

## LEGAL SERVICES TRUST FUND COMMISSION MEETING

### Meeting Summary and Action Items

Friday, March 11, 2022, 12:00 p.m.–4:00 p.m.

State Bar of California (Conference Call via Zoom)

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#### Roll Call

##### Members Present

Co-Chair Richard Reinis  
Co-Chair Kim Savage  
Co-Vice Chair Christian Schreiber  
Banafsheh Akhlaghi  
Jeff Ball  
Pamela Bennett  
Catherine Blakemore  
Will Boschelli  
Erica Connolly  
Corey Freidman  
Jason Galkin  
Hon. Clifford Klein  
Eric Isken  
Joseph Lee  
Tammy Mahoney  
James Meeker

##### Advisors

Hon. Lisa Jaskol  
Hon. Brad Seligman

##### Liaisons

Salena Copland, Legal Aid  
Association of California  
Bonnie Hough, Judicial  
Council of California

##### Public Members

Lorin Kline, Legal Aid  
Association of California  
Zach Newman, Judicial  
Council of California  
Melanie Snider, Judicial  
Council of California  
Pablo Ramirez, Legal Aid  
Society of San Bernardino

##### Staff

Donna Hershkowitz  
Doan Nguyen  
Elizabeth Hom  
Christal Bundang  
Erica Carroll  
Brady Dewar  
Danielle MacRae  
Christopher McConkey  
Dan Passamaneck  
Heidi Slater  
Michael Cheng

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##### Members Absent

Co-Vice Chair Christina Vanarelli  
Amin Al-Sarraf  
Louise Bayles-Fightmaster  
Hon. Diana Kruze

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#### OPEN SESSION

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

##### I. ROLL CALL

Roll call was taken, and quorum was established.

Co-Chair Richard Reinis recognized the passing of commission member Bob Planthold. Bob Planthold's many accomplishments and contributions to both the Legal Service Trust Fund Commission (commission) and to the disability rights community were celebrated.

Co-Chair Reinis welcomed new commission member Judge Clifford Klein.

##### II. CALL FOR PUBLIC COMMENT

Co-Chair Reinis invited members of the public to comment on any items on the agenda. No public comments were made.

### **III. CONSENT**

#### **A. Approval of Meeting Summary and Action Items from December 13, 2021 Meeting**

The commission approved the Meeting Summary and Action Items from the December 13, 2021 meeting with the following change being made on page seven: “staff-led” and “committee-led” will be replaced with “scoring team.” (Meeker moved, Banafsheh seconded). The vote was as follows:

Yes (15): Reinis, Savage, Schreiber, Akhlaghi, Ball, Bennett, Blakemore, Boschelli, Connolly, Friedman, Galkin, Isken, Lee, Mahoney, Meeker

No (0): None

Abstain (0): None

Absent (5): Vanarelli, Al-Sarraf, Bayles-Fightmaster, Klein, Kruze

### **IV. STATE BAR REPORTS**

#### **A. Report from Managers of the Office of Access & Inclusion**

Program Manager Doan Nguyen announced that Michael Cheng and Chris McConkey have both been promoted to Program Supervisors, and Christal Bundang and Erica Carroll have been promoted to Lead Program Analysts. There are two new staff members, Program Analyst, Colleen Seto and Senior Financial Analyst, Heidi Slater. There will be two additional staff members starting next month and another offer of employment for Program Coordinator has been made. Staff continue to recruit for the two remaining vacant positions.

#### **B. Staff Updates on Grants Administration**

Nguyen reported that there are approximately 40 monitoring visits planned for 2022. About one-third of the visits have been scheduled. Commissioners are encouraged to attend at least one monitoring visit. Monitoring visits continue to be done remotely and commissioners may attend the full day or a partial day. Co-Chair Reinis commented that the Commission has the obligation to provide technical assistance to the grantees and reminded the commission that monitoring visits are a great educational opportunity.

#### **C. Report on IOLTA and Justice Gap Fund Revenue**

Nguyen reported on the revenue projections versus actual revenue from the IOLTA and Justice Gap Fund. For year end 2021 the IOLTA and Justice Gap Fund revenue was projected to be \$23,495,000, however the actual revenue for 2021 was \$30,150,264, resulting in a surplus of revenue of \$6,655,264, which brought the reserve to about \$18 million. Nguyen reminded the commission that the role of the reserve is to help smooth out grant disbursements from year to year so that

grantees may have more stabilized funding. The Rules Committee will be looking at the reserve policy to determine if any changes are needed.

