	15.00	2	40	0	0
Paralegals	0	0	0.00	0.00	0	0	0	0
Law Students	0	0	0.00	0.00	0	0	0	0
Professional Services	3	0	0.00	3.00	0	0	0	0
Clerical/Admin	2	0	0.00	2.00	0	0	0	0
Other Personnel	3	0	0.00	3.00	0	0	0	0
TOTAL	23	0	0.00	23.00	2	40	0	0

1.A. Professional Services and Other Personnel

For each position included under Professional Services and Other Personnel, state the title and full-time equivalent of the position(s).

Professional Services:

Social Worker, 1.0 FTE

Peer Parent Advocate, 2.0 FTE

Other Personnel:

Internal Executive Director, 1.0 FTE

External Executive Director, 1.0 FTE

Administration and Operations Director, 1.0 FTE

2. Use of Non-Legal Professionals

Describe how the organization utilizes non-legal professionals in its service delivery model.



Following nationally-recognized best practice for providing legal representation for parents and children in dependency cases, EBFD employs an interdisciplinary family defense team model in which out of court advocates, including social work and peer parent advocates, help to gather information to provide a full picture of the client's context to aid in developing the strongest legal strategy to achieve client goals. These advocates work in close partnership with attorneys and support the representation through strengthening attorney-client communication and client engagement. The attorney oversees the case and provides direction to the social worker and peer parent advocates who operate as agents of the attorney in advancing the legal representation.

3. How many hours per week does the organization consider a full-time schedule?

Do not include non-numeric characters, this includes commas, periods, etc.

40.00

4. Staffing and/or Organizational Changes

Describe any significant changes in staffing levels or structure in the previous calendar year, and its impact on programmatic activities. Identify any significant vacancies and explain whether the organization is actively recruiting for the position, or is holding the position for budgetary or other reasons.



Partnering with La Piana Consulting, in 2020 EBFD engaged in a strategic restructuring process to strengthen operational impact and sustainability. The core changes we implemented in the 4th quarter of 2020 are:

Adoption of a two-team structure, down from our four-team approach, in order to promote consistency around caseload and services offered. Our two teams are each led by a Team Leader & Supervising Attorney who supervises the work of 6 attorneys. Each team has an assigned Parent Advocate and is supported by MSW Interns under the supervision of our Licensed Clinical Social Worker. This has resulted in improved integration of in and out of court advocacy to achieve client goals.

Establishing clearly-defined management positions to promote stronger teamwork and coordination as well as long-term organizational sustainability. This includes the creation of the two Team Leader & Supervising Attorney positions and the introduction of an Administrative and Operations Director.

Re-casting our co-executive director roles around an internal role (Eliza) and an external role (Zabrina) in order to streamline efforts, clarify responsibilities, and generate more focus on high-value needs, including fund development and community partnerships.

Six months into the restructure we are already finding improvements in decision-making, efficiency, and consistency of service delivery, confirming that a well-structured organization is key to sustainability and growth.

In addition, we grew our staff in 2020 from 17 to 23. We are always actively recruiting attorneys to this relatively new field of legal services.

IV. Application for Pro Bono Allocation

To qualify for the pro bono allocation in the county(ies) in which the organization provides services, the organization must meet both these requirements (1) coordinate the recruitment of substantial numbers of attorneys in private practice to provide free legal representation to indigent persons or to qualified organizations as its principal means of delivering legal services; and (2) demonstrate that its principal means of delivering legal services is “the recruitment of attorneys in private practice to provide free legal representation to indigent persons or to qualified legal services projects in California” through one of the three tests described in Eligibility Guideline 2.6.3. and 2.9.

1. Are you applying for a pro bono allocation per the qualifications listed?



If yes, the organization should annually recruit at least 30 attorneys, OR recruit at least five percent of the licensed attorneys in the county served, OR receive at least 1,000 hours of donated legal services from volunteer attorneys.

No

V. Quality Control Review

1. Quality Control Report

Has the organization received a written quality control review from the Legal Services Corporation, the California Department of Aging, or an Area Agency on Aging in the previous calendar year?

No

2. Legal Services Staff Supervision

Describe how legal services staff are supervised to ensure quality service. Identify supervisory personnel and provide information regarding their oversight (frequency of case management meetings, etc.). If there is only one staff attorney or the organization only employs contract attorneys, describe how oversight and quality control are ensured.

EBFD has two distinct Legal Offices, each of which is supervised by a Team Leader & Supervising Attorney (TLSA) who manages, coordinates, and directly supervises the Staff Attorneys on their team. The TLSAs hold regular, weekly or biweekly, individual supervision meetings with the attorneys on their team to discuss case strategy and case management. TLSAs are readily available to answer questions and provide direction in the moment through Microsoft Teams. TLSAs provide temporary case coverage for attorneys on their teams as needed. TLSAs observe, supervise and support attorneys in court, depending on each individual attorney's need. For more complex cases, TLSAs often prepare for trials together, provide sample examination outlines, and observe trials to provide in the moment support. TLSAs routinely review and suggest edits to more complex pleadings and may participate in joint client meetings or phone calls with clients. EBFD also develops and provides comprehensive and ongoing substantive law and practice training.

3. Volunteer Supervision



Describe the method(s) by which volunteers (attorneys, paralegals, and law students) are supervised. If the organization does not actively supervise volunteers or review their work product, how does the organization ensure compliance with its quality standards?

Law students are supervised by EBFD staff attorneys, who are trained in how to supervise legal interns and who follow supervision protocols recommended by Bay Area law schools. Law students undergo two weeks of substantive training at the beginning of their time at EBFD. Students work on legal research, drafting of substantive motions, preparing clients for hearings, gathering evidence, and assisting attorneys with trial preparation. Interns and supervisors complete mid-semester evaluations and final performance feedback to ensure accountability and that interns receive significant feedback as they develop professionally.

4. Describe case opening and closing oversight practices.

Cases are opened and closed based on the Court's legal determination. When a parent or (conflict) child requests and/or needs counsel, EBFD attorneys are appointed by the Court to provide representation. We provisionally open a case in our client management system when we receive the initial petition seeking court jurisdiction from the county child welfare agency. Conflict checks are run and EBFD attorneys are assigned to be available for appointment by the Court. Once the Court appoints counsel at the initial hearing, the case opening is confirmed or closed, as appropriate. Once appointed, EBFD attorneys remain on the case until the case is dismissed or the Court relieves counsel (e.g. after the filing of a substitution of attorney order or after court-ordered termination of parental rights.). EBFD uses a state-mandated client management system, JCATS, to document the opening and closing of all cases as well as to maintain all client case information.

VI. Sources of Funding



05/19/2021

Use the table below to itemize the organization's sources of funding in the calendar year 2020.

Enter the cash amount received for each funding source. Do not include State Bar monies.

- Under Foundations, list the largest three grants by organization, and then add the remaining amounts together under Other Foundation Funding.
- Under Government Resources, for each Federal, State, and Cities and Counties, list the largest three grants by agency, and then add the remaining amounts together in the corresponding Other field.

Source	Amount Received
Individual Contributions	\$28,516
Attorneys/Private Donors/Individual Gifts	\$0
Event Sponsorship/Special Events	\$0
Other	\$0
Total	\$28,516
Organizations	
Bar Associations	\$0
Law Firms	\$0
Law Schools	\$0
Other, including subgrants from nonprofits	\$0
Total	\$0
Foundations	
	Subtotal
Casey Family Foundation	\$76,730
Zellerbach Foundation	\$75,000
Walter S Johnson Foundation	\$60,000
Other Foundation Funding	\$57,000
Total	\$268,730
Legal	
Legal Services Corporation	\$0
Area Agency on Aging	\$0



05/19/2021

Total	\$0
-------	-----

Government Resources

Federal (not LSC or OAA)

Title IV-E	\$36,786
------------	----------

\$0

\$0

Other Federal Funding	\$0
-----------------------	-----

State

Judicial Council of California	\$1,809,854
--------------------------------	-------------

CalCRG	\$95,271
--------	----------

\$0

Other State Funding	\$0
---------------------	-----

Cities and Counties

Innovation in Reentry	\$68,450
-----------------------	----------

Philanthropic Ventures	\$36,178
------------------------	----------

\$0

Other City and County Funding	\$0
-------------------------------	-----

Total	\$2,046,539
-------	-------------

Residual and Cy Pres Awards

State Court	\$0
-------------	-----

Federal Court	\$0
---------------	-----

Total	\$0
-------	-----

Fees and Reimbursements

Attorneys' Fees	\$0
-----------------	-----

Client-Paid Amounts	\$0
---------------------	-----

Cost Reimbursements	\$0
---------------------	-----

Other Professional Fees	\$0
-------------------------	-----

Total	\$0
-------	-----

Other Cash Support

Rent Revenue	\$0
--------------	-----

\$0

\$0

\$0



	\$0
Total	\$0
TOTAL OF NON-STATE BAR REVENUE	\$2,343,785

1.A. Other Funding

Itemize sources included in any "other" line items listed in the Sources of Funding worksheet.

VII. Total Corporate Expenditures

Organization's Fiscal August 31
Year End:

1. Upload Audited or Reviewed Financial Statement Ended in the Previous Year

Upload a final copy of the organization's audit or financial review for the organization's fiscal year ending in 2020; qualified expenditures will be calculated based on this document. Organizations with gross corporate expenditures less than \$500,000 can provide a financial review in lieu of an audited financial statement (Rule 3.680(E)(1)). Applicant must also upload a copy of the most recent audit or financial review to the Organization Profile under the Documents tab as soon as available, and no later than May 1.

EBFamilyDefenders_20_FinalFS_Client_(1).pdf

1 MB - 05/12/2021 2:39PM

Total Files: 1



Total Corporate Expenditures

NON-CASH		Expenditures
In-kind/Donated Services		\$0
Unrealized Losses		\$0
Other		\$0
Total Non-Cash Items		\$0
PASS-THROUGH / FISCAL SPONSOR		Expenditures
Pass-through		\$0
Total Pass-through		\$0
PERSONNEL		Expenditures
Attorneys		\$975,975
Paralegals		\$0
Other Staff		\$477,776
Subtotal		\$1,453,751
Employee Benefits		\$256,425
Total Personnel		\$1,710,176
NON-PERSONNEL		Expenditures
Space		\$149,666
Equipment Rental and Maintenance		\$9,279
Office Supplies and Small Equipment		\$13,996
Printing and Postage		\$1,625
Telecommunications		\$21,218
Technology		\$17,280
Program Travel		\$11,160
Training		\$20,435
Library		\$12,089
Insurance		\$8,838
Audit		\$12,250
Litigation		\$12,420
Depreciation		\$13,264
Contract Service to Clients		\$110,704
Contract Service to Program		\$58,974



05/19/2021

Other	\$149,612
Total Non-Personnel	\$622,810
TOTAL CORPORATE EXPENDITURES (Personnel + Non-Personnel +Non-Cash+Pass-through)	\$2,332,986
TOTAL PERSONNEL + NON-PERSONNEL EXPENDITURES (Personnel + Non-Personnel)	\$2,332,986

Itemize all expenses included under Depreciation.

Depreciation for leasehold improvement \$1200 and for computer Equipment \$12,064

Itemize all expenses included under Contract Service to Clients.

Payment to Contract Attorneys = \$110,704

Itemize all expenses included under Contract Service to Program.

Writs Attorney =\$10,913, Contract Clinical Supervision \$21,196, Program Evaluator =\$6,825,Data Support = \$7,103, expert witness \$12,937

Itemize all expenses included under Other (Non-Personnel).

Business expenses =\$2,771, Accounting =\$60,000,Development support =\$3,385,Payroll fees =\$2,116,Lobbying cost = \$500, Management consultant =\$22,000,HR consultant =\$6000,Donor management services = \$918, interest expenses = \$13,365, Loan Fees = \$925, Membership fees =\$6,636,Recruitment fees = \$2,802, Process serving expenses =\$1,690,Transcripts = \$2,084,Interpreter and translation = \$22,348, Discovery = \$945 and other litigation expenses =\$1127.

3. Total Corporate Expenditure

\$2,332,986



a. Audited \$2,332,986

**Financial/Review's Total
Corporate
Expenditures:**

Enter Total Corporate Expenditures amount as listed on the organization's submitted financial audit or review.

**b. Explain Any
Variance:**

If your organization's reported corporate expenditures do not align with your organization's uploaded audit as entered in 3A above, please explain the variance.

VIII. Qualified Expenditures



05/19/2021

Questions	Amount	Explanation
1. Total Personnel + Non-Personnel Expenditures from the previous fiscal year	\$2,332,986	
2. Did the organization engage in activities other than the delivery of legal services?	\$0	
3. Did the organization lease or sublease space to another organization?	\$0	
4. With regards to leased or subleased space, did the organization incur property management expenses, whether as primary owner or lessor?	\$0	
5. Did the organization provide legal services in criminal matters?	\$0	
6. Did the organization charge clients for any legal services in civil matters, other than requiring payment for costs and expenses or processing fee of \$20 or less?	\$0	
7. Did the organization provide any free civil legal services to persons who were not indigent as defined in B & P Code Section 6213(d) and Eligibility Guidelines 2.3.3 and 2.3.4, or to organizations not providing benefits primarily on behalf of the indigent?	\$839,875	The Alameda County Superior Court appoints us regardless of income. We have determined that at least 64% of our clients meet the indigence threshold
8. Did the organization provide free civil legal services outside California?	\$0	
9. Did the organization incur expenses that did not contribute to the provision of civil legal services to indigent people and that were not itemized above?	\$0	
10. TOTAL EXPENDITURES FOR NON-QUALIFIED ACTIVITIES	\$839,875	
11. SUB-TOTAL OF QUALIFIED EXPENDITURES	\$1,493,111	

12. PERCENT OF QUALIFIED EXPENDITURES FOR FREE CIVIL LEGAL SERVICES TO INDIGENT PERSONS

Once you have completed and saved the Qualified Expenditures table above, click the "Save & Finish Later" button below to calculate this percentage.



64.00%

12.A. Less than 75% Explanation

If the percentage of expenditures for free civil legal services to indigent persons calculated above is less than 75 percent, explain how the organization meets the primary purpose requirement for funding (B&P §6213(a)).

The core purpose of East Bay Family Defenders' representation of parents and children is to effectuate CA Welfare & Institutions Code 317, which provides for court-appointed counsel to parents and children who wish for counsel but are "financially unable to afford and cannot for that reason employ counsel." Currently, Alameda County Juvenile Court has opted out of financial screening and the reimbursement process provided for by the Judicial Council of California to recoup costs of representation to non-indigent clients. Therefore, approximately 36% of our new clients since July 1, 2020, are non-indigent. Our civil legal services, nonetheless, are primarily geared toward the representation of indigent clients. Our holistic model of representation focuses on ensuring that poverty-based needs are addressed and that low-income families are able to secure resources to stabilize their families and exit the child welfare system. About 70-80% of our cases involve neglect allegations, which largely stem from poverty. Therefore, our most common work out of court with clients is to assist them with: securing shelter, transitional housing, housing subsidies, and public housing; obtaining benefits; completing their high school or college education; enrolling in residential treatment or day treatment programs that are MediCal funded; engaging in publicly-funded therapeutic and health programs; and securing subsidized childcare. The design of our program is to equip low-income parents for exiting a child protective system that is not designed to address poverty-based needs. A significant number of our clients are also criminal-system-involved, warranting a tremendous amount of work to ensure their access to dependency court and to assist with their needs upon reentry into their community. For all of these reasons, our primary purpose remains holistic representation of indigent clients.

13. Exchanged Funds

Did the organization exchange funds with another legal services project that is applying for a State Bar grant in the 2020 grant year?

No

Enter exchanged funds during fiscal year ending in 2020. Do not include the exchange of IOLTA, EAF or Shriver Grant monies.



Monies Paid

Monies Received

Exchanged Funds Lookup

Organization's Fiscal Year End: August 31

13.C. Upload Exchanged Funds Agreements

Include all agreements pertaining to the funds exchanged with another LSP applicant. Agreements should be uploaded by LSP and Grant Type. Include contract periods and amounts, and how the exchanged funds will be claimed by each organization.

13.D. Discrepancies in Reported Funds and Agreements

Explain any differences between the amounts listed in 13 A or B, and their corresponding agreements.

14. TOTAL DEDUCTION OF EXCHANGED FUNDS

\$0

15. Shriver Funds

Enter funds received in 2020 for a grant, subgrant, or contract for a pilot project pursuant to the Sargent Shriver Civil Counsel Act of 2009.

\$0

16. TOTAL QUALIFIED EXPENDITURES FOR FREE CIVIL LEGAL SERVICES TO INDIGENT PERSONS IN CALIFORNIA

\$1,493,111



17. IOLTA and EAF Expenditures Net of Capital Additions

Enter all IOLTA and EAF expenditures for 2020 in 17a and 17b, respectively. This should include any carry-over from 2019

Reference Button:

17.A. IOLTA Expenditures Net of Capital Additions (FISCAL YEAR)

\$0

17.B. EAF Expenditures Net of Capital Additions (FISCAL YEAR)

\$0

17.C. IOLTA AND EAF EXPENDITURES NET OF CAPITAL ADDITIONS (AUTO-CALCULATED)

\$0

18. GRAND TOTAL NON-STATE BAR QUALIFIED EXPENDITURES FOR FREE CIVIL LEGAL SERVICES TO INDIGENT PERSONS IN CALIFORNIA

\$1,493,111

19. Upload Any Additional Expenditure Documents

Include any additional documents regarding the information entered in this form.

VIII-A. Expenditures by County

GRAND TOTAL NON-STATE BAR QUALIFIED EXPENDITURES FOR FREE CIVIL LEGAL SERVICES TO INDIGENT PERSONS IN CALIFORNIA

\$1,493,111



1. Allocation of Expenditures for Each County

If the organization provides free civil legal services to indigent persons in more than one county, describe the basis for allocating expenses among those counties. Include any calculations or relevant data to support your explanation.

2. New or Discontinued Counties

If the organization is seeking IOLTA and EAF funds to serve any counties in addition to those for which it is currently receiving IOLTA and EAF funds, or is not seeking funding in a county for which it currently receives funding, provide information on new and/or discontinued counties. See application instructions for additional details. Enter N/A if not applicable.

