



# The State Bar of California

---

## Legal Services Trust Fund Commission Meeting

### **Open Session Minutes** **Friday, August 12, 2022** **12:00 p.m.– 4:00 p.m.**

**Time Meeting Commenced:** The Legal Services Trust Fund Commission meeting commenced in open session at 12:01 p.m.

**Time Meeting Adjourned:** 3:55 p.m.

**Chair:** Richard Reinis, Kim Savage

**Committee Coordinator:** Doan Nguyen

**Members Present:** Christian Schreiber, Christina Vanarelli, Banafsheh Akhlaghi, Amin Al-Sarraf, Jeff Ball, Catherine Blakemore, Pamela Bennett, Will Boschelli, Erica Connolly, Corey N. Friedman, Jason B. Galkin, J. Eric Isken, Clifford Klein, Tammy Mahoney, James Meeker

**Members Absent:** Louise Bayles-Fightmaster, Hon. Diana Kruze (Ret.), Joseph Lee

**Advisors:** Judge Lisa R. Jaskol

**Public Members:** Zach Newman (Legal Aid Association of California), Amy Sangha, Shelby Knox

### **OPEN SESSION**

#### **I. ROLL CALL**

Roll call was taken and a quorum was established.

#### **II. CALL FOR PUBLIC COMMENT**

Co-Chair Reinis called for public comment, inquiring as to whether there were person(s) who wished to comment on any agenda item. There were no members of the public who wished to speak on any agenda item.

#### **III. CONSENT**

The following matters are considered to be routine and will be acted upon by a single vote. There will be no separate discussion of these items unless a member of the committee so requests, in which event the matter shall be removed from the Consent Calendar and considered separately.

A. Approve Meeting Summary and Action Items from June 17, 2022 Meeting

**RESOLVED**, that the Legal Services Trust Fund Commission approves the resolution as posted on the agenda.

*Moved by Ball, seconded by Connolly.*

*Ayes – (13) Reinis, Savage, Schreiber, Vanarelli, Al-Sarraf, Ball, Blakemore, Connolly, Friedman, Galkin, Isken, Klein, Mahoney*

*Noes – (0)*

*Abstain – (1) Meeker*

*Absent – (6) Akhlaghi, Bayles-Fightmaster, Bennett, Boschelli, Kruze, Lee*

*Motion carries.*

**IV. RECENT DEVELOPMENTS**

The following matters are considered to be discussion items. Each item will be considered separately.

A. Staff Update on Grant Administration and Legislative Activities

Program Director Doan Nguyen congratulated Erica Connolly's reappointment to the commission, and Catherine Blakemore's reappointment as a senate appointment for another term. Doan also spoke of the diversity report card issued earlier in the week, and OAI's four newly hired staff. Lastly, Brady Dewar will send another questionnaire about potential conflicts on Partnership Grant approval, IOLTA/EAF eligibility, and the pro bono allocation.

B. Staff Update on Loan Repayment Assistance Program

Doan Nguyen reported that the Governor did not approve funding of the \$55 million statewide loan repayment assistance program. There is a minor possibility that it may be resurrected in a small form and an update will be provided at the next commission meeting.

C. Staff Update on IOLTA Revenue

Senior Financial Analyst Michael Cheng discussed changes in the federal funds rate, and anticipates that it will continue to increase before 2022 is over. Staff projected increased revenue of over \$6 million or around 7.5 percent. Michael discussed Wells Fargo's final decision to not switch from leadership to comparable, and how this one bank would have created a loss of over \$8 million in 2022-2023 revenue. Discussion led to how important the leadership bank program is to IOLTA revenue.

## V. BUSINESS

The following matters are considered to be discussion items. Each item will be considered separately.

### A. Approve Appointment of Members to the Legal Services Trust Fund Commission for the 2022-2023 Term

Committee Co-Vice Chair Christian Schreiber and Co-Chair Kim Savage interviewed applicants and recommend three candidates be adopted by the Commission as new Commissioners. The candidates are Angie King, a retired public interest lawyer, Dr. Vanetta Campbell, a non-attorney professor at CSU-LB's School of Social Work, and Xavier Vargas, VP of Strategic Initiatives & Communications at Alliance. The commission then passed the following resolution:

**RESOLVED**, that the Legal Services Trust Fund Commission, upon recommendation of the Appointment Liaisons, approves the appointment of Angie King, Vanetta Campbell, Xavier Vargas for single terms running from September 1, 2022 through August 31, 2026.

*Moved by Vanarelli, seconded by Schreiber.*

*Ayes – (14) Reinis, Savage, Schreiber, Vanarelli, Al-Sarraf, Ball, Bennett, Blakemore, Connolly, Friedman, Galkin, Isken, Mahoney, Meeker*

*Noes – (0)*

*Abstain – (0)*

*Absent – (6) Akhlaghi, Bayles-Fightmaster, Boschelli, Klein, Kruze, Lee*

*Motion carries.*

### B. Approve Recommendations for 2023 Partnership Grant Funding

Partnership Grants Committee Chair Eric Isken reported that the Partnership Grants Committee is recommending a total allocation of \$2.79 million for the 2023 Partnership Grants. All projects, except for Riverside Legal Aid are recommended for funding. The Commission then passed the following resolution:

**RESOLVED**, that the Legal Services Trust Fund Commission approves the list of 2023 Partnership Grants allocation recommendations, as recommended by the Partnership Grants Committee.