In June staff will present to the commission the different projections for the 2022 revenue to determine a 2023 IOLTA distribution amount.

## **V. EXECUTIVE COMMITTEE**

### **A. Review of Legal Services Trust Fund Commission Committee Assignments**

Co-Chair Savage reported on the commission committee assignments, which are included in the meeting materials. The Nominations Committee has a meeting in March and welcome recommendations for applicants for the commission. Tammy Mahoney has agreed to chair the Bank Grants Committee.

### **B. Update on Loan Repayment Assistance Program (LRAP) Strategy Working Group**

Lead Program Analyst Erica Carroll provided a summary of the work the LRAP Strategy working group has been focused on, which is detailed in the memorandum included in the meeting materials. Nearly 90% of graduates carry some amount of debt after law school, the median amount of debt is \$165,000 per graduate. This is impacting recruitment and retention, particularly in legal aid and public interest positions. The working group -- which is comprised of members from the Legal Services Trust Fund Commission, Council on Access and Fairness, and Access Commission -- has conducted research on available LRAP and loan forgiveness models, as well as looking at other models in other fields such as healthcare. The working group is discussing a proposal for a State Bar administered LRAP.

The working group is in the early stages of the inception process and is focusing on strengthening recruitment and retention in public interest and reducing turnover. In addition, the working group hopes to address disparities in loan balances that negatively impact diversity in the legal profession. The working group is trying to create a proposal that would complement other LRAPs rather than be exclusionary. The initial parameters of the program are detailed in the memorandum included in the materials.

The State Bar has projected it could contribute \$5 million to fund the project. The working group is exploring whether additional funding would be available from the legislature. There is also a statutory LRAP program that is not currently in operation. That program is to be administered by the Student Aid Commission and it allows for escheated funds to be used for a LRAP program. The working group will be reaching out to the Student Aid Commission for further discussion.

**C. Consideration of Alternatives to Recommend for \$5 Opt Out for Provisional Licensure Grants**

Program Supervisor Chris McConkey reported on Assembly Bill 3362, which in the fall of 2022 amended the Business and Professions code for two years to increase the opt out donation by \$5 when attorneys pay their annual license fees. Those funds were earmarked for the Provisionally Licensed Lawyers (PLL) grants. The legislature is considering keeping the \$5 increase in place but no longer earmarking the funds for PLL because PLL will be sunseting in June 2022. There is an opportunity to propose to the legislature a more targeted use of these funds, rather than rolling them into the overall IOLTA formula grants. The Office of Access & Inclusion (OA&I) is convening a group of representatives from the commission, the Access to Justice Commission and other key stakeholders, such as Legal Aid Association of California (LAAC) and California Change Lawyers to determine if there is a unified position to propose a targeted use the funds to the legislature. The funds are approximately \$750,000 annually and there is concern that disbursing it by IOLTA Formula may dilute the impact of the money.

**D. Approval of Recommendations Regarding Timeline and Distribution Plan for \$12 Million Funding Opportunity from California Housing Finance Agency (CalHFA)**

Senior Program Analyst Danielle MacRae reported the California Housing Finance Agency (CalHFA) received \$945 million through the American Rescue Plan Act of 2021 to launch a California Mortgage Relief Program. Legal services are an authorized activity. CalHFA would like to subcontract \$12 million to the State Bar to administer grants to 2022 IOLTA-funded organizations to provide legal assistance related to foreclosure prevention and/or home retention legal services, as detailed in the memorandum included in the meeting materials.

The expected grant parameters are still being finalized, but the grants are anticipated to start July 2022 and run through December 2024. Grantees would be allowed to charge for expenses back to April 1, 2022. The funds would be distributed through a competitive request for proposal (RFP) process. CalHFA is allowing up 8% for administrative fees for a total of \$960,000. Staff anticipates 12 to 15 agencies may apply and is recommending a cap of \$2.5 million per agency.