3. Out of County Work

Describe any work in county(ies) other than those for which funding is being sought. Include name of county(ies), nature of work, start and/or end date, approximate county expenditures, and any other relevant information.



Expenditures by County

Previous Fiscal Year Quarterly Reports:

In the tables below, indicate the amount of total expenditures for free civil legal services to indigent persons in California for each county.

The total amount of the "Qualified Expenditures" column should equal the amount that appears at the top of this form. IOLTA and EAF expenditures should match Quarterly Report submissions for your fiscal year ending in 2020, including any carry-over from 2019. Reference the "View" button located above this instruction box to view your Quarterly Report submissions for your fiscal year ending in 2020.

Click "Save" within the table, then "Save & Finish Later" to update county tables.

Update Form II to adjust the counties appearing below.

Alameda

County Expenditures (Fiscal year)	IOLTA Expenditures (Fiscal year)	EAF Expenditures (Fiscal year)	Qualified Expenditures
\$1,493,111	\$0	\$0	\$1,493,111

County Totals

County Expenditures (Fiscal year)	IOLTA Expenditures (Fiscal year)	EAF Expenditures (Fiscal year)	Qualified Expenditures
1493111	0	0	1493111

IX. Certifications & Assurances



05/19/2021

**Upload Signed
Certifications &
Assurances Document:**

Bd_CoChair_Signed_IOLTA_LSP_CA_Form.pdf

380.9 KB - 05/19/2021 6:23PM

IOLTA_LSP_CA_Form.pdf

319.4 KB - 05/14/2021 8:00PM

Total Files: 2

Supporting Documents (Optional)

When naming optional supporting documents, please include the Organization's acronym (or short name) and a 1-5 word description of the file.

FJI-Attributes-Fact-Sheet.pdf

914.2 KB - 05/14/2021 7:56PM

Gerber_2019_Effects_of_interdisciplinary_approach_to_parental_rep_NYC_study.pdf

655.8 KB - 05/14/2021 7:55PM

Total Files: 2

Legal Services Projects

IX. CERTIFICATIONS AND ASSURANCES**CERTIFICATIONS**

The applicant hereby certifies the following:

- It is a California corporation.
- It is a nonprofit organization.
- It operates exclusively in California. A project that is part of an organization that operates other projects outside of California may be considered as operating exclusively within California as long as funds granted are expended in California and the project or organization is a California nonprofit corporation.
- It provides civil legal services to the indigent without charge as its primary purpose and function.
- It receives annually a financial statement that has been reviewed by an independent certified public accountant. If gross expenditures exceed \$500,000, the financial statement must be audited.
- It has updated, in the previous calendar year, the information pertaining to itself in the statewide legal services directory (LAACDirectory.org), LawHelpCA.org, and if applicable, on SmartSimple for use in the Pro Bono Directory hosted on the State Bar website.

ASSURANCES

The applicant assures compliance with the following:

- The applicant will use any funds allocated by the State Bar only for the purposes set forth in Business and Professions Code §§6210-6228, and the corresponding State Bar rules and any amendments thereto.
- The applicant will expend all funds allocated from the State Bar exclusively for services in California.
- The applicant will expend all funds allocated by the State Bar exclusively on civil matters.
- The applicant will expend all funds allocated by the State Bar exclusively on services to the indigent.
- The applicant will expend all funds allocated by the State Bar exclusively for services in the county for which such funds were allocated.
- The applicant will make significant efforts to utilize 20 percent of the funds allocated under this article for increasing the availability of services to members of disadvantaged and underserved groups.

- The applicant will use any attorneys' fees received in cases funded through the State Bar to provide legal services without charge to indigent persons.
- The applicant will:
 - At all times honor the attorney-client privilege and uphold the integrity of the adversary process;
 - Not impose restrictions unrelated to statutes and rules of professional conduct on attorneys who provide representation to indigent clients with funds provided, in whole or in part, from the State Bar; and
 - Not discriminate based on race, color, national origin, religion, gender, disability, age, marital or domestic partnership status, medical condition, or sexual orientation.
- The applicant will comply with all quality control review procedures adopted by the State Bar.
- The applicant will comply with all fiscal management and control procedures adopted by the State Bar.
- The applicant will permit reasonable site visits and present information reasonably necessary to determine compliance with the laws and rules governing the State Bar.
- The applicant will immediately notify the State Bar if the criteria under which it was deemed eligible for a Legal Services Trust Fund Program grant changes during the grant period.

Under penalty of perjury, we, the undersigned, state that the information provided in response to the above statements is true and correct to the best of our knowledge.

East Bay Family Defenders

Organization Name*

Zabrina Alequire

Staff Director Printed Name*

Zabrina Alequire

Staff Director Signature*

05/14/21

Date*

Raquiba LaBrie, Board Co-Chair

Board Representative Printed Name and Title*

Raquiba LaBrie

Board Representative Signature*

05/14/21

Date*

* = required field

Legal Services Projects

IX. CERTIFICATIONS AND ASSURANCES**CERTIFICATIONS**

The applicant hereby certifies the following:

- It is a California corporation.
- It is a nonprofit organization.
- It operates exclusively in California. A project that is part of an organization that operates other projects outside of California may be considered as operating exclusively within California as long as funds granted are expended in California and the project or organization is a California nonprofit corporation.
- It provides civil legal services to the indigent without charge as its primary purpose and function.
- It receives annually a financial statement that has been reviewed by an independent certified public accountant. If gross expenditures exceed \$500,000, the financial statement must be audited.
- It has updated, in the previous calendar year, the information pertaining to itself in the statewide legal services directory (LAACDirectory.org), LawHelpCA.org, and if applicable, on SmartSimple for use in the Pro Bono Directory hosted on the State Bar website.

ASSURANCES

The applicant assures compliance with the following:

- The applicant will use any funds allocated by the State Bar only for the purposes set forth in Business and Professions Code §§6210-6228, and the corresponding State Bar rules and any amendments thereto.
- The applicant will expend all funds allocated from the State Bar exclusively for services in California.
- The applicant will expend all funds allocated by the State Bar exclusively on civil matters.
- The applicant will expend all funds allocated by the State Bar exclusively on services to the indigent.
- The applicant will expend all funds allocated by the State Bar exclusively for services in the county for which such funds were allocated.
- The applicant will make significant efforts to utilize 20 percent of the funds allocated under this article for increasing the availability of services to members of disadvantaged and underserved groups.

- The applicant will use any attorneys' fees received in cases funded through the State Bar to provide legal services without charge to indigent persons.
- The applicant will:
 - At all times honor the attorney-client privilege and uphold the integrity of the adversary process;
 - Not impose restrictions unrelated to statutes and rules of professional conduct on attorneys who provide representation to indigent clients with funds provided, in whole or in part, from the State Bar; and
 - Not discriminate based on race, color, national origin, religion, gender, disability, age, marital or domestic partnership status, medical condition, or sexual orientation.
- The applicant will comply with all quality control review procedures adopted by the State Bar.
- The applicant will comply with all fiscal management and control procedures adopted by the State Bar.
- The applicant will permit reasonable site visits and present information reasonably necessary to determine compliance with the laws and rules governing the State Bar.
- The applicant will immediately notify the State Bar if the criteria under which it was deemed eligible for a Legal Services Trust Fund Program grant changes during the grant period.

Under penalty of perjury, we, the undersigned, state that the information provided in response to the above statements is true and correct to the best of our knowledge.

East Bay Family Defenders

Organization Name*

Zabrina Aleguire

Staff Director Printed Name*

Zabrina Aleguire

Staff Director Signature*

05/14/21

Date*

Board Representative Printed Name and Title*

Board Representative Signature*

Date*

* = required field

EAST BAY FAMILY DEFENDERS

FINANCIAL STATEMENTS

August 31, 2020

(WITH COMPARATIVE TOTALS AS OF AUGUST 31, 2019)

EAST BAY FAMILY DEFENDERS

Contents

Independent Auditors' Report	1-2
Financial Statements:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Statement of Functional Expenses	6
Notes to the Financial Statements	7-12

INDEPENDENT AUDITORS' REPORT

Board of Directors
East Bay Family Defenders
San Leandro, California

Report on the Financial Statements

We have audited the accompanying financial statements of East Bay Family Defenders, which comprise the statement of financial position as of August 31, 2020, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of East Bay Family Defenders as of August 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the East Bay Family Defenders' August 31, 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 16, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in dark ink that reads "Crosby & Kaneda CPAs LLP". The signature is written in a cursive, flowing style.

Oakland, California

February 23, 2021

EAST BAY FAMILY DEFENDERS

Statement of Financial Position
August 31, 2020
(With Comparative Totals as of August 31, 2019)

	2020	2019
Assets		
Cash	\$ 197,421	\$ 272,655
Accounts receivable	810,712	170,928
Contributions receivable	-	60,000
Prepaid expenses and deposits	66,067	36,841
Property and equipment, net (Note 3)	29,215	25,216
Total Assets	<u>\$ 1,103,415</u>	<u>\$ 565,640</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 77,438	\$ 94,817
Accrued vacation	65,226	35,558
Loans payable (Note 8)	317,932	50,000
Total Liabilities	<u>460,596</u>	<u>180,375</u>
Net Assets		
Without donor restrictions		
Board designated - reserve	50,000	-
Undesignated	592,819	288,598
Total without donor restriction	642,819	288,598
With donor restrictions (Note 6)	-	96,667
Total Net Assets	<u>642,819</u>	<u>385,265</u>
Total Liabilities and Net Assets	<u>\$ 1,103,415</u>	<u>\$ 565,640</u>

EAST BAY FAMILY DEFENDERS

Statement of Activities
For the Year Ended August 31, 2020
(With Comparative Totals for the Year Ended August 31, 2019)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2020	2019
Support and Revenue				
Judicial Council of California	\$ 1,689,372		\$ 1,689,372	\$ 1,632,927
Government support	687,956		687,956	205,668
Foundation support	-	181,730	181,730	275,000
Individual and community support	31,482		31,482	29,960
Program service fees	-		-	1,050
Support provided by expiring time and purpose restrictions	278,397	(278,397)	-	-
Total Support and Revenue	<u>2,687,207</u>	<u>(96,667)</u>	<u>2,590,540</u>	<u>2,144,605</u>
Expenses				
Program				
Legal	1,717,575		1,717,575	1,490,963
Interdisciplinary representation	277,182		277,182	205,700
Total Program	<u>1,994,757</u>		<u>1,994,757</u>	<u>1,696,663</u>
Management and general	299,075		299,075	168,039
Fundraising	39,154		39,154	53,123
Total Expenses	<u>2,332,986</u>	<u>-</u>	<u>2,332,986</u>	<u>1,917,825</u>
Change in Net Assets	354,221	(96,667)	257,554	226,780
Net Assets, beginning of year	<u>288,598</u>	<u>96,667</u>	<u>385,265</u>	<u>158,485</u>
Net Assets, end of year	<u>\$ 642,819</u>	<u>\$ -</u>	<u>\$ 642,819</u>	<u>\$ 385,265</u>

EAST BAY FAMILY DEFENDERS

Statement of Cash Flows
For the Year Ended August 31, 2020
(With Comparative Totals for the Year Ended August 31, 2019)

	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ 257,554	\$ 226,780
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Depreciation	13,264	11,408
Change in assets and liabilities:		
Accounts receivable	(639,784)	(150,928)
Contributions receivable	60,000	(39,000)
Prepaid Expenses	(29,226)	
Accounts payable and accrued expenses	(17,379)	22,701
Accrued vacation	29,668	35,558
Net cash provided (used) by operating activities	<u>(325,903)</u>	<u>106,519</u>
Cash flows from investing activities:		
Purchases of fixed assets	<u>(17,263)</u>	<u>(30,624)</u>
Net cash provided (used) by investing activities	<u>(17,263)</u>	<u>(30,624)</u>
Cash flows from financing activities:		
Proceeds from Community Vision loan		50,000
Repayment on Community Vision Loan	(50,000)	
Proceeds from Paycheck Protection Program loan	<u>317,932</u>	<u>-</u>
Net cash provided (used) by financing activities	<u>267,932</u>	<u>50,000</u>
Net change in cash	(75,234)	125,895
Cash, beginning of year	<u>272,655</u>	<u>146,760</u>
Cash, end of year	<u>\$ 197,421</u>	<u>\$ 272,655</u>

EAST BAY FAMILY DEFENDERS

Statement of Functional Expenses
For the Year Ended August 31, 2020
(With Comparative Totals for the Year Ended August 31, 2019)

	Program	Management and General	Fundraising	Total	
				2020	2019
Salaries	\$ 1,317,205	\$ 108,307	\$ 28,239	\$ 1,453,751	\$ 1,291,387
Employee benefits	131,131	8,893	1,758	141,782	115,374
Payroll taxes	103,850	8,561	2,232	114,643	102,439
Total Personnel	<u>1,552,186</u>	<u>125,761</u>	<u>32,229</u>	<u>1,710,176</u>	<u>1,509,200</u>
Professional fees	165,810	106,468	3,135	275,413	125,584
Advertising and promotion	-	-	-	-	835
Occupancy	138,263	9,944	2,138	150,345	146,016
Informational technology	10,305	1,815	138	12,258	12,497
Travel and meals	12,034	1,251	8	13,293	9,298
Supplies and office expenses	48,784	11,897	319	61,000	50,702
Interest	-	14,290	-	14,290	4,253
Insurance	5,749	3,017	73	8,839	15,610
Depreciation	-	13,264	-	13,264	11,408
Programs and trainings	61,626	11,368	1,114	74,108	32,422
Total Expenses	<u>\$ 1,994,757</u>	<u>\$ 299,075</u>	<u>\$ 39,154</u>	<u>\$ 2,332,986</u>	<u>\$ 1,917,825</u>

EAST BAY FAMILY DEFENDERS

**Notes to the Financial Statements
For the Year Ended August 31, 2020
(With Comparative Totals for the Year Ended August 31, 2019)**

NOTE 1: NATURE OF ACTIVITIES

East Bay Family Defenders (the Organization) is California non-profit organization incorporated in 2017, previously operating as a sponsored project of another nonprofit, with a mission to keep family together and minimize the time children spend in foster care. Its program activities include:

Legal Services:

East Bay Family Defenders provides free, court-appointed legal representation to parents and children in dependency proceedings before the Alameda County Superior Court.

Interdisciplinary:

East Bay Family Defenders' legal representation model includes access for EBFD attorneys to work in an integrated manner with social workers and peer parent advocates to deliver high-quality legal representation.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net assets without donor restrictions – are resources available to support operations. The only limits on the use of the net assets are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions – are resources that are restricted by a donor for use for a particular purpose or in a particular period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature the Organization must continue to use the resources in accordance with the donor's instructions.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor imposed restrictions. Net assets restricted for acquisition of building or equipment (or less commonly, the contribution of those net assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service

EAST BAY FAMILY DEFENDERS

**Notes to the Financial Statements
For the Year Ended August 31, 2020
(With Comparative Totals for the Year Ended August 31, 2019)**

by the Organization, unless the donor provides more specific directions about the period of its use.

Classification of Transactions

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses are reported as decreases in net assets without donor restrictions.

Accounting for Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless the contributed assets are specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Accounts Receivable

Accounts receivable are primarily unsecured non-interest bearing amounts due from grantors on a cost reimbursement or performance grants and customers on performance contracts. The Organization considers all accounts receivable to be fully collectible at August 31, 2020. Accordingly, no allowance for doubtful accounts was deemed necessary. If amounts become uncollectible, they are charged to expense in the period in which that determination is made.

Contributions Receivable

Contributions receivable, including grants and pledges receivable, are unconditional promises to give that are recognized as contributions when the promise is received. Contributions receivable that are expected to be collected in less than one year are reported at net realizable value. Contributions receivable that are expected to be collected in more than one year are recorded at fair value at the date of promise. The Organization considers all contributions receivable to be fully collectible at August 31, 2020. Accordingly, no allowance for doubtful accounts was deemed necessary. If amounts become uncollectible, they are charged to expense in the period in which that determination is made.

Income Taxes

The Internal Revenue Service and the California Franchise Tax Board have determined that the Organization is exempt from federal and state income taxes under IRC 501(c)(3) and California RTC 23701(d). The Organization has evaluated its current tax positions as of August 31, 2020 and is not aware of any significant uncertain tax positions for which a reserve would be necessary. The Organization's tax returns are generally subject to examination by federal and state taxing authorities for three and four years, respectively, after they are filed.

EAST BAY FAMILY DEFENDERS

Notes to the Financial Statements
For the Year Ended August 31, 2020
(With Comparative Totals for the Year Ended August 31, 2019)

Contributed Services

Contributed services are reflected in the financial statements at the fair value of the services received only if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. There were no contributed services meeting this criteria for the year ended August 31, 2020.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Property and Equipment

Property and equipment purchased by the Organization is recorded at cost. The Organization capitalizes all expenditures for property and equipment over \$2,500; the fair value of donated fixed assets is similarly capitalized. Depreciation is computed using the straight-line method over the estimated useful lives on the property and equipment or the related lease terms as follows:

Equipment	3 - 5 years
-----------	-------------

Expenditures for major renewals and betterments that extend the useful lives of the property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Management reviews long-lived assets for impairment when circumstances indicate the carrying amount of the asset may not be recoverable.

Expense Recognition and Allocation

The cost of providing the Organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions using a reasonable allocation method that is consistently applied as follows:

Salaries and wages, benefits, and payroll taxes are allocated based an individual estimate of time worked by functional area prepared for all employees.

Occupancy, depreciation, and amortization, and interest are allocated on a personnel time basis as a reasonable approximation for the use of space by programs and supporting activities occupying the space.

Office expenses and supplies, insurance, and other expenses that cannot be directly identified are allocated on the basis of employee allocation for each program and supporting activity.

Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

EAST BAY FAMILY DEFENDERS

Notes to the Financial Statements
For the Year Ended August 31, 2020
(With Comparative Totals for the Year Ended August 31, 2019)

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Organization generally does not conduct fundraising activities in conjunction with its other activities. Additionally, advertising costs are expensed as incurred.

Prior Year Summarized Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended August 31, 2019, from which the summarized information was derived.