*Moved by Blakemore, seconded by Ball.*

*Ayes – (13) Reinis, Savage, Schreiber, Vanarelli, Ball, Bennett, Blakemore, Connolly, Friedman, Galkin, Klein, Mahoney, Meeker*

Noes – (0)

Abstain – (2) Al-Sarraf, Isken

Absent – (5) Akhlaghi, Bayles-Fightmaster, Boschelli, Kruze, Lee

*Motion carries.*

C. Approve Recommendation of Eligible and Ineligible Applicants for IOLTA and EAF Funding for Grant Year 2023

Lead Program Analyst Erica Carroll reported that there were 102 grant applications: 81 legal services projects and 21 support centers. Staff completed a review of the applications and forwarded a few to the committee to determine eligibility. The commission passed the following resolution:

**RESOLVED**, that the Legal Services Trust Fund Commission finds 101 applicants as eligible for 2023 IOLTA/EAF funding as reflected in Attachment A to the August 12, 2022, meeting memorandum.

And it is **FURTHER RESOLVED**, that the LSTFC finds Santa Barbara County Immigrant Legal Defense Center as ineligible for 2023 IOLTA/EAF funding due to submission of an incomplete application.

*Moved by Connolly, seconded by Isken.*

Ayes – (9) Reinis, Savage, Vanarelli, Bennett,  
Connolly, Friedman, Galkin, Klein, Mahoney,

Noes – (0)

Abstain – (5) Schreiber, Al-Sarraf, Blakemore, Isken, Meeker

Absent – (6) Akhlaghi, Ball, Bayles-Fightmaster, Boschelli, Kruze, Lee

*Motion carries.*

D. Approve Recommendation Regarding IOLTA/EAF Applicants' Eligibility for Pro Bono Allocation in Grant Year 2023

Lead Program Analyst Erica Carroll discussed qualified legal services projects eligibility for pro bono allocation: demonstrate principal means of service is through pro bono, substantial numbers threshold, and Test A, B, or C. There were 18 pro bono applicants: 7 under Test A/B, and 11 under Test C. The commission then passed the following resolution:

**RESOLVED**, the Commission finds the following 2023 IOLTA/EAF applicants eligible for the pro bono allocation in 2023 in the counties in which they applied:

1. Alliance for Children's Rights
2. Bet Tzedek Legal Services
3. Capital Pro Bono Inc.
4. Casa Cornelia Law Center
5. Community Legal Services in East Palo Alto
6. Disability Rights Legal Center
7. Harriett Buhai Center for Family Law
8. Inland Empire Latino Lawyers Association, Inc.
9. Justice & Diversity Center of the Bar Association of San Francisco
10. LACBA Counsel for Justice
11. Lawyers' Committee for Civil Rights
12. Legal Access Alameda
13. Legal Aid Society of San Bernardino
14. Public Counsel
15. Public Law Center
16. Riverside Legal Aid
17. San Diego Volunteer Lawyer Program
18. Veterans Legal Institute

*Moved by Mahoney, seconded by Savage.*

*Ayes – (13) Reinis, Savage, Schreiber, Vanarelli, Al-Sarraf, Bennett, Blakemore, Boschelli, Connolly, Friedman, Galkin, Klein, Mahoney,*

*Noes – (0)*

*Abstain – (2) Isken, Meeker*

*Absent – (5) Akhlaghi, Ball, Bayles-Fightmaster, Kruze, Lee*

*Motion carries.*

And is **FURTHER RESOLVED**, the Commission finds Legal Aid Society of San Bernardino ineligible for the pro bono allocation in Riverside County in 2023 for failure to meet the substantial numbers threshold.

*Moved by Meeker, seconded by Connolly.*

*Ayes – (15) Reinis, Savage, Schreiber, Vanarelli, Al-Sarraf, Bennett, Blakemore, Boschelli, Connolly, Friedman, Galkin, Isken, Klein, Mahoney, Meeker*

*Noes – (0)*

*Abstain – (0)*

*Absent – (5) Akhlaghi, Ball, Bayles-Fightmaster, Kruze, Lee*

*Motion carries.*

E. Approve the Timeline and Delegation of Authority for the New Consumer Debt Legal Assistance Grants

Senior Program Analyst Danielle MacRae discussed the signed Budget Act of 2022 that allocates \$15 million in EAF for qualified legal services projects and support centers that provide civil legal services for indigent persons related to consumer debt matters due to the Covid-19 pandemic. Allocation will be through competitive RFP process, including a scoring Rubric. The commission then passed the following resolution:

**RESOLVED**, that the Legal Services Trust Fund Commission approves the timeline for 2023-2025 consumer debt grants as presented in the Executive Committee's August 12, 2022, memo; and it is

**FURTHER RESOLVED**, that the Commission delegate authority to the Executive Committee (committee) to approve the request for proposals, including scoring rubric, for the consumer debt grants and to a commissioner-staff team to score applications in consultation with the committee to provide funding recommendations for final approval by the commission.