The commission discussed strategies to meet CalHFA's desire to have the funds distributed as quickly as possible without sacrificing the integrity of how the commission distributes funds. The proposed timeline was reviewed, and a rigorous discussion took place regarding how the commission could best oversee this grant process given the limited timeframe.

The commission passed the following motion (Ball moved, Boschelli seconded):

RESOLVED, that the Legal Services Trust Fund Commission (commission) approves the timeline for the 2022-2024 CalHFA foreclosure prevention legal assistance grants, as outlined in the March 11, 2022, memorandum; and it is

FURTHER RESOLVED, that the commission delegates authority to the Executive Committee to approve the Request for Proposals, including scoring rubric, for the 2022-24 CalHFA foreclosure prevention legal assistance grants and delegates authority to the Executive Committee to consider and approve the award determinations

The vote was as follows:

Yes (11): Reinis, Savage, Akhlaghi, Ball, Boschelli, Connolly, Galkin, Isken, Klein, Mahoney, Meeker

No (0): None

Abstain (2): Blakemore, Lee

Absent (7): Schreiber, Vanarelli, Al-Sarraf, Bayles-Fightmaster, Bennett, Friedman, Kruze

## **VI. NOMINATIONS COMMITTEE**

### **A. Discuss Recruitment of New Commissioners**

Recruitment of new commissions was not discussed.

### **B. Approval of Recommendations Regarding Process for Approving Appointments of New Commissioners**

Approval of Recommendations Regarding Process for Approving Appointments of New Commissioners was not discuss.

## **VII. HOMELESSNESS PREVENTION GRANTS**

### **A. Approval of Request to Revise 2021-2023 Homelessness Formula Grant Budget**

Program Supervisor Christopher McConkey reported that the Homelessness Prevention Funds Committee met on January 28, 2022 and reviewed a budget request from Inland Empire Latino Lawyers Association (IELLA) that was over 25% of its total grant. Requests over 25% require commission approval. IELLA, revised its program model, shifting from a staff-based program to a volunteer-based program, as detailed in the materials provided. As a result, IELLA is requesting to move budget funds from legal staff to support staff. The Homelessness Prevention Committee reviewed the request and recommended approval. The deliverables of the program remain unchanged.

The commission passed the following motion (Ball moved, Boschelli seconded):

RESOLVED, that the Legal Services Trust Fund Commission approves the revised 2021-2023 HP formula grant budget for Inland Empire Latino Lawyers Association as referenced in the March 11, 2022, meeting materials.

The vote was as follows:

Yes (15): Reinis, Savage, Schreiber, Akhlaghi, Ball, Bennett, Blakemore, Boschelli, Connolly, Friedman, Galkin, Isken, Lee, Mahoney, Meeker

No (0): None

Abstain (0): None

Absent (5): Vanarelli, Al-Sarraf, Bayles Fightmaster, Klein, Kruze

**B. Approval of Updates to Homelessness Prevention Grant Reporting**

McConkey, reported that the Homelessness Prevention (HP) Funds Committee discussed refinements to the Homelessness Prevention (HP) grants reporting at the January 28, 2022 meeting. There are currently two HP grants, HP II and HP III. The time period for the two grants overlaps, HP II runs from 2021 to 2023 and HP III runs from December 2021 through December 2024. The sources of funding are different; funding for HP II is provided by the state, while source of the HP III funding is federal. The reporting requirements for these funding sources are different and need to be aligned. The Department of Finance clarified reporting guidance for the HP III in the fall of 2021 after the formula and competitive application process had begun, where the reporting requirements were based upon the existing HP awards.

HP Funds Committee Chair, James Meeker, reported that the Committee discussed updates to HP II and III reporting that are necessary or prudent to comply with federal and other state—e.g. Department of Finance—requirements. The meeting materials detail these recommended changes. And recognizing the potential for future changes in guidance from the relevant federal and state agencies, the Committee also brought two proposals for handling future, time-sensitive updates to HP III reporting.