Reclassifications

Certain accounts in the prior year's summarized information have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at August 31:

	<u>2020</u>	<u>2019</u>
Leasehold improvements	\$ 6,000	\$ 6,000
Computer equipment and software	47,887	30,624
Less accumulated depreciation	<u>(24,672)</u>	<u>(11,408)</u>
Total	<u>\$ 29,215</u>	<u>\$ 25,216</u>

NOTE 4: COMMITMENTS

The Organization leases office space with various terms through August 2023. Future minimum lease payments were as follows for the years ended August 31:

2021	\$ 154,908
2022	159,552
2023	<u>164,340</u>
Total	<u>\$ 478,800</u>

NOTE 5: CONTINGENCIES**Grant Awards and Government Funding**

Grant awards require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms, it believes it has accommodated the objectives of the Organization to the provisions of the grants. The Organization's management is of the opinion that the Organization has complied with the terms of all grants. Grant and government funding is subject to audit and updated guidance which may result in the return of funds to funders. The Paycheck Protection Program has introduced new elements not previously considered by standard grant and other agreements.

EAST BAY FAMILY DEFENDERS

Notes to the Financial Statements
For the Year Ended August 31, 2020
(With Comparative Totals for the Year Ended August 31, 2019)

NOTE 6: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available as follows as of August 31:

	<u>2020</u>	<u>2019</u>
Purpose restriction - Interdisciplinary	\$ -	\$ 36,667
Purpose restriction - Data collection	<u>-</u>	<u>60,000</u>
Total	<u>\$ -</u>	<u>\$ 96,667</u>

NOTE 7: LINE OF CREDIT

The Organization has an unsecured line of credit with a bank for a total of \$210,000 to be drawn down upon as needed, with an interest rate at one percent above the bank's prime rate. As of August 31, 2020 there was no balance outstanding.

NOTE 8: PAYCHECK PROTECTION PROGRAM LOAN

The Organization received a paycheck protection program (PPP) loan of \$317,932 bearing interest of 1% with a maturity date of April 2022 which it accounts for under FASB 470. Based on the guidance in *FASB ASC 405-20-40-1*, the proceeds from the loan will remain recorded as a liability until either (1) the loan is, in part or wholly, forgiven and the Organization has been "legally released" or (2) the Organization pays off the loan. Future payments due under this loan are as follows for the years ended August 31:

2021	\$ 175,572
2022	<u>142,360</u>
Total	<u>\$ 317,932</u>

The Organization may be eligible for forgiveness of some or all of this loan. Guidance related to this program is evolving, and it remains possible that final forgiveness amounts may vary or that no forgiveness will be offered. The SBA reserves the right to audit any forgiveness granted, and such audit activity, if any, may result in changes to amounts forgiven or a requirement to return funds received under the program.

NOTE 9: CONCENTRATIONS**Concentration of Credit Risk**

At times, the Organization may have deposits in excess of federally insured limits. The risk is managed by maintaining all deposits in high quality financial institutions.

Revenue

During the year ended August 31, 2020, the Organization received approximately 83% of its revenue from a single governmental entity. A significant reduction in the level of this support, if this were to occur, may have an effect on the Organization's program and activities.

NOTE 10: LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of August 31, 2020 are:

EAST BAY FAMILY DEFENDERS

Notes to the Financial Statements
For the Year Ended August 31, 2020
(With Comparative Totals for the Year Ended August 31, 2019)

Cash	\$ 197,421
Accounts receivable	<u>810,712</u>
Total	<u>\$ 1,008,133</u>

As part of the Organization's liquidity management plan, the Organization may invest its cash in excess of immediate requirements in savings or other liquid investments. The Organization maintains a revolving loan of \$185,000 to cover short-term cash needs (Note 7).

NOTE 11: SUBSEQUENT EVENTS

The Organization has evaluated subsequent events and has concluded that as of February 23, 2021, the date that the financial statements were available to be issued, there were no significant subsequent events to disclose beyond the following:

Public Health Order – Coronavirus

In March 2020, the WHO classified the COVID-19 outbreak as a pandemic and the Organization and the area it operates in was subject to a public health order related to COVID-19 coronavirus which affected activities of the Organization. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude of the effect that the pandemic will have on the Organization's financial condition, liquidity, and future results of operations. Management is actively monitoring the impact on its financial condition, liquidity, operations and workforce.



Making the Legal System Work for Children and Parents

Attributes of High-Quality Legal Representation for Children and Parents in Child Welfare Proceedings

This document describes fundamental attributes of quality legal representation for parents and children in child welfare proceedings, beyond presumed competency and knowledge of the law, rules of procedure, and negotiation and trial skills. This document builds on existing Standards of Practice¹ for attorneys representing children and parents in child welfare proceedings, and findings and recommendations from the U.S. Department of Health and Human Services, Children's Bureau, National Quality Improvement Center on the Representation of Children in the Child Welfare System² and Administration for Children and Families.³

FUNDAMENTALS

Prioritize Quality

The attributes/elements of quality representation identified in this document should be in place as soon as possible. Systems should ensure attorneys for parents and children have supports to provide quality representation to clients.

Be a Lawyer

First and foremost, children's attorneys and parents' attorneys in child welfare proceedings are lawyers who have ethical duties to their clients and to the administration of justice in an adversarial system. The adversarial nature of the legal system presumes disagreements can be resolved by a neutral arbiter, after hearing facts and legal arguments presented by opposing parties within a formal framework of evidentiary and procedural rules. Child welfare proceedings, in contrast, are often characterized as more informal or collaborative. While there may be instances where clients' goals can be achieved through negotiation and cooperation, attorneys for parents and children must always remember

their ethical duties are to their clients in an adversarial system, including their professional obligations of competency and diligence. Other system-actors, including judges and court administrators, also must not forget that children's and parents' attorneys have ethical duties to their clients, which are paramount to expediency or cost-savings and are a cornerstone of the legal system.

Special Considerations for Children's Attorneys

Significant debate surrounds the appropriate role for children's attorneys in child welfare proceedings, primarily around whether children's attorneys should, consistent with rules of professional conduct, "abide by the client's decisions concerning the objectives of representation" and help clients achieve their objectives; or whether attorneys should substitute their judgement for that of their clients and advocate for what they believe is best for their clients. Academics, and many practitioners, favor client-directed representation as the most appropriate model of representation for verbal children who can express a point-of view.⁴ However, most states do not have a client-directed model of children's representation, but rather follow a substituted judgement model.⁵

When children are nonverbal, or if children's attorneys are required by the appointing statute to substitute their judgement for that of their clients, attorneys are advised to frame their role in the context of advancing their child-clients' legal rights or legal interests (i.e., children have a legal right to live with their parents unless a court has found the parents unfit; children have a legal right to be placed with relatives, not in the most well-resourced home).⁶ To do otherwise invites children's lawyers to take on the role of the judge and determine what they believe to be in their client's best interest based on factors which are not limited by the rules of evidence and procedure, and are not subject to review.⁷ At the very least, any analysis of what is in a child's best interest must focus on the child-client's wishes and objectives and preserving the child's family environment and maintaining familial relationships.⁸

Individual and System Responsibilities

This document divides attributes/elements into those that must be met by individual parents' and children's attorneys when representing their clients and those that must be addressed by the systems or structures governing legal representation for children and parents in child welfare proceedings.

The fundamental attributes of quality representation for both children and parents that must be met by individual attorneys are those attributes that are already required of attorneys under their codes of professional conduct.⁹ The fundamental attributes that must be met by systems or structures governing legal representation for children and parents in child welfare proceedings are those elements that must be in place to allow parents' and children's attorneys to meet their individual obligations to their clients.



Individual Attorney Attributes

Legal Advocacy

- Diligently pursue clients' case goals and, as needed and when consistent with client's interests and objectives, proactively drive the case forward:
 1. Develop a case theory and legal strategy for adjudication, and advance other client objectives and issues that support reunification (e.g., litigation to increase visitation).
 2. Engage in proactive case planning, develop and propose a case plan, identify service providers, and set a visitation schedule (if family maintenance or immediate family reunification is not possible).
 3. Litigate issues and use experts, as needed, to achieve clients' case goals, including through active motion practice throughout proceedings, not only at statutorily set periodic review dates.
 4. Explain to clients their right to attend court hearings and advocate for clients who want to attend court proceedings to attend in person.

Out-of-Court Advocacy

- Engage with and know the clients.
- Understand trauma and client's specific trauma history, including:
 1. How client's trauma history impacts client's experience with the child welfare system and ability to engage in child welfare services; and
 2. How trauma impacts the attorney/client relationship.
- Meet and communicate regularly with client and well before any and all court hearings.
- Counsel clients about all legal matters related to the case, including the allegations related to dependency, the proposed service plan, and the client's rights in the pending proceedings.
- Approach cases with a sense of urgency with an immediate focus¹⁰ on:
 1. Placement arrangements that support child's connection to family, siblings, education, language and culture (including in-home placement, with relatives, neighbors and fictive kin/close family friends);
 2. Visiting arrangements that, consistent with child safety, are: unsupervised whenever possible in child friendly places conducive to parent/child interaction and engagement, as frequent and long as possible, organized around activities that reflect the routine activities of the family, and progress through reduced supervision and increased frequency; and
 3. Services that appropriately address client's strengths and needs.
- Conduct a thorough and independent investigation at every stage of the proceeding, before and after the jurisdictional/dispositional phase of the proceedings. This should include obtaining and reviewing on an ongoing basis and to the extent allowable under state law (including via subpoena, discovery, or court order), child welfare agency records, service provider records, and all other relevant records for parents and children, including medical and education records.
- Research applicable legal issues and legal arguments.
- Engage in case planning and advocate for appropriate services and visitation, on an ongoing basis, including after the jurisdictional/dispositional phase of the proceedings.

Cultural Humility

- Understand how racial, cultural, social, and economic differences may impact the attorney/client relationship, avoid imposing personal values upon clients, and take these factors into account when working with clients to achieve their case goals, including identifying and accessing services.
- Understand and recognize the impact of personal and system bias stemming from race, gender identity, sexual orientation and expression, ethnicity, culture, country-of-origin, disability, and socioeconomic status, and develop strategies, including legal strategies, to mitigate the negative impact of personal and systems bias on clients' case goals.
- Identify and use to clients' advantage their individual, familial, cultural, and community strengths.

Scope of Representation

- Identify potential ancillary legal issues that could impact client's dependency case and refer client to legal resources to address issues, or handle if competent to do so.
- Cooperate and communicate regularly with client's other legal service providers to ensure dependency proceedings and other legal proceedings benefit client.



System Attributes

Caseloads and Compensation

- Ensure parents' and children's attorneys' compensation rates are adequate for the attorneys' practice, accounting for overhead and other costs borne by private professionals. At a minimum, parents' attorneys' and children's attorneys' compensation should be equal to county or child welfare agency attorneys' compensation, and consistent with other publicly-funded attorneys' compensation, including criminal defense attorneys.
- Ensure attorneys have a reasonable caseload of no more than 60 clients at a time for a full-time attorney, assuming a caseload that includes clients at various stages of the case. Generally, caseloads with over 60 clients will not be manageable for attorneys who lack supports of an interdisciplinary practice model, including access to social workers, investigators, and/or paralegals.¹¹ Note, a caseload of 60 clients should be considered full-time work, and attorney compensation should support a full-time practice at this caseload level.

Interdisciplinary Model

- Ensure attorneys have access to work in an integrated manner with interpreters, experts, social workers, and investigators, as needed.
- Ensure attorneys have access to work in an integrated manner with parent allies/ peer parent mentors and youth ambassadors, as needed.¹²

Diversity/Cultural Humility

- Ensure system provides attorney training around bias and cultural humility, including how racial,

cultural, social, and economic differences may impact the attorney/client relationship, how personal and system bias may influence child welfare system decision making, and how attorneys can mitigate the negative impact of personal and system bias on clients' case goals.

- Ensure attorney supervision and oversight includes an opportunity for attorneys to reflect on bias and cultural humility and to evaluate impact of attorneys' personal bias on representation.
- Develop and implement a strategy to ensure a diverse attorney and staff workforce that mirrors the cultural, racial, and socioeconomic background of clients and communities served and which includes meaningful professional advancement and leadership opportunities.¹³

Timing of Appointment

- Ensure attorneys are appointed and have the opportunity to have a meaningful meeting with the client, before any court appearance, regarding any allegations of abuse or neglect, the attorney/client relationship, and the child welfare legal system process. The meeting should be held at the earliest to occur of: (1) the emergency removal of a child from his or her home; (2) an application for an order of removal, prior to the filing of a petition alleging abuse or neglect; or (3) the filing of a petition alleging abuse or neglect.¹⁴

Support and Oversight

- Define clear roles and expectations for attorneys and all members of the multidisciplinary team.
- Provide training and education opportunities.
- Provide oversight and performance evaluation.
- Provide the opportunity for clients to provide feedback on representation.

Accountability/Use of Data

- Use a continuous quality improvement process to measure qualitative and quantitative outcomes.¹⁵

Endnotes

1. ABA STANDARDS OF PRACTICE FOR ATTORNEYS REPRESENTING PARENTS IN ABUSE AND NEGLECT CASES (American Bar Association, 2006); ABA STANDARDS OF PRACTICE FOR LAWYERS WHO REPRESENT CHILDREN IN ABUSE AND NEGLECT CASES (American Bar Association, 1996); NACC RECOMMENDATIONS FOR REPRESENTATION OF CHILDREN IN ABUSE AND NEGLECT CASES (National Association of Counsel for Children, 2001).
2. DONALD N. DUQUETTE, CHILDREN'S JUSTICE: HOW TO IMPROVE LEGAL REPRESENTATION FOR CHILDREN IN THE CHILD WELFARE SYSTEM (American Bar Association, 2016).
3. U.S. DEP'T. OF HEALTH & HUMAN SERVS., ADMIN. FOR CHILDREN & FAM., INFORMATION MEMORANDUM: HIGH QUALITY LEGAL REPRESENTATION FOR ALL PARTIES IN CHILD WELFARE PROCEEDINGS, ACYF-CB-IM-17-02 (January 17, 2017).
4. DUQUETTE, *supra* note 2; *See also Recommendations of the UNLV Conference on Representing Children in Families: Child Advocacy and Justice Ten Years After Fordham*, 6 NEV. L.J. 592 (2006).
5. *See e.g.*, CHILD ADVOCACY INSTITUTE & FIRST STAR, A CHILD'S RIGHT TO COUNSEL: A NATIONAL REPORT CARD ON LEGAL REPRESENTATION FOR ABUSED AND NEGLECTED CHILDREN (3d ed. 2012), at http://www.caichildlaw.org/Misc/3rd_Ed_Childs_Right_to_Counsel.pdf
6. *See e.g.*, Martin Guggenheim, *A Paradigm for Determining the Role of Counsel for Children*, 64 FORDHAM LAW REVIEW 1399 (1996); *see also* Lisa Kelly & Alicia Levezu, *Until the Client Speaks: Reviving the Legal Interest Model for Preverbal Children*, 50 FAM L.Q. 3 (Fall 2016) (noting that when children's legal rights conflict, the child's attorney should present information on both options to the

judicial officer without taking a position).

7. See Guggenheim, *supra* note 6, at 1431.

8. See e.g., DUQUETTE, *supra* note 2; see also U.N. Committee on the Rights of the Child, Convention on the Rights of the Child, General Comment No. 14 (2013) on the Right of the Child to Have His or Her Best Interests Taken as a Primary Consideration (art. 3, para. 1), §§ 48-79, May 29, 2013.

9. See e.g., MODEL RULES OF PROF'L CONDUCT (2016).

10. Jillian Cohen & Michele Cortese, *Cornerstone Advocacy in the First 60 Days: Achieving Safe and Lasting Reunification for Families*, 28 ABA CHILD LAW PRACTICE 33, 38-44 (May 2009).

11. Throughout the country, caseloads for parents and children's attorneys vary significantly, and in many jurisdictions caseloads exceed 100 or even 150 open cases. Research has indicated that when parents have high-quality legal representation (and attorneys have lower caseloads) children achieve permanency faster. See e.g., MARK E. COURTNEY, JENNIFER L. HOOK, & MATT ORME, EVALUATION OF THE IMPACT OF ENHANCED PARENTAL LEGAL REPRESENTATION ON THE TIMING OF PERMANENCY OUTCOMES FOR CHILDREN IN FOSTER CARE (Partners for Our Children, Feb. 2011). Managers of parent representation programs indicate that attorneys are unable to consistently meet their obligations to their clients when caseloads exceed 60 clients, and in some jurisdictions caseloads are capped at 40 clients again as program managers have found that attorneys cannot meet their individual obligations to their clients with more cases. Researchers have found that children's attorneys with more than sixty cases spent less time on investigation, document review, and legal case preparation. See DUQUETTE, *supra* note 2. Additionally, a comprehensive caseload analysis in Pennsylvania found that attorneys for parents and children could not meet their statutory obligations to clients with cases exceeding 61 clients for parent attorneys and 71 clients for children's attorneys. See 2015 PENNSYLVANIA STATE ROUNDTABLE REPORT, LEGAL REPRESENTATION: A CALL TO ACTION (2015), at [http://www.ocfcpacourts.us/assets/upload/Resources/Documents/2015%20Legal%20Representation%20Report3\(1\).pdf](http://www.ocfcpacourts.us/assets/upload/Resources/Documents/2015%20Legal%20Representation%20Report3(1).pdf)

12. This attribute is considered "ideal" and may be aspirational for many jurisdictions because of funding or other limitations.

13. Id.

14. Some jurisdictions have piloted appointing parents' attorneys prior to removing a child from the home, or filing of a petition seeking removal or court oversight. Pre-petition/pre-removal appointment of parents' attorneys has had promising results keeping families intact and preventing the unnecessary removal of children into foster care.

