

**LEGAL SERVICES TRUST FUND COMMISSION**  
**RULES COMMITTEE MEETING**  
**Meeting Summary and Action Items**  
Monday, November 22, 2021, 2:00 p.m. – 4:00 p.m.  
State Bar of California (Conference Call via Zoom)

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**Roll Call**

**Members Present**

Chair Amin Al-Sarraf  
Louise Bayles-Fightmaster  
Pamela Bennett  
Erica Connolly  
Jim Meeker

**Liaisons**

Bonnie Hough  
Salena Copeland

**Public Members**

Zach Newman (LAAC)  
Melanie Snider (JCC)

**Staff**

Doan Nguyen  
Elizabeth Hom  
Erica Carroll

**Members Absent**

Catherine Blakemore  
Corey Friedman  
Hon. Brad Seligman (Advisor)

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**OPEN SESSION**

Chair Al-Sarraf called the meeting to order at 2:03 p.m.

**I. ROLL CALL**

Roll call was taken, and quorum was established.

**II. CALL FOR PUBLIC COMMENT**

Chair Al-Sarraf invited members of the public to comment on any items on the agenda. No public comment was made.

**III. CONSENT**

- A. Approval of Meeting Summary and Action Items from August 24, 2021 Meeting**
- B. Approval of Meeting Summary and Action Items from September 24, 2021 Meeting**
- C. Approval of Meeting Summary and Action Items from October 13, 2021 Meeting**

The committee took the above three items together and approved the meeting summary and action items from August 24, 2021; September 24, 2021; and October 13, 2021, by majority roll call vote (Connolly moved, Al-Sarraf seconded). The vote was as follows:

Yes(4): Al-Sarraf, Bayles-Fightmaster, Connolly, Meeker

No (0)

Abstention(s) (1): Bennett

#### **IV. DISCUSSION AND ACTION ITEMS**

##### **A. Discuss and Approve Recommendations Regarding Passthrough Funds**

Program Managers Nguyen and Hom presented an update to the committee regarding the proposed definition of passthrough funds. Nguyen indicated that staff had obtained legal aid community feedback since the committee's last discussion on this topic. Staff acknowledged that the current definition of passthrough is both over- and under-inclusive. The definition of passthrough funds is consequential because funds designated as passthrough are excluded from an organization's total expenditures prior to running the primary purpose calculation.

Nguyen reported that a prior survey of grantees revealed that there was inconsistent understanding and reporting of passthrough funds, which supports the need for codifying the practice to provide further guidance. Salena Copeland of Legal Aid Association of California (LAAC) also pointed out that confusion around this issue has led some organizations to decline certain funding opportunities for fear that they would no longer qualify for State Bar funds. Grantees also requested a chart and/or specific examples for applying any new definition of passthrough funds, which staff and the working group provided.

Nguyen shared a brief recap of the updated proposed rule. She noted that some terms were substituted in the proposed rule in order to provide some inherent flexibility, as it would not be possible to anticipate every scenario where a passthrough might be implicated at this time. A committee member raised the question of how grantees will access the examples provided if not incorporated into the proposed rule itself. Nguyen reported that all iterations will be documented through staff memoranda and posted materials but agreed it will be important to establish a dedicated page for posting this information for future reference. Copeland from LAAC agreed that there may be additional gray areas that arise, and examples are helpful.

Discussion turned to the question of if and when to raise passthrough questions to the Eligibility & Budget Review Committee or the full commission (for example, if an organization posits that certain funds are passthrough and staff disagrees). Nguyen noted that in general staff raises questions where there is a difference of opinion to the committee. She also shared that the IOLTA/EAF application will be updated to include more specific questions to identify where a genuine disagreement exists but agreed that more clarity regarding staff authority versus committee/commission authority will be helpful and a necessary part of the codification process going forward.

After discussion the chair invited a motion on the working group's proposal. The following motion was approved by unanimous roll call vote (Connolly moved, Al-Sarraf seconded): "The Rules Committee of the Legal Services Trust Fund Commission approves the proposed recommendation regarding passthrough expenditures as set forth in the November 5 memorandum."

##### **B. Discuss 2022 Rules Committee Work Plan**

Program Manager Nguyen shared the proposed dates and topics for the 2022 Rules Committee calendar with the committee. She noted that fewer meetings and topics are proposed to allow deeper exploration of specific issues. There was also discussion about the day of the week for the proposed meetings, possible overlap with other commission/committee meetings, and questions about in-person versus remote

meetings. Nguyen also proposed a change to the composition of the working groups (two Rules Committee members and one additional commissioner) so that there would be shared responsibility among Rules Committee members when various topics came before the committee.

A committee member raised a question about moving topics to better reflect the grants administration calendar (e.g. addressing late submissions at a Rules Committee meeting prior to the due date of the next IOLTA/EAF application). Nguyen provided some insight as to how and why certain topics were chosen, influenced in part by staff availability. She also responded to questions about grouping topics together rather than bringing to the commission one by one. She also noted that any new proposed rules will still need to be reviewed by the State Bar's Board of Trustees to ensure compliance with SB 211 and to provide an opportunity for public comment.

Another request was made to open a discussion at a future meeting regarding the extent of staff's authority versus committee/commission authority on certain topics in order to better support staff and streamline the commission's oversight responsibilities. Nguyen and Chair Al-Sarraf noted that the committee would be asking the commission to revise the Functional Matrix and mentioned that that might be an appropriate time to address these questions.

#### **V. ADJOURN**

There being no other business, the meeting was adjourned at 3:30 p.m.