One proposal was to authorize State Bar staff to make any updates that are “necessary” to comply with state and federal reporting requirements. Proponents of this approach noted that if the Commission would approve the changes anyway—assuming they are truly necessary—then authorizing staff to make them would give the Commission, State Bar, and grantees flexibility to respond to last-minute guidance from the U.S. Treasury and Department of Finance without having to call an *ad hoc* committee or commission meeting. The alternative proposal was to require State Bar staff to consult with the HP Funds Committee Chair before making

changes to HP III reporting. Proponents of this approach noted that having the chair participate in those discussions would reduce the chances and appearance that the commission delegated to staff too much of its oversight of reporting. After discussing the merits of both approaches, including whether limiting staff's authority to update HP III reporting requirements only when "necessary" is sufficiently narrow and clear, the Commission voted on the first proposal.

The commission passed the following motion (Boschelli moved, Akhlaghi seconded):

RESOLVED, that the Legal Services Trust Fund Commission approves the changes to 2021-2023 Homelessness Prevention (HP II) grant reporting and 2021/2022-2024 Homelessness Prevention (HP III) grant reporting as described in staff's March 11, 2022, memo; and it is

FURTHER RESOLVED, the commission delegates to State Bar staff the authority to update HP III reporting topics and deadlines only to the extent necessary to comply with state and federal requirements for Coronavirus State Fiscal Recovery Funds.

The vote was as follows:

Yes (14): Reinis, Savage, Schreiber, Akhlaghi, Ball, Bennett, Blakemore, Boschelli, Connolly, Friedman, Galkin, Isken, Lee, Mahoney

No (1): Meeker

Abstain (0): None

Absent (5): Vanarelli, Al-Sarraf, Bayles Fightmaster, Klein, Kruze

## **VIII. Partnership Grants**

### **A. Approval of Late 2021 Partnership Grant Budget Revision Request**

Lead Program Analyst Christal Bundang reported that San Luis Obispo Legal Assistance Foundation submitted a late budget revision request. The funds have been expended. The Partnership Grants Committee reviewed the request and recommended approval of the late budget revision.

The commission passed the following motion (Co-Chair Reinis moved, Ball seconded):

RESOLVED, that the Legal Services Trust Fund Commission approve the Partnership Grant's recommendation regarding the late 2021 Partnership Grant Budget Revision Request.

The vote was as follows:

Yes (11): Reinis, Akhlaghi, Ball, Bennett, Boschelli, Connolly, Galkin, Isken, Klein, Mahoney Meeker

No (0): None

Abstain (0): None

Absent (9): Savage, Schreiber, Vanarelli, Al-Sarraf, Bayles-Fightmaster, Blakemore, Friedman, Kruze, Lee

**B. Approval of Recommendations for Partnership Grant 2.0 Funding**

Bundang reported that an additional \$3.8 million became available in 2022 after the 2022 Partnership Grants review process was already underway. A second funding opportunity, Partnership Grant 2.0, was developed to distribute the additional funds. Two funding options were available to grantees. Option 1 was for supplement funding for 2022 grantees. These supplemental grants would run from April 2022 through December 2022. Option 2 was for new applications for partnership programs. The new grants would run from April 2022 through December of 2023. The scoring rubric from the 2022 Partnership Grant was used to evaluate the applications. The Partnership Committee created an ad hoc committee to evaluate and score the proposals. The ad hoc committee recommended funding all the applications for supplemental funding, and all but two of the applications for new funding. The requests for funding exceeded the amount of funding available so recommended funding levels were adjusted, as indicated on the tentative funding recommendations spreadsheet included in the meeting materials.

The commission passed the following motion (Isken moved, Meeker seconded):

RESOLVED, that the Legal Services Trust Fund Commission approve the list of Partnership Grant 2.0 allocation recommendations in Attachment B, as recommended by the Partnership Grant Committee.

The vote was as follows:

Yes (13): Reinis, Savage, Akhlaghi, Ball, Bennett, Boschelli, Connolly, Galkin, Isken, Klein, Lee, Mahoney, Meeker

No (0): None

Abstain (0): None

Absent (7): Schreiber, Vanarelli, Al-Sarraf, Bayles-Fightmaster, Blakemore, Friedman, Kruze

**IX. BANK GRANTS**

**A. Approval of Recommendations for Administration of 2023 Bank Grant Funding**

Senior Program Analyst Dan Passamaneck provided an overview of the Bank Grant funds, which is detailed in the memorandum included in the meeting materials. The



current funding cycle will end December 2022. The Bank Grant recommended not distributing any Bank grants in 2023 and reviewing the options for distribution of the remaining funds in 2024. It was agreed that the existing Bank grantees would get notification of this recommendation so they can plan accordingly.