15. Continuous quality improvement generally means collecting data and using it to "identify, inform, monitor and improve progress toward outcomes in an ongoing fashion." U.S. DEP'T OF HEALTH & HUM. SERVS., ADMIN. FOR CHILDREN & FAM., PROGRAM INSTRUCTION FOR STATE COURTS APPLYING FOR COURT IMPROVEMENT PROGRAM (CIP) FUNDS FOR FISCAL YEARS (FYS) 2012-2016, ACYF-CB-PI-12-02, 6 (Jan. 11, 2012). Collecting data is key to measuring and tracking the progress of legal representation, monitoring how well interventions and activities are working, and making any needed adjustments to meet your goals. See e.g., Andrew Davies & Angela Olivia Burton, Why Gather Data on Parent Representation? The Pros, Cons, Promise and Pitfalls, 34 ABA CHILD LAW PRACTICE 49, 54-57 (April 2015). Tools available to help with continuous quality improvement of legal representation for children's and parents' attorneys are available, as well as technical assistance regarding the same. See e.g., ABA CENTER ON CHILDREN AND THE LAW, INDICATORS OF SUCCESS FOR PARENT REPRESENTATION, (2015), at https://www.americanbar.org/content/dam/aba/administrative/child_law/ParentRep/Indicators-of-Success.authcheckdam.pdf



The Family Justice Initiative (FJI) is a collaboration of the ABA Center on Children and the Law, the Children's Law Center of California (CLC), the Center for Family Representation (CFR), and Casey Family Programs (CFP).

The FJI unites professionals from around the country to ensure every child and every parent has high-quality legal representation when child welfare courts make life-changing decisions about their families. Through the FJI's work, child welfare lawyers, researchers, judges, social workers, policymakers, families impacted by abuse and neglect, and others are reenvisioning how to best protect children, strengthen families and support communities.



Contents lists available at ScienceDirect

Children and Youth Services Review

journal homepage: www.elsevier.com/locate/childyouth

Effects of an interdisciplinary approach to parental representation in child welfare

Lucas A. Gerber^{a,*}, Yuk C. Pang^a, Timothy Ross^a, Martin Guggenheim^b, Peter J. Pecora^c, Joel Miller^d^a Action Research, 132 32nd Street, Suite 110, Brooklyn, NY 11232, United States of America^b New York University, School of Law, 245 Sullivan St. Room 620, New York, NY, United States of America^c Managing Director of Research Services, Casey Family Programs, and Professor, School of Social Work, University of Washington, 2001 8th Avenue, Suite 2700, Seattle, WA 98121, United States of America^d Associate Professor, School of Criminal Justice, Center for Law and Justice, Rutgers, The State University of New Jersey, 123 Washington Street, 5th Floor, Newark, NJ 07102-3026, United States of America

ARTICLE INFO

Keywords:

Foster care

Juvenile court

Parents' right to counsel

Family reunification

Permanency

ABSTRACT

This study utilizes a quasi-experimental propensity score matching design to assess the causal impact on child welfare outcomes when parents facing an abuse or neglect case in the New York City Family Court were provided interdisciplinary law office representation as opposed to a standard panel attorney. The interdisciplinary law office approach includes social work staff and parent advocates for the parent, and salaried attorneys working in nonprofit organizations. Using administrative child welfare data, the study assesses the foster care and safety outcomes of 9582 families and their 18,288 children. The propensity score matched results do not indicate a preventive effect toward foster care entry nor any difference in children's likelihoods of experiencing a subsequent substantiated report of maltreatment. However, when children's parents received the interdisciplinary representation and those children did enter foster care, children spent 118 fewer days on average in foster care during the four years following the abuse or neglect case filing. Subsequent competing risk models show that children whose parents received the interdisciplinary law office model achieved overall permanency, reunification, and guardianship more quickly. These results provide evidence that interdisciplinary law office parental representation is an effective intervention to promote permanency for children in foster care.

1. Introduction

Many national child welfare and legal experts believe that effective representation for parents in child welfare cases serves the vital purpose of engaging parents, supporting the safety and well-being of children and families, reducing the need for foster care, and saving government dollars (e.g., [American Bar Association, 2017](#)). Parents involved in child welfare court cases face steep challenges navigating the court process. The vast majority of child welfare-involved parents live in poverty, and often extreme poverty ([Hastings, Taylor, & Austin, 2006](#)). Compared to the general population, child welfare-involved parents have lower educational attainments, lower incomes, and are more likely to be socially isolated and learning disabled ([Azar, Maggi, & Proctor, 2013](#); [Phillips & Dettlaff, 2009](#)). A disproportionate number are parents of color, particularly African-American and Native American parents, and

live in disadvantaged communities ([Libby et al., 2007](#); [Roberts, 2002](#)). Few parents have experience in advocacy, knowledge of the rules of family court, or of their rights as parents.

Only thirty-nine states have a categorical right to counsel for parent respondents in child protection proceedings in family court ([Right to Counsel Map, 2016](#)). Even where parents have the right to counsel, few jurisdictions in the country have secured steady funding for parental representation and the quality and practice of parental representation in many jurisdictions can be described as inconsistent at best ([American Bar Association, 2009](#)). The dearth of quality representation is one factor that may lead to parents and their children experiencing unnecessary removals into foster care, and needless, lengthy and often devastating delays in reunifying ([American Bar Association Center on Children and the Law, 2009](#)).

In recent years, support for parental representation in child welfare

* Corresponding author.

E-mail addresses: lgerber@actionresearch.io (L.A. Gerber), martin.guggenheim@nyu.edu (M. Guggenheim), ppecora@casey.org (P.J. Pecora), Joel.miller@rutgers.edu (J. Miller).<https://doi.org/10.1016/j.childyouth.2019.04.022>

Received 14 February 2019; Received in revised form 18 April 2019; Accepted 18 April 2019

Available online 20 April 2019

0190-7409/© 2019 The Authors. Published by Elsevier Ltd. This is an open access article under the CC BY-NC-ND license (<http://creativecommons.org/licenses/by-nc-nd/4.0/>).

has grown nationally. The American Bar Association's (ABA) National Alliance for Parent Representation works to improve “the practice of parents' attorneys... and [to build] a national community of parents and parents' attorneys” ([American Bar Association, 2017](#)). The ABA's Family Justice Initiative “unites professionals from around the country to ensure every child and every parent has high-quality legal representation when child welfare courts make life-changing decisions about their families” ([Heimov, Laver, & Carr, 2017](#)). In 2017, the Children's Bureau within the U.S. Department of Health and Human Services (DHHS) released a memo encouraging all child welfare agencies and courts to ensure all parties within child welfare proceedings receive high quality legal representation ([Administration on Children, Youth, and Families, 2017](#)). At the end of 2018, the U.S. DHHS announced an amendment to the Child Welfare Policy Manual which, for the first time, allows state child welfare agencies operating pursuant to Title IV-E of the Social Security Act to seek reimbursement from the federal government for administrative costs for attorneys to provide legal representation to parents and children in child welfare cases.

In this context, the present study brings empirical evidence to policymakers regarding how *the kind of* parental representation a child welfare court system provides impacts children and their parents. This study presents a strong “quasi-experimental” evaluation of the impact of parental legal representation on permanency and safety outcomes for children and families. New York City offered a rare opportunity to test the impact of two models of representation provided to parents, as the courts gradually assigned more child welfare cases to interdisciplinary law offices as opposed to panels of solo practitioner attorneys. We therefore compared the outcomes of similar, concurrent groups—where parent respondents received interdisciplinary representation and solo legal representation—through propensity score matching. These conditions allowed us to estimate the causal effects of this approach to parental legal representation on several critical child welfare outcomes. We ask the following: *Are children—whose parents are respondents in child abuse or neglect petitions filed in the New York City Family Court and are eligible for court-assigned counsel—more likely to be quickly, safely, and permanently kept together with their families if their parents are represented by interdisciplinary law offices compared to children of similar families whose parents are represented by panel attorneys?* As such, this study adds to the literature about the effects an interdisciplinary approach to parental representation in child welfare has on outcomes for children and families.

2. How interdisciplinary parental representation may impact child welfare outcomes

2.1. Literature review

Stakeholders, including the ABA and the Children's Bureau within the U.S. DHHS, promote an interdisciplinary team approach to parental representation that includes out-of-court engagement. In 2006, the ABA approved Standards of Practice for Attorneys Representing Parents in Abuse and Neglect Cases [Practice Standards]. These standards “are intended to promote quality representation and uniformity of practice for parents' attorneys in child abuse and neglect cases” ([Thornton & Gwin, 2012](#)). The Practice Standards emphasize appointing an attorney early in the court process and encouraging attorneys to engage parents outside of court, using an interdisciplinary approach. An interdisciplinary approach incorporates additional professionals into the legal team, such as social workers, parent advocates, interpreters, specialized attorneys, experts, and investigators. These team members can address issues outside the courtroom to support the family unit: applying for public benefits, representing a client in criminal court, employment training, mental health counseling, and substance abuse treatment among others. The additional support these team members provide might allow children to return home sooner or avoid foster care placement altogether.

Though several jurisdictions have piloted parental representation programs based on the Practice Standards, only one program has received significant attention from evaluators: the Washington State Office of Public Defense, which implemented the Parent Representation Program pilot in 2000. The Parent Representation Program created selection criteria for attorneys and attorney caseload and practice standards, increased attorney compensation, assured attorneys' access to expert services and social workers, and supplied ongoing training and oversight. Program designers theorized that adequate parental representation would improve the likelihood of parents' receiving needed services and thus speed up reunification. Additionally, stakeholders believed that the trust between attorney and parent would facilitate guardianship or adoption in situations where parents were unable to meet the court's requirements for reunification. The program was initially evaluated through court record reviews and subsequently through quasi-experimental administrative data analysis ([Courtney & Hook, 2012](#); [Oetjen, 2003](#)). The latter evaluation indicated that the implementation of the Parent Representation Program reduced the time children spent in foster care through speeding the time to all permanency outcomes.

However, the strongest quasi-experimental study of improved parental representation—by [Courtney and Hook \(2012\)](#)—was limited due to the nature of the program's implementation and could only tentatively establish the causal impact of parental representation. While other empirical studies concerning parental representation in child welfare support the theory that enhanced parental representation leads to faster permanency outcomes for children and improved court efficiency, each study had limitations (see [Table 1](#)). To date, there has been no “promising research evidence” for any models of parental representation according to [The California Evidence-Based Clearinghouse for Child Welfare \(2018\)](#). No parental legal representation program is even rated on the clearinghouse.

The Washington study, furthermore, could not disentangle the effect of numerous ABA best-practices in parental representation applied by the innovative program. In contrast, this study isolates the impact of an interdisciplinary law office approach, in a court system where issues like timely appointment of attorneys, selection criteria for attorneys, caseload and practice standards, attorney compensation, ongoing training and oversight are addressed well. Every element that made Washington's program innovative applies to both models of parental representation operating in New York City. Thus, independent of other ABA best-practices, program stakeholders in New York City posit that the interdisciplinary case practice model increases stable and safe reunification, shortens lengths of stay in foster care, and often avoids foster care placements entirely—through advocacy in and out of court.

2.2. ILO theory of change

Why would an interdisciplinary law office approach to parental representation impact these child welfare outcomes? Program designers theorize that social work staff primarily contribute to these outcomes by advocating for parents at child welfare agency meetings at which decisions around child removal and service plans are made, and connecting parents to needed and appropriate services early on in the case. Then, during a case, social work staff may voice a parent's concerns with particular items in a service plan, paring down or tailoring services to meet a parent's schedule or other needs; this may mean that a parent's service plan contains only absolutely necessary services or services a parent can more readily complete, facilitating reunification more quickly. Social work staff may also address issues outside the courtroom to support the family unit, like applying for public benefits, arranging for representation in criminal court, employment training, mental health counseling, and substance abuse treatment. Comprehensively addressing these issues earlier in the case might allow children to return home sooner or avoid foster care placement altogether. These interdisciplinary services which complement the representation in the

Table 1
Key findings from parent legal representation studies.

Program location and name	Research design highlights	Key findings
California and Colorado	Analyses of approximately 500 dependency cases across California ($N = 403$) and Colorado ($N = 119$) using a quasi-experimental design (Wood & Russell, 2011).	<ul style="list-style-type: none"> • Cases were significantly more likely to result in reunification when the mother's attorney was present at early hearings or the father's attorney was present at the disposition hearing.
Detroit: Center for Family Advocacy (CFA) (Launched by the University of Michigan Law School)	Longitudinal study with no comparison group (The Detroit Center for Family Advocacy, 2013).	<ul style="list-style-type: none"> • No children entered foster care of the 110 children served in prevention cases. • 88% of children achieved legal permanency and no families had a new report of abuse or neglect within the pilot study period, of the 128 children in permanency cases.
Minnesota: William Mitchell Clinic Child Protection Program	Comparison of the counties where the program is located with other MN counties (Haight, Marshall, & Woolman, 2015).	<ul style="list-style-type: none"> • Families in the program had a foster care reentry rate of 7% annually, while comparison data for all of MN shows 12.7%. • Parents in the system reported feeling more supported and were more willing to partner with the county.
New Mexico Family Advocacy Program	Compared outcomes of cases before implementation with those cases after implementation. ^a	<ul style="list-style-type: none"> • Prior to implementation, time to permanency increased over time for all cases in the time period 2007–2012. After implementation (2013–2017), time to permanency decreased for all cases. • Terminations decreased after implementation. Reunifications did not see a significant increase; guardianships and relinquishments increased.
Vermont Parent Representation Center (VPRC)	Longitudinal study of 26 families with no comparison group (Sankaran & Raimon, 2014).	<ul style="list-style-type: none"> • In 79% of cases, children did not enter foster care. Of those children who entered foster care, 50% were assisted to early reunification. • VPRC estimates that it saved public systems \$315,750 through its work, though the potential cost savings need to be more fully developed.
Washington State Office of Public Defense, Parent Representation Program ^b	<p><i>Early pilot study:</i> Compared outcomes of three groups: (1) 57 pre-pilot cases, (2) 48 cases opened before the implementation of the pilot but closed after implementation, and (3) 39 cases opened after the implementation (Oetjen, 2003).</p> <p><i>Northwest Institute for Children and Families evaluation</i> ($N = 334$): Compared dependency cases opened and closed prior to implementation and after implementation (Harper, Brennen, & Szolnoki, 2005).</p> <p><i>University of Washington study:</i> Followed 12,104 children who entered foster care for the first time in 2004 to 2007 through the end of 2008. A quasi-experimental design was used where OPD counties were compared to non-OPD counties using Event History Analysis (Courtney & Hook, 2012).^c</p>	<ul style="list-style-type: none"> • A significant decrease in the amount of time that family cases were open. • Significant decreases in the amount of time that youth spent in foster care. • A significant increase in the likelihood of family reunification. • Improved parent participation and better access to services. • Increased family reunifications, fewer reunification failures and case re-filings, and reduced time to all permanency outcomes. • Fewer court continuances. • Children whose parents were represented by OPD attorneys were more likely to achieve permanency and achieved permanency faster. • OPD counties had an 11% higher rate of child exit to reunification than counties without OPD. • OPD counties also had 104% higher adoption rates and 83% higher guardianship rates.

^a Data abstracted from the New Mexico Judiciary case management system (Odyssey[®]) by tracking outcome codes after the close of a case and time to permanency in days from the time counter (Personal Communication, Beth Williams, October 15, 2018).

^b An independent agency of Washington's judicial branch, the Washington State Office of Public Defense (OPD) offers a parent representation program that provides state-funded attorney representation to indigent parents in dependency and termination cases.

^c One notable feature of the Washington state study was that the research design took advantage of the staggered implementation of the PRP across Washington's counties. The statistical models leverage this variation in implementation by simultaneously comparing across counties with and without the PRP, and comparing within counties prior to and post PRP implementation to isolate an effect associated with the PRP. See Courtney and Hook (2012), p. 1339.

underlying child welfare matter constitute what is often called “holistic” practice. Evidence from other areas of law, notably criminal defense, supports the theory that holistic defense improves outcomes for defendants without impacting public safety; a recent large-scale quasi-experimental study found that holistic criminal defense reduced incarceration with no effect on recidivism when compared against a more traditional defense model (Anderson, Buenaventura, & Heaton, 2018).

Defenders of the panel model believe that rather than holistic practice, seasoned litigators improve child welfare outcomes for families (Commission on Parental Legal Representation, 2018). These stakeholders note that panel attorneys often have more and broader experience than ILO attorneys who are often recent graduates from law school. Panel attorneys use social workers or other professionals as part of their defense team in a minority of cases; therefore, some argue that the interdisciplinary work is not needed as often as the ILOs provide it. Consequently, these stakeholders argue that one would not expect to see any difference in case outcomes overall as most parents do not benefit from the interdisciplinary model.

This study assesses the impact of parental representation on foster care entry, time in foster care, and safety outcomes using a stronger

causal design than prior research, and isolates the effect of an interdisciplinary law office approach. In doing so, this study builds on the literature on parental representation in child welfare cases and provides policymakers with critical information to inform what kind of parental representation should be provided in child welfare cases.

3. Parental representation in New York City

Since 1972, parents charged with neglect or abuse in Family Court in New York who are unable to retain counsel have the right to free, court-assigned counsel (In Re Ella B, 1972). Originally based on a ruling in the New York State Court of Appeals, the New York State Legislature codified the right to counsel in a range of family law proceedings in 1975. Between 1972 and 2007, attorneys from a panel administered by the First and Second Departments of the New York State Supreme Court Appellate Division represented all parents in the New York City Family Court who received court-assigned counsel. These attorneys, colloquially named “18-B attorneys” after the section of New York County Law that describes their function, are experienced private practitioners who successfully applied to join the panel. Only attorneys with a minimum

number of years of trial experience and a knowledge of substantive and procedural law involving a broad range of matters heard in Family Court may be appointed. The New York City court system is partitioned into five distinct courts by borough, so each court has its own panel. Panel attorneys represent parents in child protection proceedings, as well as children in these proceedings, and adults in other matters heard in the Family Court, including domestic violence, custody, and visitation disputes.

As private practitioners, panel attorneys individually manage the administration and maintenance of their practices. Attorneys must provide for their own benefits, malpractice insurance, and overhead costs. Many panel attorneys have served on the panel for decades, and they may practice law in other areas outside of child protection cases, adding to their expertise. In the New York City Family Court, panel attorneys operate as solo practitioners without any professional colleagues as invariable parts of their teams. When a panel attorney perceives the need for a professional colleague, such as a social worker, the attorney may apply to the court for an order authorizing them to engage the services of the professional and bill the court for the professional's time. These orders are routinely granted when requested. Current rates for panel attorneys in Family Court proceedings—set in 2003—are \$75 per hour for in-court and out-of-court time to a maximum of \$4400 per case, though the case maximum may be waived.

In 2007, the New York City Mayor's Office of Criminal Justice, the office responsible for payment of legal services for indigent parents in Family Court proceedings, entered into contracts with three nonprofit organizations to provide interdisciplinary legal defense for parents in Family Court. These organizations are the Center for Family Representation, the Family Defense Practice of Brooklyn Defender Services (formerly of Legal Services New York City), and the Bronx Defenders. In this article, we refer to these organizations collectively as *interdisciplinary law offices* (ILOs). Each organization is authorized to practice in a different county: the Center for Family Representation in New York County (Manhattan), Brooklyn Defender Services in Kings County (Brooklyn), and the Bronx Defenders in Bronx County (the Bronx). In 2011, the Center for Family Representation was awarded an additional contract for Queens County (Queens). Since 2007, these offices have operated concurrently with the panels in Brooklyn, the Bronx, and Manhattan, and, since 2011 in Queens.

Each ILO has some distinct features, but the organizational structure of the three offices differs substantially from panel attorneys. *First*, unlike panel attorneys, lawyers in the ILOs specialize in child welfare cases and represent only parents in those matters. *Second*, each provider is a nonprofit organization—contracted for up to a certain number of cases through the New York City Mayor's Office of Criminal Justice and supplemented with each organization's private fundraising efforts. Nonprofit law offices are paid a set fee per case specified in each organization's contract, regardless of the number of hours worked. *Third*, the attorneys in these offices are employees of the organization and paid a salary with benefits. *Fourth*, the offices offer administrative support and central office locations. *Fifth*, the lawyers in these offices have supervising attorneys and colleagues, allowing the staff to collaborate on complex cases and to appear in court for one another when a principal lawyer is unavailable. *Finally*, as the phrase “interdisciplinary law office” suggests, these offices all have non-attorney professional employees on their paid staff who work with the attorneys. All providers also have the capacity to administer some other legal services in criminal, civil, and immigration cases through additional government contracts.

Both the panel and ILO models comply with many ABA best-practices. Notably, judges typically assign each parent an attorney at the parent's first appearance in court, often the same day or within a few days of when a neglect or abuse petition is filed. In many jurisdictions outside of New York, attorneys are not appointed until later in the court process when important decisions may have already been determined. Both the panel attorneys and the ILOs appear on every court

appearance with their clients, and advocate on behalf of their clients. Both kinds of attorneys represent accomplished and highly proficient practitioners selected based on their strong qualifications to serve in their respective positions. Payment rates for both kinds of attorneys offer the ability to earn a fair wage without exceeding common case-load standards.

The most significant difference between the ILOs and the panel attorneys is the interdisciplinary case practice approach the contracted providers utilize. While both types of attorneys appear in court with their clients, the ILOs' team-based approach to representation focuses greater attention on out-of-court advocacy. With the interdisciplinary case practice model, each attorney teams with a social worker and/or a parent advocate. Parent advocates are staff members who have themselves faced proceedings in the Family Court as parents, though the role description varies by office. Some providers have additional experts on staff, as well: attorneys to represent clients in criminal, housing, and immigration court; experts who focus on troubleshooting public assistance, educational issues, and other government systems; paralegals; and investigators.

Activities foundational to the interdisciplinary approach include attending parent-agency meetings, and helping to shape service plans by identifying the needs of each family and tailoring the service plan to meet those needs (Stone-Levine, 2012). The goals of the model are accomplished primarily through a focus on the early part of a case coupled with advocacy by the team on critical elements including visiting arrangements for children and their parents that are as frequent and long as possible and in natural settings; placement arrangements that support a child's connection to family; services that address a parent and child's strengths and needs; and, conferences and meetings that occur out of court and provide opportunities for parents and older youth to participate in their case planning (Cohen & Cortese, 2009).

4. Research methods

As mentioned earlier, we asked the following: *Are children—whose parents are respondents in child abuse or neglect petitions filed in the New York City Family Court and are eligible for court-assigned counsel—more likely to be quickly, safely, and permanently kept together with their families if their parents are represented by interdisciplinary law offices compared to children of similar families whose parents are represented by panel attorneys?* We addressed our research question about the impact of ILO parental representation on child welfare outcomes by following the trajectory of 9582 families and their 18,288 children. We relied on Propensity Score Matching (PSM) to estimate causal effects on families' outcomes, through limiting observable differences between the two groups (Rosenbaum & Rubin, 1983). To explain those results, we conducted additional exploratory analysis using competing risk models (Fine & Gray, 1999).

4.1. Sample

To build our sample, we started with all children named in child abuse or neglect petitions in the New York City Family Court (referred to as Article 10 cases in New York) filed from 2007 to 2014 where ILOs had contracts. ILOs do not have contracts for cases in Staten Island and contracts in Queens began in 2011, thus we eliminated Staten Island cases as well as Queens cases before 2011. We selected this group in order to include all families who come into contact with one of the two models of parental representation—not only those children who enter foster care. By looking at this broader group, we could assess the impact of representation type on foster care entry.

We then limited our sample to create clearer comparisons between the two models. *First*, we limited our sample to each family's first petition in the data, so that each family is included only once in the sample. This criterion eliminated families who might have received both types of representation over time. Limiting to first petitions

captured the bulk of cases while providing the clearest comparison between the two models. *Second*, we included only single-respondent cases. A single-respondent case means that only one caregiver is charged with neglect or abuse in the case. In a dual-respondent case (meaning that two caregivers are charged), either two panel attorneys, or a panel and an ILO attorney may represent the two caregivers. Dual-respondent cases never experience only the ILO model, which would muddy comparisons. In less than 1% of cases, there were more than two respondents in a case, and these cases were excluded from the study for the same reasons. *Third*, we excluded a small number of cases where private attorneys represented respondents, because these parents would not be eligible for court-appointed counsel. *Fourth*, we excluded cases with an attorney change from one model to another, as similar to dual-respondent cases, these cases would experience both of the models, so we would not be able to attribute the case outcomes to a particular type of representation.

Our final sample comprised all children named in a family's first single-respondent Article 10 petition in the New York City Family Court filed from 2007 to 2014 where ILOs had contracts, and where the child's parent was represented by either an ILO or a panel attorney. This sample contained 9582 families and their 18,288 children, and we followed each case until the end of our data extract on December 1, 2017. We compared, as our *treatment* group, the ILO model of representation for the parent, and, as our *comparison* group, the panel attorney model of representation for the parent. [Appendix A](#) discusses further how we arrived at our sample and how we handled missing data.

4.2. Data and measures

4.2.1. Data sources

We constructed our sample and measures from two data sources: [1] administrative data provided by the New York City Administration for Children's Services (ACS), and [2] attorney rosters from each of New York City's panels and ILOs. To acquire these data, we obtained approval from the ACS, the New York State Office of Children and Families (OCFS), Solutions IRB, and the Casey Family Programs Human Subjects Review Committee. As the administrative data contained only the names of the parents' attorneys but not the attorneys' organizations, we obtained attorney staff rosters from each of the ILOs as well as panel rosters from each of the panels. Matching the attorney names in the administrative data to the attorney names from the staff rosters, we created a binary field denoting whether an ILO or panel attorney represented the parent in each case. Our matching procedure identified 169,841 of the 174,866 total attorney records (97.1%) in the administrative data. Further information on our matching procedure is available upon request.

4.2.2. Outcome measures

The stated goals of parental representation with respect to child welfare outcomes are to keep more families together safely, and to decrease the time children spend in foster care. We, therefore, decided to measure the following *outcomes* after discussions with stakeholders: [1] whether any children in the family entered foster care in the 24 months following Article 10 petition filing, [2] the average number of days that children in the family spent in foster care in the 48 months following Article 10 petition filing, and [3] whether any children in the family were victims of a substantiated investigation of child maltreatment in the 24 months following Article 10 petition filing.

With the *first* outcome, we hypothesized that fewer children would enter foster care when their families received ILO representation as compared to panel representation. Most children named in child abuse and neglect court proceedings in New York City do not enter out-of-home care. Of the 18,288 children included in this study, only 7441 (41%) entered foster care through 24 months of petition filing. We operationalized the outcome as whether any of the children who were

not in care at the time of the petition filing entered care in the subsequent 24-month period. We followed the trajectory of 8452 families and their 16,500 children from the date of petition filing for a period of 24 months. To arrive at 8452 families, from our initial sample of 9582 families, we eliminated [1] families where all the children had already entered foster care as of the petition filing as these families had no children for whom representation could prevent foster care entry and [2] families with judges who only presided over cases of one representation type among this sample as these judges would be a “perfect predictor” of representation type, violating the assumptions of PSM.

With the *second* outcome, we hypothesized that children would spend fewer days in foster care when their families received ILO representation as compared to panel representation. We used a 48-month timeframe as New York City has longer lengths of stay in foster care than most other jurisdictions. We operationalized the outcome as the average number of days children in the family spent in foster care during the subsequent 48-month period after petition filing. In our calculations, trial discharge is not considered time spent in foster care, because the child is living at home and foster care board payments for the child are suspended. We later extrapolate the results for only children who entered foster care. For this analysis, we followed the trajectory of 6952 families and their 13,268 children from the date of petition filing for a period of 48 months. To arrive at 6952 families, from our sample of 9582 families, we eliminated [1] families whose cases were filed in 2013 and 2014 as we did not have four full years of follow-up data and [2] families with judges who only presided over cases of one representation type among this sample. Related to this outcome, we conducted further exploratory analysis to understand the relationship between ILO representation and the time to various exits from out-of-home care with more nuance than the number of days children spent in foster care. We hypothesized that reunification, guardianship, and overall permanency (defined as any exit to reunification, guardianship, or adoption) would occur faster and had no defined hypothesis about adoption or aging out of care.

The *third* outcome measures the safety of the children, through a proxy of whether any children were victims of a substantiated investigation of child maltreatment following the Article 10 petition filing. We hypothesized that children whose parents are represented by ILO attorneys will be no more likely to be a victim of repeat maltreatment than children whose parents are represented by panel attorneys. We followed the trajectory of 9539 families and their 18,189 children from the date of petition filing for a period of 24 months. We used all of the families in our sample, except 43 families with judges who only presided over cases of one representation type among this sample.

4.2.3. Matching characteristics

To estimate propensity scores for the three outcomes, we chose a range of covariates about each family that prior research, our understanding of the New York City child welfare system, our fieldwork (see [Appendix B](#)), or descriptive analysis demonstrated were associated with attorney assignment or any of the three outcomes. Below we describe these covariates. We converted all variables listed in [Tables 2–4](#) into a series of dummy variables unless we specify “the number of” in the field below.

We included covariates about the family's court case: [1] *petition type* (abuse or neglect), [2] *petition filing year*, [3] *court borough*, [4] *the judge assigned to the case*, and [5] *the allegation types listed in the petition*. Petition filing year is important as system-wide policy changes or events may affect children's outcomes ([Kramer, 2018](#)). Each court borough in New York City differs in its culture, and each judge has wide latitude in attorney assignment and case decisions ([Lee, 2016](#)). Research shows that the reason for removal is associated with a child's length of stay in foster care, so we included the allegation types listed by the ACS attorney in the Article 10 petition ([Akin, 2011](#)). The specific allegation

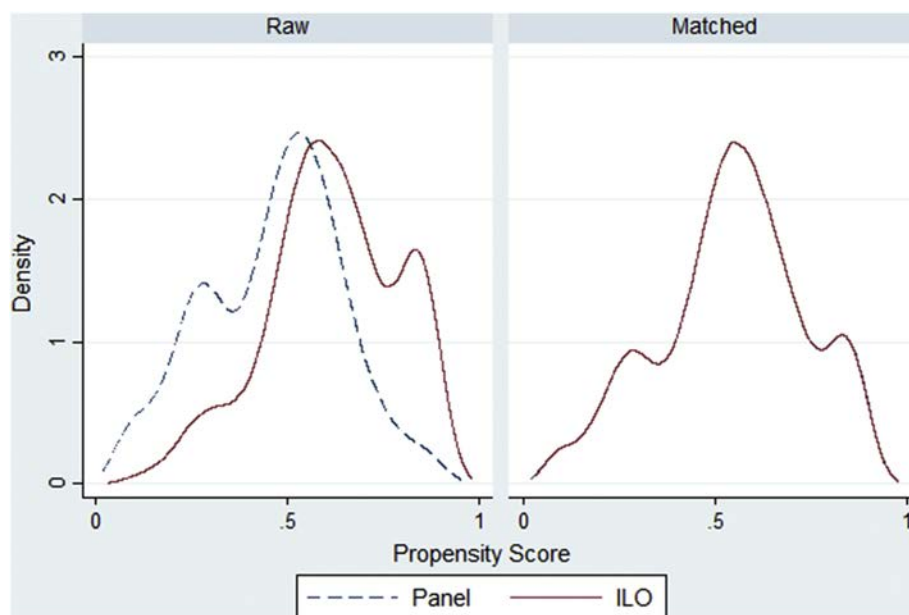


Fig. 1. Analysis 2, Kernel density plot of the propensity score.

types are listed in Table 2.

We further included relevant information on the respondent parent in the petition. As we isolated single-respondent cases, there is only one parent in each case. *First*, we included the respondent parent's child welfare history prior to the filing: [6] *the number of substantiated CPS investigations in which the parent was a perpetrator*, [7] *the number of days the parent spent in foster care as a child*, [8] *the number of times the parent exited foster care as a child*, and [9] *whether the parent was in foster care themselves at the time of the filing*. Previous maltreatment reports and parental foster care involvement are often related to future child welfare involvement (Putnam-Hornstein & Needell, 2011; Stith et al., 2009; Wall-Wieler, Brownell, Singal, Nickel, & Roos, 2018). *Second*, we included the respondent parent's [10] *age*, [11] *sex*, and [12 and 13] *race and ethnicity*. These factors have been shown to be associated with our outcomes and may affect attorney assignment (Needell, Brookhart, & Lee, 2003; Wildeman et al., 2014; Wildeman & Emanuel, 2014). We collapsed the administrative data on parent and child race and ethnicity into categories from prior research; ethnicity was coded as a flag for individuals who identified as Hispanic/Latino (Courtney & Hook, 2012).

Though we matched families, characteristics of the children in the family remain important as predictors of attorney assignment and outcomes. We included [14] *the number of children who were in foster care at the time of the filing*, [15] *children's sexes*, [16] *the number of children listed in the petition*, [17] *children's ages*, and [18 and 19] *children's races and ethnicities*. We included these covariates for the reasons described above. For these variables, we included counts of the number of children in the family within each age, sex, and race and ethnicity group. The number of children from each family who were in care at the time of the filing affects how long those children spend in foster care and the likelihood of other children in the family who are not in foster care entering care. We added the number of children in the family as family size may affect outcomes as well.

4.3. Analytical approach

4.3.1. Propensity score matching

We relied on Propensity Score Matching to estimate causal effects on families' outcomes, through limiting observable differences between the two groups (Rosenbaum & Rubin, 1983). The propensity score in this study is the likelihood of a family being assigned an ILO attorney

instead of a panel attorney, given a wide range of factors likely to influence assignment to different forms of representation and likely to affect outcomes. We assessed that the three assumptions of PSM were reasonably met. *First*, our unit of analysis was families and each family had a unique and independent case in the New York City Family Court in the sample, satisfying the independent and identically distributed (i.i.d.) sampling assumption. *Second*, the attorney assignment process involved primarily observable characteristics and we matched on a wide range of factors likely to influence assignment to different forms of representation and likely to affect outcomes, complying with the conditional-independence (CI) assumption (see Appendix B for more detail). We further conducted supplementary analyses to assess the consequences of any influential characteristics we may have excluded where applicable, including Rosenbaum Bounds analysis and other sensitivity analyses. *Third*, we conducted tests after the matching to verify that the overlap assumption held true.

To conduct the PSM, we used Stata 14's *teffects psmatch* package to estimate the average treatment effect (ATE) of a family having an ILO attorney on our outcome measures (*teffects psmatch*, 2018). We used nearest neighbor matching with replacement and a logistic treatment model. Following Austin (2011a), we used a caliper width of one-fifth of the standard deviation of the logit of the propensity score. We report the default robust standard errors estimated using two matches following the method derived by Abadie and Imbens (2006, 2011, 2012). The *teffects psmatch* procedure and standard errors correct for the fact that the propensity score is an estimate, an advantage over other approaches (*teffects psmatch*, 2018).

To test the covariate balance of our three propensity score matched samples, we *first* analyzed [1] kernel density plots of the propensity score, [2] box plots of the propensity score, and [3] whether the overlap assumption held. These methods—presented for Analysis 2 only (additional figures available upon request) in Figs. 1 to 3 showed strong balance on the propensity score among the matched samples and that the overlap assumption held for all three samples. If the kernel density plots of the matched data are similar between the treatment levels, we conclude that the PSM procedure balanced the data on the propensity score. If the median, the 25th percentile, and the 75th percentile of the box plot are similar between the treatment levels, we also conclude that the PSM procedure balanced the data on the propensity score. Lastly, excessive mass around 0 or 1 in the overlap graph would indicate the overlap assumption is violated as the two groups would have few cases

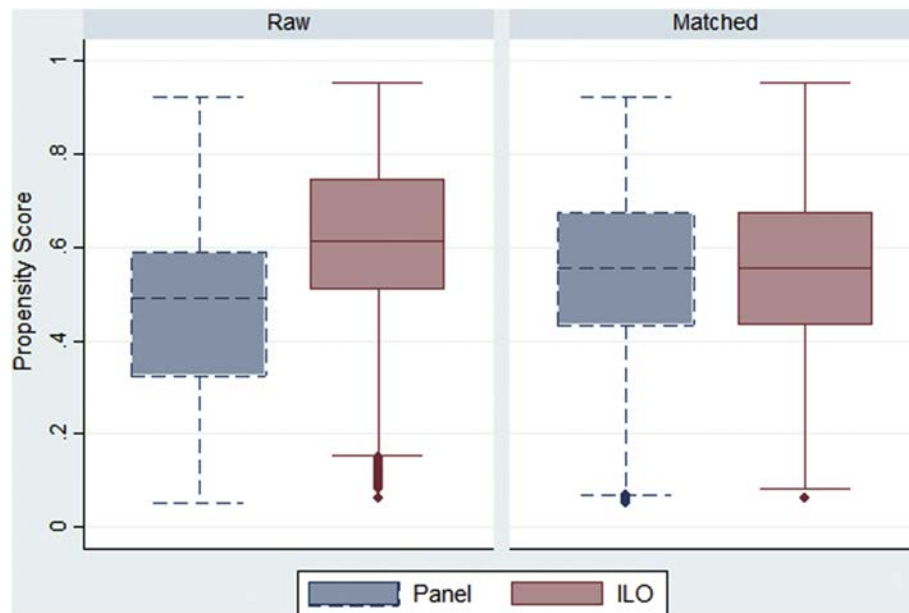


Fig. 2. Analysis 2, box plot of the propensity score.