The commission passed the following motion (Ball moved, Savage seconded):  
RESOLVED, that Legal Services Trust Fund Commission will not distribute Bank Grant funding in 2023, but will begin planning in 2022 to distribute all remaining available Bank Grant Funds beginning in 2024.

Yes (13): Reinis, Savage, Akhlaghi, Ball, Bennett, Boschelli, Connolly, Galkin, Isken, Klein, Lee, Mahoney, Meeker

No (0): None

Abstain (0): None

Absent (7): Schreiber, Vanarelli, Al-Sarraf, Bayles-Fightmaster, Blakemore, Friedman, Kruze

## **X. RULES COMMITTEE**

### **A. Approval of Recommendations Addressing Late Submissions of Grant Applications, Budget Materials, and Evaluation Reports**

Senior Program Analyst Danielle MacRae reported the Rules Committee working group's efforts to review and codify issues related to late submissions of grant materials. A brief overview of the current practice and governing authorities was presented. The working committee presented proposed revisions to the State Bar Rules which are included in the meeting materials. The proposed revision was sent to Legal Aid Association of California (LAAC) to solicit feedback from legal service providers. The feedback from the legal services community was provided to the working group. The commission discussed the proposed changes and agreed with the recommendations of the working group.

The commission passed the following motion (Isken moved, Reinis seconded):

RESOLVED, that the Legal Services Trust Fund Commission approves the recommendations of the Rules Committee regarding late submissions of grant materials as set forth in the March 11, 2022, memorandum and request that the State Bar Board of Trustees release this proposed rule for a 45-day public comment period.

Yes (9): Reinis, Savage, Bennett, Connolly, Galkin, Isken, Klein, Mahoney, Meeker

No (1): Boschelli

Abstain (0): None

Absent (10): Schreiber, Vanarelli, Akhlaghi, Al-Sarraf, Ball, Bayles-Fightmaster, Blakemore, Friedman, Kruze, Lee

**B. Approval of Recommendations Regarding Process for Developing Distribution Plan and Grant Review for Discretionary Grants**

This item was not discussed.

**C. Discuss Updates to the Functional Matrix**

Nguyen reviewed the history of the functional matrix which is included in the meeting materials. The functional matrix was passed about 4 years ago and outlines the roles of staff, the commission and the board in the grant making process. The Rules Committee working group is working to update the matrix in light of the passage of SB 211 that confers additional authority to the commission. The Rules Committee is recommending turning the functional matrix into a narrative document so that it can be more helpful as a policy document. Once the narrative is drafted it would be sent out for public comment.

**XI. LIAISON REPORTS**

**A. Judicial Council Report on Program Developments**

Due to audio difficulties, Bonnie Hough, Judicial Council, was unable to provide a report.

**B. Legal Aid Association of California Report on Program Developments**

Salena Copland reported that LAAC staff has been busy in the legislative session advocating on bills that impact legal aid. In addition, LAAC has been working with State Bar and Judicial Council staff on any budget requests that might come from the commission.

**XII. PRESENTATIONS BY GRANTEEES**

**A. Informational Presentation by East Bay Community Law Center**

East Bay Community Law Center staff were unable to attend the commission meeting.

**B. Informational Presentation by Legal Aid Society of San Bernardino**

Pablo Ramirez, Executive Director of Legal Aid Society of San Bernardino (LASSB), provided a summary of the work of LASSB. LASSB serves both San Bernardino and Riverside counties which are comprised of both urban and rural communities. Ramirez highlighted some of LASSB's technology improvements and policy changes that are intended to increase LASSB's ability to provide high quality services to their community. Ramirez thanked the commission for their support and guidance in helping LASSB overcome some of its challenges.

LASSB continues to address challenges to serving its rural community, including lack of broadband internet, distance challenges and access to pro bono volunteers. LASSB has outreach efforts and they are working with community partners to help address these issues.

Ramirez also discussed the role of its board; the board has recently developed a strategic plan. Ramirez also highlighted some features of its case management system, including the ability to communicate with its clients through SMS text and tracking pro bono hours provided.

**XIII. ADJOURN**

There being no other business, the meeting was adjourned at 4:10 p.m.