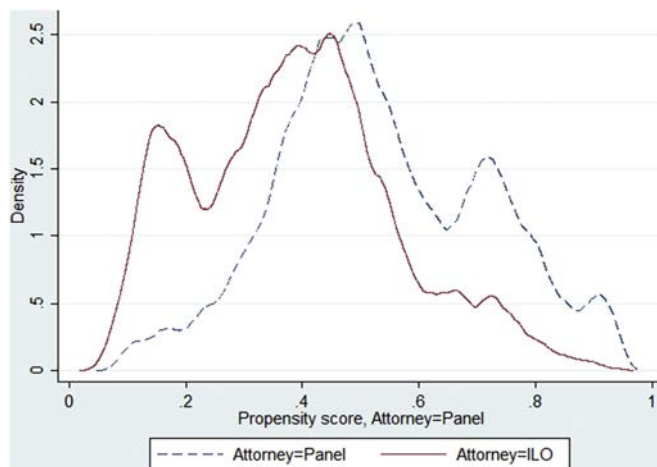


Fig. 3. Analysis 2, overlap graph.

in the region in which they overlap.

Second, we reviewed descriptive statistics before and after matching, the standardized differences, and the variance ratios of all covariates in each sample; these are shown in Tables 2–4 for Analysis 2 only, excluding the judge variable due to space (additional tables available upon request). The standardized difference of the mean is the difference in means between the two groups, divided by the pooled standard deviation. Variance ratios are the mean ratios of the variance in treated subjects to the variance in untreated subjects. Standardized differences close to zero and variable ratios close to one indicate that the PSM procedure balanced the covariate. Following Austin (2009), we considered absolute values of less than 0.1 to be within acceptable range for standardized differences. Following Rubin, we considered values of less than 0.5 or greater than 2 to be outside acceptable range for variance ratios (Rosenbaum & Rubin, 1983; Rubin, 2001; Stuart & Rubin, 2008). The standardized differences of the mean for the matched sample ranged from a low of -0.046 to a high of 0.055 for Analysis 1, a low of -0.065 to a high of 0.049 for Analysis 2, and a low of -0.054 to a high of 0.057 for Analysis 3. These standardized difference values are all within acceptable range, indicating that the means of covariates were very similar between the two groups in the matched sample. The

variance ratios for all covariate variables ranged from 0.454 to 3.999 for Analysis 1, from 0.200 to 5.996 for Analysis 2, and from 0.305 to 2.000 for Analysis 3. These variance ratios are all within acceptable range except a few binary flags for judges: three flags in Analysis 1, four flags in Analysis 2, and two flags in Analysis 3. We note, however, that variance ratios are insignificant for binary variables (Rosenbaum & Rubin, 1983; Rubin, 2001; Stuart & Rubin, 2008). In sum, our analyses indicate that the matched sample eliminated any observed differences between families who were represented by ILO attorneys and panel attorneys.

4.3.2. Competing risk models

In order to understand children's exits from foster care beyond the results from Analysis 2, we ran two sets of competing risk models (Fine & Gray, 1999). In addition to the sheer number of days children spent in foster care, we sought to understand whether children exited care sooner and the effect on the time to different exits from out-of-home care—reunification, guardianship, adoption, and aging out. Competing risk models are used to analyze the time to an event in the presence of other events that may impede the event of interest. Contrary to Cox regression which presumes the lack of competing events to the event of interest, competing risk models regress on the subdistribution of the hazard, a transformation of the cumulative incidence function (CIF). The coefficients estimated are subhazard ratios (SHR), interpreted the same as hazard ratios from Cox regression. These models have similarly been used in child welfare to analyze the time to permanency exits for children in foster care, with exit types as the “competing” events (Courtney & Hook, 2012).

The *first* model looked at the time to foster care entry from petition filing. We ran this competing risk model following 16,527 children over the span of our full data, with the same covariates included in our PSM models. This group of children is nearly identical to those in Analysis 1. As the independent and identically distributed (i.i.d.) sampling assumption no longer applied, we used individual children as the unit of analysis and report standard errors clustered by family. For this model, we used Stata 14's *stcrreg* package (stcrreg, 2018).

The *second* models looked at the time to various foster care exits from foster care entry. We ran a series of competing risk models following 8163 children who entered foster care over the span of our full data, with the same covariates included in our PSM analyses. While we did not re-calculate any covariates (e.g., age as of the petition filing),

Table 2
Court characteristics of the study sample, Analysis 2.

Court variables	Raw (% or mean)		Matched (% or mean)		Balance			
	Panel	ILO	Panel	ILO	Std. difference of the mean		Variance ratio	
					Raw	Matched	Raw	Matched
[1] Petition type								
Abuse***	9%	7%	9%	7%	−0.09	−0.05	0.77	0.87
Neglect	91%	93%	91%	93%				
[2] Petition filing year								
2007***	30%	10%	19%	18%	−0.52	−0.03	0.42	0.96
2008**	13%	15%	14%	15%	0.08	0.01	1.18	1.02
2009	15%	16%	14%	16%	0.03	0.03	1.05	1.07
2010***	14%	17%	15%	15%	0.09	0.00	1.20	0.99
2011*	18%	20%	19%	20%	0.05	0.01	1.09	1.02
2012***	11%	22%	18%	17%	0.30	−0.02	1.76	0.96
[3] Court Borough								
Brooklyn***	40%	35%	38%	38%	−0.11	0.00	0.95	1.00
Bronx***	43%	33%	37%	38%	−0.19	0.02	0.91	1.01
Manhattan***	12%	24%	17%	18%	0.30	0.01	1.66	1.02
Queens***	5%	8%	7%	6%	0.13	−0.04	1.64	0.88
[5] Petition allegations								
Severe/repeated abuse	0%	0%	0%	0%	0.01	−0.01	1.39	0.63
Physical abuse	3%	3%	3%	3%	0.00	−0.03	1.01	0.83
Sexual abuse***	5%	3%	4%	4%	−0.10	−0.03	0.63	0.88
Failure to protect from physical abuse	0%	0%	0%	0%	−0.02	0.00	0.76	0.94
Failure to protect from sexual abuse*	1%	0%	0%	0%	−0.05	−0.01	0.46	0.82
Other**	14%	17%	16%	16%	0.07	0.01	1.15	1.02
Inadequate supervision**	68%	71%	71%	70%	0.07	−0.01	0.94	1.01
Drug use***	27%	23%	26%	25%	−0.09	−0.01	0.90	0.99
Alcohol use	8%	9%	9%	9%	0.04	0.02	1.11	1.07
Excessive corporal punishment***	18%	23%	21%	21%	0.12	0.02	1.19	1.02
Educational neglect	14%	13%	12%	13%	−0.03	0.03	0.93	1.06
Medical neglect**	8%	11%	9%	9%	0.08	0.00	1.24	1.00
Domestic violence	12%	12%	12%	12%	−0.02	0.00	0.95	1.00
Emotional neglect	3%	2%	3%	3%	−0.03	0.00	0.86	1.00
Mental illness***	14%	18%	15%	16%	0.12	0.02	1.25	1.03
Mental retardation	0%	0%	0%	0%	0.01	−0.01	1.16	0.91
Failure to plan	6%	6%	6%	6%	−0.03	0.00	0.90	0.99
Failure to provide adequate food/shelter/clothing	7%	7%	7%	7%	−0.01	−0.02	0.95	0.94
Abandoned baby	0%	0%	0%	0%	0.01	0.00	1.29	1.00
Derivative	2%	2%	1%	2%	0.01	0.03	1.07	1.28
N	3157	3795	6952	6952				

Asterisks indicate significant differences between ILO and Panel based on a chi-square test (binary) or independent samples t-test (continuous) before matching.

* $p < .05$.

** $p < .01$.

*** $p < .001$.

we included an additional covariate for the time from petition filing to foster care entry. Furthermore, we added covariates relevant only to children who entered foster care, notably placement type and foster care provider agency. Initially, we ran these models without time-varying covariates and found that the proportional subhazard assumption was violated. To correct the violation, we re-ran our models with the dependent variable—type of representation—as a time-varying covariate and report those results. Like in the model above, we used individual children as the unit of analysis and report standard errors clustered by family. Due to computational constraints, we used Stata 14's *stcrprep* and *stcox* packages; we additionally ran the model on time to adoption converting the time units to years, as opposed to days in all other models (Lambert, 2016; stcox, 2018).

5. Results

5.1. Analysis 1: Foster care entry

Analysis 1 showed a very small, non-significant effect ($ATE = -0.007$; $p = .608$), meaning the data did not support the hypothesis that ILO representation decreased children's chances of entering foster care when compared to panel representation (see Table 5).

We did not conduct a sensitivity analysis on Analysis 1, since the model showed no statistically significant effect.

5.2. Analysis 2: Days spent in foster care

Analysis 2 detected a statistically significant effect ($ATE = -47.161$; $p = .001$) of -47 days, meaning the data show that ILO representation decreased the average days children in each family spent in foster care by 47 days when compared to panel representation through 48 months of petition filing (see Table 5). According to this child average per family analysis, while a child will spend 339 days on average in foster care when represented by ILOs, a child will spend 386 days when represented by panel attorneys—47 fewer days with ILO representation.

Shown in Table 6, we recalculated this measure to estimate the effect per child, by weighting the family outcomes by the number of siblings in each family. This calculation produced a difference of 55 days per child. In order to assess the impact on children who entered foster care, we took these estimates per child and extrapolated that to only the children who entered out-of-home care (55 days divided by the percentage of children who entered care); given that Analysis 1 found no difference in whether children entered foster care, we can

Table 3
Parent characteristics of the study sample, Analysis 2.

Parent characteristics	Raw (% or mean)		Matched (% or mean)		Balance			
	Panel	ILO	Panel	ILO	Std. difference of the mean		Variance ratio	
					Raw	Matched	Raw	Matched
[6] Number of substantiations before filing	1.7	1.7	1.7	1.7	0.00	0.01	1.01	1.11
[7] Number of days spent in foster care before filing _*	225.8	268.7	268.1	251.4	0.05	−0.02	1.27	0.90
[8] Number of foster care exits before filing	0.2	0.2	0.2	0.2	0.02	−0.01	0.89	0.87
[9] In foster care at filing _*	3%	2%	3%	3%	−0.05	0.01	0.73	1.07
[10] Age at filing								
<i>Less than 21</i>	11%	10%	11%	10%	−0.05	−0.01	0.89	0.97
<i>Age 21 to 25</i>	16%	15%	15%	16%	−0.04	0.01	0.94	1.02
<i>Age 26 to 30</i>	18%	19%	19%	18%	0.04	−0.03	1.06	0.95
<i>Age 31 to 35</i>	19%	18%	18%	19%	−0.02	0.02	0.96	1.03
<i>Age 36 to 40</i>	15%	15%	15%	15%	0.00	0.00	0.99	1.00
<i>Age 41 to 45</i>	10%	11%	11%	11%	0.03	0.01	1.09	1.04
<i>Age 46 to 50</i>	6%	7%	6%	6%	0.02	0.02	1.07	1.06
<i>Age 51 to 55</i>	2%	3%	3%	2%	0.03	−0.02	1.19	0.90
<i>Age 56 to 60</i>	1%	1%	1%	1%	0.01	−0.02	1.14	0.84
<i>Age 61 to 65</i>	0%	1%	0%	1%	0.02	0.01	1.41	1.20
<i>Age 66 and over</i>	1%	1%	1%	1%	0.00	0.01	1.02	1.14
[11] Sex								
<i>Male</i>	12%	12%	13%	12%	0.01	0.02	0.99	0.95
<i>Female</i>	88%	88%	87%	88%				
[12] Race								
<i>African-American</i>	58%	58%	59%	59%	0.00	0.01	1.00	1.00
<i>Native-American</i>	0%	0%	0%	0%	0.00	0.02	1.04	1.67
<i>Asian**</i>	2%	3%	2%	2%	0.07	0.03	1.55	1.18
<i>Multiracial</i>	3%	3%	3%	3%	0.01	0.00	1.07	1.02
<i>White</i>	20%	20%	20%	19%	−0.01	−0.02	0.99	0.97
<i>Unknown</i>	17%	16%	16%	17%	−0.02	0.00	0.96	1.00
[13] Ethnicity***								
<i>Hispanic/Latino</i>	38%	38%	38%	37%	−0.02	−0.01	0.99	1.00
<i>Non-Hispanic</i>	62%	62%	62%	63%				
N	3157	3795	6952	6952				

Asterisks indicate significant differences between ILO and Panel based on a chi-square test (binary) or independent samples *t*-test (continuous) before matching.

* $p < .05$.

** $p < .01$.

*** $p < .001$.

Table 4
Child characteristics of the study sample, Analysis 2.

Children characteristics	Raw (% or mean)		Matched (% or mean)		Balance			
	Panel	ILO	Panel	ILO	Std. difference of the mean		Variance ratio	
					Raw	Matched	Raw	Matched
[14] Sum of children in foster care at filing	0.24	0.27	0.25	0.26	0.04	0.01	1.09	1.04
[15] Sum of female children	0.99	0.95	0.95	0.97	−0.04	0.02	0.96	1.00
[16] Number of children in family	1.92	1.90	1.90	1.92	−0.02	0.02	0.93	0.98
[17] Age at filing (sum of children in each age group)								
<i>Age 0*</i>	0.24	0.22	0.22	0.23	−0.06	0.02	0.93	1.07
<i>Age 1 to 4*</i>	0.47	0.44	0.45	0.45	−0.05	0.01	0.96	1.00
<i>Age 5 to 8</i>	0.42	0.44	0.43	0.44	0.03	0.01	1.04	1.02
<i>Age 9 to 12</i>	0.37	0.36	0.36	0.37	−0.01	0.01	0.98	1.04
<i>Age 13 to 15</i>	0.29	0.29	0.28	0.28	0.02	−0.01	1.00	0.99
<i>Age 16 and over</i>	0.14	0.14	0.14	0.14	0.02	−0.01	0.97	0.84
[18] Race (sum of children in each race group)**								
<i>African-American</i>	1.17	1.14	1.16	1.18	−0.03	0.02	0.97	1.03
<i>Native-American</i>	0.00	0.00	0.00	0.00	−0.01	0.01	0.60	1.22
<i>Asian</i>	0.03	0.05	0.04	0.05	0.05	0.02	1.34	1.28
<i>Multiracial</i>	0.04	0.04	0.04	0.04	−0.01	0.02	0.97	1.30
<i>White</i>	0.34	0.34	0.34	0.32	0.00	−0.03	1.03	0.90
<i>Unknown</i>	0.33	0.32	0.31	0.33	−0.01	0.03	0.93	1.02
[19] Ethnicity (sum of children in group)***								
<i>Hispanic/Latino</i>	0.80	0.76	0.77	0.76	−0.04	−0.01	0.96	1.00
N	3157	3795	6952	6952				

Asterisks indicate significant differences between ILO and Panel based on a chi-square test (binary) or independent samples *t*-test (continuous) before matching.

* $p < .05$.

** $p < .01$.

*** $p < .001$.

Table 5
Average treatment effect (ATE) results from PSM analyses estimating treatment effects of ILO.

Outcomes	ATE	Abadie-Imbens Robust SE	z	p	95% Confidence interval	
Analysis 1. Foster care entry through 24 months (N = 8452)	−0.007	0.01	−0.51	0.608	−0.032	0.019
Analysis 2. Days spent in foster care through 48 months of filing (N = 6952) ***	−47.161	14.05	−3.36	0.000	−74.692	−19.630
Analysis 3. Subsequent substantiated report of child maltreatment through 24 months of filing (N = 9539)	−0.001	0.01	−0.1	0.922	−0.022	0.020

* $p < .05$, ** $p < .01$, *** $p < .001$.

Table 6
Average treatment effect (ATE) results from PSM Analysis 2.

Predicted outcomes	Mean (days)		Difference
	ILO	Panel	
Average per child in the family	339.20	386.36	−47.16
Per child	307.12	362.21	−55.09
Per child who entered foster care	658.62	776.76	−118.14

reasonably attribute any difference in days spent in foster care to only those children who entered foster care. For children who entered out-of-home care, the data show a difference of 118 days, or nearly 4 fewer months in out-of-home care. On average, a child who enters out-of-home care will spend 658 days in foster care through 48 months of petition filing if an ILO attorney represents their parent, compared to 776 days if a panel attorney represents their parent—118 fewer days with ILO representation. In the exploratory analysis section, we conducted additional competing risk models to understand why children represented by ILO attorneys spent fewer days in foster care.

Because we found a statistically significant effect in Analysis 2, we conducted a sensitivity analysis to scrutinize the validity of the finding. In doing so, we intended to test how susceptible the model's findings may be to bias from unmeasured characteristics of families, and to validate our results on alternative model specifications. Full sensitivity analysis tables are available upon request. *First*, in order to test the potential impact of an unobserved characteristic on our findings, we conducted a Rosenbaum bounds analysis (Rosenbaum, 2002). Because the Rosenbaum bounds analysis only works for one-to-one matching without replacement, we re-ran Analysis 2 with these specifications and performed the Rosenbaum Bounds sensitivity analysis (Gangl, 2004; Leuven & Sianesi, 2003). When gamma is greater than 1.1, the ATE of ILO representation and children's days spent in foster care through 48 months of filing would no longer be significant (with a p -value of 0.110). These results suggest that the findings from Analysis 2 are sensitive to an unobserved confounder which would only need to minimally impact attorney assignment to nullify the findings. *Second*, since the main challenge to the CI assumption is that the attorney assignment process in later years of the program introduced unmeasured

bias, we addressed this issue by re-running Analysis 2 isolating only the early years of implementation. To do so, we ran a propensity score match analysis identical to Analysis 2, except only including petitions filed from 2007 to 2009. This analysis detected a similar, statistically significant effect ($ATE = -41.109$; $p = .036$) of −41 days. Given that the results remained similar in this analysis, we conclude that the changes in assignment process are unlikely to have impacted the study's findings. Therefore, while the Rosenbaum Bounds analysis indicates high levels of sensitivity, we have addressed the one known unmeasured confounder.

5.3. Analysis 3: Repeat maltreatment

Analysis 3 shows a miniscule, non-significant effect ($ATE = -0.001$; $p = .922$), meaning the data did not detect any difference in safety outcomes when families received ILO representation as compared to panel representation (see Table 5). We did not conduct a sensitivity analysis on Analysis 3, since the model showed no statistically significant effect.

5.4. Exploratory analysis

We conducted additional exploratory analysis to understand why children whose parents are represented by ILO attorneys spend fewer days in foster care, as shown in Analysis 2. Table 7 presents the key results from these models.

First, we sought to understand whether ILO and panel representation differed in the time to entering foster care for children not in care at the time of filing; if children whose parents were represented by ILOs entered care longer after filing, that might partially explain why those children spent fewer days in foster care through 48 months. Results show that ILO representation did not have a statistically significant effect ($SHR = 0.94$; $p = .078$) on the time to a child entering foster care. This result is consistent with findings from Analysis 1 that representation type does not impact foster care entry. Furthermore, the output from Analysis 2 shows that ILO representation causes children to spend fewer days in foster care; since the results here demonstrate that ILO representation does not cause children to enter care later, children exiting care sooner must account for the difference in days spent in foster

Table 7
Results from competing risk models estimating effects of ILO.

Outcomes	Variable	Subhazard ratio (SHR)	Cluster robust SE	z	p
Time in days to foster care entry (N = 16,527)	ILO	0.94	0.04	−1.76	0.078
Time in days to permanency (N = 8163)	ILO (t = 0)	1.34	0.07	5.73	0.000***
	ILO X Time	0.9998	0.00	−3.93	0.000***
Time in days to reunification (N = 8163)	ILO (t = 0)	1.43	0.08	6.44	0.000***
	ILO X Time	0.9996	0.00	−5.15	0.000***
Time in days to guardianship (N = 8163)	ILO (t = 0)	2.06	0.74	2.01	0.045*
	ILO X Time	0.9994	0.00	−2.18	0.029*
Time in years to adoption (N = 8163)	ILO (t = 0)	1.49	0.37	1.58	0.113
	ILO X Time	0.8931	0.05	−2.24	0.025*
Time in days to age out (N = 8163)	ILO (t = 0)	1.43	0.32	1.59	0.112
	ILO X Time	0.9997	0.00	−2.58	0.010*

* $p < .05$, ** $p < .01$, *** $p < .001$.

care from Analysis 2.

Second, we sought to account for the difference shown in Analysis 2, by explaining which exits from foster care children whose parents were represented by ILOs experienced more quickly. Note that the effect sizes reported with these models include the effect size at $t = 0$ (time equals zero, or the first day in foster care for the child) and a coefficient describing how that effect changes over time. These models indicate that children achieved permanency more quickly when their parents received interdisciplinary representation, most especially reunification early in the case. Results from the models show that, controlling for other factors, children represented by ILO attorneys experienced reunification 43% faster ($SHR = 1.43$; $p < .001$) and achieved guardianship more than twice as fast ($SHR = 2.06$; $p < .05$). However, each of these effects apply at $t = 0$ but diminish each day of the case (*reunification* $tvc = 0.9996$, $p < .001$; *guardianship* $tvc = 0.9994$, $p < .05$), meaning that the impact of the intervention on these outcomes occurs earlier in the case and eventually fades. Using the results above, children achieved reunification approximately 43% more often in the first year; 25% more often in the second year; and, 8% more often in the third year. With respect to guardianship, children achieved guardianship approximately 106% more often in the first year; 67% more often in the second year; 36% more often in the third year; and 10% more often in the fourth year. We found no statistically significant impact on a child's time to aging out of foster care nor being adopted from foster care. Regarding overall permanency, the results in Table 7 mean that children achieved permanency approximately 34% more often in the first year; 25% more often in the second year; 17% more often in the third year; and 9% more often in the fourth year.

We further plotted out the cumulative incidence function for each of the permanency exit types through 48 months from foster care entry, to illustrate the results. Of children whose parents received ILO representation, cumulative incidence functions show the following after 48 months: 65% reunified, 4% guardianship, 7% adopted, 3% aged out, 21% in care. Whereas, of children whose parents received panel representation, cumulative incidence functions show the following after 48 months: 60% reunified, 3% guardianship, 7% adopted, 4% aged out, 26% in care.

6. Discussion

This study utilizes a “quasi-experimental” design to assess the causal impact of interdisciplinary parental representation on child welfare outcomes. We intended to answer whether children—whose parents are respondents in child abuse or neglect petitions filed in the New York City Family Court and are eligible for court-assigned counsel—are more likely to be quickly, safely, and permanently kept together with their families if their parents are represented by ILO attorneys compared to children of similar families whose parents are represented by solo practitioner attorneys. The key findings are that [1] when children do enter foster care, ILO representation decreases their stays in foster care by nearly four months (118 days) on average through faster early reunification and guardianship when compared to a solo practitioner attorney, [2] that ILO representation did not impact child safety—defined as the likelihood of a subsequent substantiated report of child maltreatment—when compared to solo attorney representation, and [3] that ILO representation did not impact the prevalence of foster care entry, as compared to solo attorney representation. Our findings with respect to time spent in foster care and permanency outcomes comport with the findings in Courtney and Hook (2012), except we found no effect on the time to adoption. Contrary to our hypothesis, we did not find an impact on foster care entry. One unique aspect of New York City is that many children who enter foster care do so on an “emergency removal” provision which gives child protective workers broad leeway to remove children from their homes prior to court action; as these children may be recorded as entering foster care in the administrative data, parental attorneys may not be fully able to impact

foster care entry as this study has defined it.

The current study presents the most comprehensive assessment of parental representation to date, adding significant depth to the literature on this topic. However, the key limitation to our propensity score approach is the possibility that unobserved confounders impact our findings and—if measured—would nullify our results. The Rosenbaum Bounds analysis suggests that our findings in Analysis 2 are vulnerable to such an unmeasured confounder. While we still believe this study contains the most comprehensive assessment of interdisciplinary parental representation to date, a future natural experiment—or possibly a randomized-controlled trial—would further develop the field's knowledge around the impact of parental representation (see, e.g., Orlebeke, Zhou, Skyles, & Zinn, 2016 for a discussion of challenges in completing such research). We particularly encourage further research to assess the impact of parental representation programs that work with parents prior to court petition filing, often known as “pre-filing” work.

The findings bring strong empirical evidence to policymakers asking, *what kind of parental representation should child welfare systems provide to promote child safety and timely permanency?* An interdisciplinary law office approach to parental representation furthers the shared goal of timely permanency, and thus benefits children, parents, and families. Laws, research, and stakeholders agree that foster care should be a temporary stop on the path to a safe and loving family, returning children home when possible. While there are vigorous discussions concerning the circumstances in which children should be reunified, adopted, or placed in guardianship, it is universally held that foster care stays should be as short as possible while ensuring safety (see, for example, Guggenheim, 2007). To children, parents, and families, four fewer months in foster care can mean the difference between spending a birthday or a Thanksgiving together, celebrating a graduation, or simply 118 fewer days of missing each other. That ILO representation decreases children's length of time spent in foster care is precious to children and parents. In addition to promoting timely permanency, we find no evidence that interdisciplinary parental representation impacts the likelihood of children experiencing a subsequent substantiated report of child maltreatment.

Altogether, the findings that interdisciplinary parental representation promotes timely permanency for children and upholds children's safety bolster a new narrative around parental representation. Our study's findings suggest that interdisciplinary parental representation is an effective intervention that child welfare agencies and court systems may implement to further their goals. Some stakeholders have expressed concerns that—in an adversarial court system which pits parents against the child welfare agency, strong advocacy on behalf of parents may put children at risk. However, this study finds that high-quality interdisciplinary parental representation benefits child welfare professionals by aiding their own objectives. When answering the question of what kind of parental representation should be provided, the study's findings demonstrate that interdisciplinary family defense reinforces public child welfare agencies' work by promoting timely permanency with no cost to child safety.

7. Conclusion

Our results support policymakers in the child welfare field expanding the ILO approach to parental representation to other jurisdictions. In addition to benefiting children and families, an interdisciplinary law office approach to parental representation may save millions of government dollars, though the inquiry in this paper provides only illustrations of potential gross cost savings for public child welfare agencies in foster care board payments. Nearly 4000 children enter foster care each year in New York City. Presuming our results hold for dual-respondent petitions and subsequent petitions, a savings of 118 days per child who enters foster care would mean 472,000 bed days per cohort year (4000 times 118) should all children's parents receive the ILO representation as compared to the panel representation. Using a

foster care board rate of \$83.83 for family foster care in New York City—a rate provided by the ACS—yields annual savings of almost \$40 M for a fully implemented program. These savings are conservative in that we do not include the higher rates of [1] of residential treatment or group care bed days and [2] children who qualify for special or exceptional rates due to behavioral, developmental, or medical challenges. Of course, any calculation of cost-savings would need to factor in any increased costs of providing interdisciplinary parental representation. Any calculation of cost-savings should additionally consider the generalizability of these findings. Yet, the potential impact on the size of our country's foster care system could be tremendous should the findings hold for other jurisdictions.

However, we should be cautious about generalizing the findings to other jurisdictions or populations for two reasons: [a] New York City may differ from other jurisdictions in ways that impact the program's effectiveness, and [b] we narrowed our sample to first-time single-respondent cases. The structure and operations of New York City's Family Court and child welfare system differ from other jurisdictions, particularly those outside of large metropolitan areas; these differences may limit the impact of this model if, for example, there are no service providers in a family's area to which a social worker could refer the family. New York City has longer lengths of stay in foster care, meaning the findings here may look different in other jurisdictions with shorter lengths of stay. Within New York City, we narrowed our sample to include only single respondent cases and only each family's first petition in the family court. We did so to create the clearest comparison possible, but the downside is that the findings may not apply to the groups we did not study. Policymakers seeking to generalize these findings to other jurisdictions should consider these nuances. Future research from additional programs, sample groups, and geographic areas may confirm the generalizability of these findings. Jurisdictions in California, New Mexico, Oregon, Minnesota and elsewhere have already developed or taken steps to develop interdisciplinary parental representation programs. Rigorous evaluations of these programs will help develop the field's understanding of the impact of interdisciplinary family defense.

The current policymaking context in child welfare—emphasizing prevention and decreasing the unnecessary use of foster care—provides a rare opportunity for stakeholders to re-imagine parental representation in children welfare. In late 2018, the Children's Bureau altered longstanding policy, announcing that costs for parental representation are now reimbursable at a 50% rate under the Title IV-E entitlement, lessening the burden of state and local investments. Furthermore, the Family First Prevention Services Act (FFPSA) of 2018, bipartisan legislation that reformed federal financing of child welfare, provides Title IV-E funding for prevention programs and services to support eligible children, youth, and their families. This study identifies an intervention that deserves to be in any discussion of preventing long stays in foster care: interdisciplinary parental representation. Building on prior research on parental representation in child welfare cases, we estimated the causal impact of an interdisciplinary law office approach on children's involvement in the foster care system. We find that the ILO approach significantly reduces the length of time children spend in foster care; increases rates of timely permanency, reunification, and guardianship; and does so without increasing repeat maltreatment. These results align with the stated goals not only of children, parents, and parent defenders, but of family courts, child welfare agencies, and other advocates. In a national political context suffused with a new focus on decreasing foster care stays, these findings provide compelling evidence for jurisdictions to embrace an interdisciplinary law office approach to parental representation.

Acknowledgements

This project was supported by a generous grant from Casey Family Programs to New York University School of Law (Grant number: CFP# FY15 - 1291). We thank our Advisory Board committee for guiding our

design and data interpretation; and the New York City Administration for Children's Services and New York State Office of Children and Family Services for providing the data and supporting the project. We appreciate those organizations and individuals who partnered with us: parents whom we interviewed, Bridge Builders, the Bronx Defenders, Brooklyn Defender Services, the Center for Family Representation, the Child Welfare Organizing Project, John Courtney, the First and Second Departments of the New York State Supreme Court Appellate Division, Graham, the Legal Aid Society, New York City Administration for Children's Services Family Court Legal Services Division and Office of Advocacy, Rise Magazine, and Sue Jacobs.

Declaration of interest

Action Research is a consultancy and was hired by the Center for Family Representation for an unrelated small project that was completed before this study began. Professor Guggenheim is a member of the board of directors of the Center for Family Representation.

Appendix A. Missing data

To build our sample, we started with all families named in Article 10 petitions in the New York City Family Court filed from 2007 to 2014 where ILOs had contracts. There were 27,811 such families in the LTS data. From there, we first limited our sample to each family's first petition in the data, which left 22,670 families. We subsequently selected only single-respondent cases, which left 14,871 families. Of the 22,670 families, 1820 (8%) were missing the number of respondents in the data and excluded from the sample. From the 14,871, we isolated 10,362 families who were represented by either an ILO attorney or a panel attorney. Of the 14,871 families, 6184 (42%) were represented by an ILO attorney, 4178 (28%) were represented by a panel attorney, 1864 (13%) were represented by both an ILO and an panel attorney, 1732 (12%) had no attorney in the data, 679 (5%) had attorneys that we could not identify the attorney type, and 234 (2%) were represented by private attorneys. For substantive reasons described earlier, we excluded families represented by both attorney types (1864) and private attorneys (234). Due to missing data, we excluded families with no attorney in the data (1732) and an unidentified attorney (679).

From the 10,362 families who fit all the qualifications to be in the sample, we deleted 457 (4%) families with missing outcome data and 323 (3%) families with missing parent or child age or sex information. This left us with 9582 families in our sample. Though some families in the final sample contained missing parent or child race/ethnicity information, we opted not to delete those cases and instead included an unknown race category in our PSM models. Even though complete case analysis is the standard approach to PSM, we deemed that the race unknown group was too critical and large to exclude from our model, as many of the families were identified as Hispanic or Latino with unknown race. However, we subsequently re-ran Analysis 2 deleting all cases with any missing race or ethnicity information and the results were similar ($ATE = -44.045$; $p = .012$).

Appendix B. Attorney assignment process

Because the validity of PSM depends on adequately capturing the attorney assignment process in the PSM model, we describe the attorney assignment process here. We observed the case assignment process in the New York City Family Court in the Bronx, Brooklyn, Manhattan, and Queens for a total of 22 h in October 2016. In addition to observing and taking notes in the courtroom, we discussed the assignment process with attorneys, court clerks, judges, and other court personnel. Prior to conducting court observation, we designed a set of guiding questions based on the core question, *how does respondent (parent) attorney assignment work?*

Each courthouse is divided up into parts, or courtrooms, and each

judge has their own part. An “intake” is an Article 10 petition filed that day, and in each courthouse, one part is assigned daily to hear all intakes that day. In some boroughs, the intake part rotates between judges, and in others, one judge always does intake. The judge will assign the parent an attorney at the intake hearing—or the parent's first appearance in court—often the same day or within a few days of when the petition is filed. While legally a parent must be indigent to be eligible to receive a court-appointed attorney, in practice any parent in New York City who appears without representation will be assigned a court-appointed attorney. Many judges do not ask parents about their income or employment status before appointing an attorney. In our fieldwork, no parent was ever denied a court-appointed attorney, and in our data, almost no parents retained private counsel (2%).

When ILO contracts were first awarded, panel and ILO attorneys alternated cases either by day of the week or case by case, depending on the borough. The ILO contracts capped the total number of cases each provider could accept in a given year. Relatively low contract caps meant that ILOs reached their contracted limits quickly and subsequent cases were assigned to panel attorneys. In the early years of the program, cases were assigned to ILO or panel without any systematic difference between families that would affect outcomes. Individual panel attorneys were selected by rotation, and each ILO would select the individual ILO attorneys working on new cases on a given day.

Over several years, however, the assignment process shifted as the number of cases contracted to ILOs increased. Currently, cases are presumptively assigned to ILOs unless there is a conflict, in which case a panel attorney represents the client. Additionally, there are two uncommon reasons a panel attorney would represent a client: if a panel attorney has previously represented the client, the same attorney may be assigned for continuity, based on judge discretion (this would not apply to cases in our sample which are all first-time petitions); or if the ILO has reached their caseload cap, any new cases will be assigned to panel attorneys. A conflict means that the provider represents or previously represented the parent or another person in such a way that the interests of one case could compromise the other. For example, if a provider represents the mother in a neglect or abuse petition, that provider cannot also represent the father, because the interests of one client could potentially be at odds with the interests of the other. The assignment process varies slightly by court borough, but the ILO conducts a “conflict check” on each new family, and, if no conflict arises, the parent is assigned an ILO attorney, otherwise the parent is assigned a panel attorney by rotation. A “conflict check” usually includes asking the parent a few questions and running any names listed in the Article 10 petition through the provider's case management system to see whether the provider represents or had represented anyone in the case. The timing of shifts in assignment processes varied by borough and sometimes by the individual judge. While we were unable to gather the exact dates of the changes, we understand from stakeholders that this newer attorney assignment process did not begin in any borough until 2010 at the earliest.

The newer assignment process presents challenges to the CI assumption for PSM by suggesting that parents were assigned ILO or panel attorney based on characteristics that we cannot directly observe or include in the PSM model. To address this issue, we conducted a sensitivity analysis where we ran a PSM analysis using only cases from the early years of program implementation where conflict cases were rare. We describe these results in the Analysis 2 section.

References

- Abadie, A., & Imbens, G. W. (2006). Large sample properties of matching estimators for average treatment effects. *Econometrica*, 74(1), 235–267. <https://doi.org/10.1111/j.1468-0262.2006.00655.x>.
- Abadie, A., & Imbens, G. W. (2011). Bias-corrected matching estimators for average treatment effects. *Journal of Business & Economic Statistics*, 29(1), 1–11. <https://doi.org/10.1198/jbes.2009.07333>.
- Abadie, A., & Imbens, G. W. (2012). *Matching on the estimated propensity score*. Harvard University and National Bureau of Economic Research.
- Administration on Children, Youth, and Families (2017, January 17). ACYF-CB-IM-17-02. Retrieved from <https://www.acf.hhs.gov/sites/default/files/cb/im1702.pdf>.
- Akin, B. A. (2011). Predictors of foster care exits to permanency: A competing risks analysis of reunification, guardianship, and adoption. *Children and Youth Services Review*, 33(6), 999–1011. <https://doi.org/10.1016/j.childyouth.2011.01.008>.
- American Bar Association (2009). Summary of parent representation models. Retrieved from http://www.americanbar.org/content/dam/aba/publications/center_on_children_and_the_law/parentrepresentation/summary_parentrep_model_authcheckdam.pdf.
- American Bar Association (2017). ABA National Project to improve representation for parents. Retrieved from http://www.americanbar.org/content/dam/aba/administrative/child_law/ParentRep/At-a-glance%20final_authcheckdam.pdf.
- American Bar Association Center on Children and the Law (2009). *Legal representation for parents in child welfare proceedings: A performance-based analysis of Michigan practice*. Retrieved from The Child Welfare Services Division of The Michigan State Court Administrative Office website: https://www.americanbar.org/content/dam/aba/publications/center_on_children_and_the_law/parentrepresentation/michigan_parent_representation_report.pdf.
- Anderson, J. M., Buenaventura, M., & Heaton, P. S. (2018). The effects of holistic defense on criminal justice outcomes (SSRN scholarly paper no. ID 3284042). Retrieved from Social Science Research Network website: <https://papers.ssrn.com/abstract=3284042>.
- Austin, P. C. (2009). Balance diagnostics for comparing the distribution of baseline covariates between treatment groups in propensity-score matched samples. *Statistics in Medicine*, 28(25), 3083–3107. <https://doi.org/10.1002/sim.3697>.
- Austin, P. C. (2011). Optimal caliper widths for propensity-score matching when estimating differences in means and differences in proportions in observational studies. *Pharmaceutical Statistics*, 10(2), 150–161. <https://doi.org/10.1002/pst.433>.
- Azar, S. T., Maggi, M. C., & Proctor, S. N. (2013). Practices changes in the child protection system to address the needs of parents with cognitive disabilities. *Journal of Public Child Welfare*, 7(5), 610–632. <https://doi.org/10.1080/15548732.2013.857630>.
- Cohen, J., & Cortese, M. (2009). Cornerstone advocacy in the first 60 days: Achieving safe and lasting reunification for families. *ABA Child Law Practice*, 28(3), 33–44.
- Commission on Parental Legal Representation (2018). *Public hearing*.
- Courtney, M. E., & Hook, J. L. (2012). Evaluation of the impact of enhanced parental legal representation on the timing of permanency outcomes for children in foster care. *Children and Youth Services Review*, 34(7), 1337–1343. <https://doi.org/10.1016/j.childyouth.2012.03.016>.
- Fine, J. P., & Gray, R. J. (1999). A proportional hazards model for the subdistribution of a competing risk. *Journal of the American Statistical Association*, 94(446), 496–509. <https://doi.org/10.2307/2670170>.
- Gangli, M. (2004). RBOUNDS: Stata module to perform Rosenbaum sensitivity analysis for average treatment effects on the treated. Retrieved from <https://ideas.repec.org/c/boc/bocode/s438301.html>.
- Guggenheim, M. (2007). *What's wrong with children's rights*. Cambridge, MA: Harvard University Press.
- Haight, W., Marshall, J., & Woolman, J. (2015). The child protection clinic: A mixed method evaluation of parent legal representation. *Children and Youth Services Review*, 56, 7–17. <https://doi.org/10.1016/j.childyouth.2015.06.014>.
- Harper, C., Brennen, K., & Szolnoki, J. (2005). *Dependency and termination parents' representation program evaluation report*. Vol. 51. Northwest Institute for Children and Families.
- Hastings, J., Taylor, S., & Austin, M. J. (2006). The status of low-income families in the post-welfare reform environment. *Journal of Health & Social Policy*, 21(1), 33–63. https://doi.org/10.1300/J045v21n01_02.
- Heimov, L. S., Laver, M., & Carr, P. B. (2017). Introducing the family justice initiative | Center on children and the law. *Child Law Practice Today*, 36. (May/June 2017). Retrieved from https://www.americanbar.org/groups/child_law/resources/child_law_practiceonline/child_law_practice/vol-36/may-june-2017/introducing-the-family-justice-initiative.html.
- In Re Ella B. (1972). 30 N.Y. 2d 352, 356.
- Kramer, A. (2018, July). Child welfare surge continues: Family court cases, emergency child removals remain up. Retrieved September 28, 2018, from Center for New York City Affairs website: <http://www.centernyc.org/child-welfare-surge-continues/>.
- Lambert, P. (2016). STCRPREP: Stata module to prepare data for competing risks analysis using time-dependent weights. Retrieved from <https://ideas.repec.org/c/boc/bocode/s458015.html>.
- Lee, T. (2016). *Catching a case: Inequality and fear in New York city's child welfare system (none edition)*. New Brunswick, New Jersey: Rutgers University Press.
- Leuven, E., & Sianesi, B. (2003). Stata module to perform full Mahalanobis and propensity score matching, common support graphing, and covariate imbalance testing. *Statistical software components S* (pp. 432001).
- Libby, A. M., Orton, H. D., Barth, R. P., Webb, M. B., Burns, B. J., Wood, P. A., & Spicer, P. (2007). Mental health and substance abuse services to parents of children involved with child welfare: A study of racial and ethnic differences for American Indian parents. *Administration and Policy in Mental Health*, 34(2), 150–159. <https://doi.org/10.1007/s10488-006-0099-2>.
- Needell, B., Brookhart, M. A., & Lee, S. (2003). Black children and foster care placement in California. *Children and Youth Services Review*, 25(5–6), 393–408.
- Oetjen, J. (2003). *Improving Parents' representation in dependency cases: A Washington state pilot program evaluation*. National Council of Juvenile and Family Court Judges. Retrieved from http://www.opd.wa.gov/documents/0047-2003_PR_P Evaluation.pdf.
- Orlebeke, B., Zhou, X., Skyles, A., & Zinn, A. (2016). Evaluation of the QIC-ChildRep best practices model training for attorneys representing children in the child welfare system. 125. Retrieved from Chapin Hall at the University of Chicago website: <https://www.>

- chapinhall.org/wp-content/uploads/QIC-ChildRep_Chapin_Hall_Evaluation.pdf.
- Phillips, S. D., & Dettlaff, A. J. (2009). More than parents in prison: The broader overlap between the criminal justice and child welfare systems. *Journal of Public Child Welfare*, 3(1), 3–22. <https://doi.org/10.1080/15548730802690718>.
- Putnam-Hornstein, E., & Needell, B. (2011). Predictors of child protective service contact between birth and age five: An examination of California's 2002 birth cohort. *Children and Youth Services Review*, 33(8), 1337–1344. <https://doi.org/10.1016/j.childyouth.2011.04.006>.
- Right to Counsel Map (2016, March 17). Retrieved March 17, 2016, from National Coalition for a Civil Right to Counsel website: <http://www.civilrighttocounsel.org/map>.
- Roberts, D. (2002). Shattered bonds: The color of child welfare. *Children and Youth Services Review*, 24(11), 877–880.
- Rosenbaum, P. R. (2002). Observational studies. In P. R. Rosenbaum (Ed.). *Observational studies* (pp. 1–17). . https://doi.org/10.1007/978-1-4757-3692-2_1.
- Rosenbaum, P. R., & Rubin, D. B. (1983). The central role of the propensity score in observational studies for causal effects. *Biometrika*, 70(1), 41–55. <https://doi.org/10.2307/2335942>.
- Rubin, D. B. (2001). Using propensity scores to help design observational studies: Application to the tobacco litigation. *Health Services and Outcomes Research Methodology*, 2(3), 169–188. <https://doi.org/10.1023/A:1020363010465>.
- Sankaran, V. S., & Raimon, M. L. (2014). *Case closed: Addressing unmet legal needs & stabilizing families*. Vol. 7. Center for the Study of Social Policy.
- stcox (2018, September 28). Retrieved September 28, 2018, from Stata 14 Manual website: <https://www.stata.com/manuals14/ststcox.pdf>.
- stcrreg (2018, September 28). Retrieved September 28, 2018, from Stata 14 Manual website: <https://www.stata.com/manuals/teteffectspsmatch.pdf>.
- Stith, S. M., Liu, T., Davies, L. C., Boykin, E. L., Alder, M. C., Harris, J. M., ... Dees, J. E. M. E. G. (2009). Risk factors in child maltreatment: A meta-analytic review of the literature. *Aggression and Violent Behavior*, 14(1), 13–29. <https://doi.org/10.1016/j.avb.2006.03.006>.
- 2006.03.006.
- Stone-Levine, J. (2012). *Humanizing child welfare: A new legal approach for children and families*. City University of New York. Retrieved from <http://gradworks.umi.com/34/99/3499322.html>.
- Stuart, E. A., & Rubin, D. B. (2008). Best practices in quasi-experimental designs: Matching methods for causal inference. In J. Osborne (Ed.). *Best practices in quantitative methods* (pp. 155–176). . <https://doi.org/10.4135/9781412995627.d14>.
- tteffects psmatch (2018, September 28). Retrieved September 28, 2018, from Stata 14 Manual website: <https://www.stata.com/manuals/teteffectspsmatch.pdf>.
- The California Evidence-Based Clearinghouse for Child Welfare (2018, September 26). Retrieved September 26, 2018, from <http://www.cebc4cw.org/>.
- The Detroit Center for Family Advocacy (2013, May 16). Promoting safe and stable families. Retrieved January 2, 2019, from Issuu website: https://issuu.com/michiganlawschool/docs/cfa_report.
- Thornton, E., & Gwin, B. (2012). High-quality legal representation for parents in child welfare cases results in improved outcomes for families and potential cost savings. *Family Law Quarterly*, 46(1), 139–154.
- Wall-Wieler, E., Brownell, M., Singal, D., Nickel, N., & Roos, L. L. (2018). The cycle of child protection services involvement: A cohort study of adolescent mothers. *Pediatrics*, 141(6), e20173119. <https://doi.org/10.1542/peds.2017-3119>.
- Wildeman, C., & Emanuel, N. (2014). Cumulative risks of Foster Care placement by age 18 for U.S. children, 2000–2011. *PLoS One*, 9(3), e92785. <https://doi.org/10.1371/journal.pone.0092785>.
- Wildeman, C., Emanuel, N., Leventhal, J. M., Putnam-Hornstein, E., Waldfogel, J., & Lee, H. (2014). The prevalence of confirmed maltreatment among US children, 2004 to 2011. *JAMA Pediatrics*, 168(8), 706–713. <https://doi.org/10.1001/jamapediatrics.2014.410>.
- Wood, S. M., & Russell, J. R. (2011). Effects of parental and attorney involvement on reunification in juvenile dependency cases. *Children and Youth Services Review*, 33(9), 1730–1741. <https://doi.org/10.1016/j.childyouth.2011.04.026>.

**Updated and Supplemental Information for
East Bay Family Defenders' (EBFD) 2022 IOLTA/EAF application**

As described in our application, East Bay Family Defenders' administrative staff attempts to gather income information from every new client to determine indigence. While the COVID-19 pandemic has created challenges to gathering this information -- due to the remote nature of our contact with clients -- we have adapted our process over the past year to improve completion rates. To date, we have achieved a 40% intake screening completion rate for all new clients since July 1, 2020. This is double the screening rate since we submitted our IOLTA application. Our current overall calculation of indigence of our clients from the past year is drawn from the 332 clients who completed intake forms. Out of those clients who completed intake screening, 68% qualified as indigent, which was higher than the 64% estimate we provided in our IOLTA application.

Indigence Screening totals

July 1, 2020 to December 31, 2020

New Clients	412	%
Completed	169	41%
Indigent	116	69%
Non-Indigent	53	31%
Missing	243	59%

July 1, 2020 to June 30, 2021

New Clients	823	%
Completed	332	40%
Indigent	226	68%
Non-Indigent	106	32%
Missing	491	60%

While we suspect that most of the 60% of clients with missing information are indigent, we have not been able to definitively determine their income level. The main challenges that our administrative staff encounter reaching clients stem from clients' lack of phone or email access, frequent changes in phone number, or lack of availability during work hours. Even for reachable clients, our data collection effort is complicated by the moment of crisis at which we enter clients' lives (most often immediately following CPS removal of their children from home and the filing of a court case), when completing paperwork is not a high priority for our clients. Additional barriers to the completion of intake forms include parents' literacy, language access, foreign location, and their difficulty trusting anyone with their confidential information.

In light of these pervasive barriers to gathering income data, in the spring of 2021 we intensified our intake screening for three different months to comprehensively assess indigence to the best of our current ability. We selected the months where we had the highest rate of intake form completion (August 2020, November 2020, January 2021), and we maximized our efforts to financially screen every new client from that month. The process we followed for each client included verifying updated contact information, 3 phone call attempts, 2 emails, and

one mailed intake form with a return stamped envelope. From these efforts, we obtained a higher percentage of completed indigence screening than we had since before the pandemic.

For June 2021, we revised our intake process again. The process our administrative staff now follows to complete intake forms is to locate contact information a day before each new client's first court appearance, call and email them the day before and the day of the first hearing, and to involve attorneys in bridging new clients with our administrative staff for intake screening. Our administrative staff then make 3 more phone call attempts to the client, send 2 emails, and mail an intake form with a return stamped envelope. After administrative staff has made all attempts possible, they ask attorneys to collect the client's financial information.

The results of our intensive screening efforts from these four sample months are as follows:

August 2020

New Clients	70	%
Completed	63	90%
Indigent	48	76%
Non-Indigent	15	24%
Missing	7	10%
No Contact Info	2	29%
Contact Info/Unreachable	4	57%
<i>Out of the Country</i>	1	14%

November 2020

New Clients	59	%
Completed	53	90%
Indigent	32	60%
Non-Indigent	21	40%
Missing	6	10%
No Contact Info	4	67%
Contact Info/Unreachable	1	17%
<i>Out of the Country</i>	1	17%

January 2021

New Clients	63	%
Completed	53	84%
Indigent	36	68%
Non-Indigent	17	32%
Missing	10	16%
No Contact Info	7	70%
Contact Info/Unreachable	2	20%
<i>Out of the Country</i>	1	10%

June 2021

New Clients	72	%
Completed	60	83%
Indigent	45	75%
Non-Indigent	13	22%
Missing	12	17%
No Contact Info	4	33%
Contact Info/Unreachable	4	33%
<i>Out of the Country</i>	4	33%

For each of these select months, we also reviewed collateral information about the clients with missing information. This included information gleaned from attorneys and our review of reports prepared by caseworkers from the child welfare agency. A summary of information relevant to indigence determination for these clients with "missing" information is as follows:

1. August 2020: 2 clients psychiatrically hospitalized, 1 client unemployed, 2 clients whose whereabouts are unknown, 1 client unreachable with little information, and 1 client out of the country and unreachable.
2. November 2020: 1 client institutionalized, 1 client homeless, 1 client in transitional housing with language barrier (deaf) and intellectual disability, 2 clients whose whereabouts are unknown, and 1 client out of the country whose whereabouts are unknown.
3. January 2021: 1 client institutionalized and under a conservatorship, 5 clients homeless, 1 client with no working phone, 2 clients whose whereabouts are unknown, and 1 client out of the country and unreachable.
4. June 2021: 1 unreachable client unable to afford car seats for her children, 1 unreachable client who works 6 days a week, 1 elderly unreachable client with a disability determination, 1 unreachable client with a developmental disability, 4 clients whose whereabouts are unknown, 4 clients out of the country whose whereabouts are unknown.

We look forward to discussing this at our upcoming Eligibility Review Conference, including answering any questions about our data gathering, our client population, our purpose, and our impact.

Attachment C: Excerpts from Governing Authorities
East Bay Family Defenders: July 20, 2021 Eligibility Review Conference

BUSINESS AND PROFESSIONS CODE

Section 6213(a)

(a) "Qualified legal services project" means either of the following:

(1) A nonprofit project incorporated and operated exclusively in California that provides as its primary purpose and function legal services without charge to indigent persons and that has quality control procedures approved by the State Bar of California.

(2) A program operated exclusively in California by a nonprofit law school accredited by the State Bar of California that meets the requirements of subparagraphs (A) and (B).

(A) The program shall have operated for at least two years at a cost of at least twenty thousand dollars (\$20,000) per year as an identifiable law school unit with a primary purpose and function of providing legal services without charge to indigent persons.

(B) The program shall have quality control procedures approved by the State Bar of California.

Section 6213(d)

"Indigent person" means a person whose income is (1) 125 percent or less of the current poverty threshold established by the United States Office of Management and Budget, or (2) who is eligible for Supplemental Security Income or free services under the Older Americans Act or Developmentally Disabled Assistance Act. With regard to a project that provides free services of attorneys in private practice without compensation, "indigent person" also means a person whose income is 75 percent or less of the maximum levels of income for lower income households as defined in Section 50079.5 of the Health and Safety Code. For the purpose of this subdivision, the income of a person who is disabled shall be determined after deducting the costs of medical and other disability related special expenses.

Section 6216(b)(1)(A)

In any county which is served by more than one qualified legal services project, the State Bar shall distribute funds for the county to those projects which apply on a pro rata basis, based upon the amount of their total budget expended in the prior year for legal services in that county as compared to the total expended in the prior year for legal services by all qualified legal services projects applying therefor in the county. In determining the amount of funds to be allocated to a qualified legal services project specified in paragraph (2) of subdivision (a) of Section 6213, the State Bar shall recognize only expenditures attributable to the representation of indigent persons as constituting the budget of the program.

STATE BAR RULES

Rule 3.671(A)

A qualified legal services project is required by statute to have as its primary purpose and function providing legal services without charge to indigent persons. A qualified legal services project applying for Trust Fund Program funds is presumed to have such a purpose and function if 75% or more of the budget for the fiscal year for which it is seeking funds is designated to provide free legal services to indigents, and 75% or more of its expenditures for the most recent

reporting year were incurred for such services. The calculation of 75% of expenditures may include a reasonable share of administrative and overhead expenses.

Rule 3.672(A)

“Legal services” include all professional services provided by a licensee of the State Bar and similar or complementary services of a law student or paralegal under the supervision and control of a licensee of the State Bar in accordance with law.