*Moved by Connolly, seconded by Savage.*

*Ayes – (15) Reinis, Savage, Schreiber, Vanarelli, Al-Sarraf, Bennett, Blakemore, Boschelli, Connolly, Friedman, Galkin, Isken, Klein, Mahoney, Meeker*

*Noes – (0)*

*Abstain – (0)*

*Absent – (5) Akhlaghi, Ball, Bayles-Fightmaster, Kruze, Lee*

*Motion carries.*

F. Approve Recommendations from Rules Committee Related to the Definition of Civil Legal Services, the Definition of Indigency, the Primary Purpose Requirement, and Processing Complaints Regarding Legal Aid Grantees

Program Supervisor Christopher McConkey led the agenda for Definition of Civil Legal Service and discussed the background, Committee process, and guidance in defining “civil” and “legal services”. The commission then passed the following resolution:

**RESOLVED**, that the Legal Services Trust Fund Commission approves the definitions of “civil” and “legal services” amending State Bar Rule 3.672 as set forth in the Commission Rules Committee’s August 12, 2022, memo, including Attachment A.

*Moved by Blakemore, seconded by Reinis.*

*Ayes – (13) Reinis, Savage, Schreiber, Vanarelli, Al-Sarraf, Bennett, Blakemore, Connolly, Friedman, Isken, Klein, Mahoney, Meeker*

*Noes – (0)*

*Abstain – (2) Boschelli, Galkin*

*Absent – (5) Akhlaghi, Ball, Bayles-Fightmaster, Kruze, Lee*

*Motion carries.*

Lead Program Analyst Erica Carroll led the discussion on the Definition of Indigency and Demonstrating Indigency. The project was to create a State Bar Rule that could clarify or expand the definition. The commission then passed the following resolution:

**RESOLVED**, that the Legal Services Trust Fund Commission approves the proposed language recommended by the Rules Committee to define and demonstrate and indigency as reflected in Attachment B to the August 12, 2022, memorandum on this topic.

*Moved by Galkin, seconded by Reinis.*

*Ayes – (14) Reinis, Savage, Schreiber, Vanarelli, Al-Sarraf, Bennett, Blakemore, Boschelli, Connolly, Galkin, Isken, Klein, Mahoney, Meeker*

*Noes – (0)*

*Abstain – (0)*

*Absent – (6) Akhlaghi, Ball, Bayles-Fightmaster, Friedman, Kruze, Lee*

*Motion carries.*

Lead Program Analyst Cristal Bundang discussed the grant administration process and the three codification issues: whether to codify current practice, whether the 75 percent of qualified expenditures presumption satisfies primary purpose under State Bar 3.671, and whether to retain discretion to find QLSP's eligible by "any other means" under State Bar Rule 3.671(C). The commission then passed the following resolution:

**RESOLVED**, that the Legal Services Trust Fund Commission approves the proposed amendments to Rule 3.671(A) and the Eligibility Guidelines 2.3.5 as recommended by the Rules Committee regarding the primary purpose requirement for Qualified Legal Services Projects, as set forth in Attachment A.

*Moved by Blakemore, seconded by Schreiber.*

*Ayes – (13) Reinis, Savage, Schreiber, Vanarelli, Al-Sarraf, Blakemore, Boschelli, Connolly, Galkin, Isken, Klein, Mahoney, Meeker*

*Noes – (0)*

*Abstain – (1) Bennett*

*Absent – (6) Akhlaghi, Ball, Bayles-Fightmaster, Friedman, Kruze, Lee*

*Motion carries.*

Lead Program Analyst Erica Carroll discussed processing complaints regarding legal aid grantees. Erica discussed the current practice and issues with the current rule: infrequent application, requires formal written complaint, attempts to reach informal resolution, and

timelines in rule are vague; and went over the Rules Committee recommendations. The commission then passed the following resolution:

**RESOLVED**, that the Legal Services Trust Fund Commission approves the Rules Committee's recommendation regarding processing complaints from the public against State-Bar-funded grant recipients as set forth in Attachment B to the August 12, 2022, memorandum.

*Moved by Boschelli, seconded by Savage.*

*Ayes – (16) Reinis, Savage, Schreiber, Vanarelli, Akhlaghi, Al-Sarraf, Ball, Bennett, Blakemore, Boschelli, Connolly, Galkin, Isken, Klein, Mahoney, Meeker*

*Noes – (0)*

*Abstain – (0)*

*Absent – (4) Bayles-Fightmaster, Friedman, Kruze, Lee*

*Motion carries.*

G. Approve the Timeline and Delegation of Authority for the Homelessness Prevention (HP) 4 Grants

Program Supervisor Chris McConkey compared the authorizing statutes for HP 3 and HP 4 Grants, where HP 4 grants would go through the HP Funds Committee. Chris described the permissible uses, timelines, and roles for making HP 4 awards. The commission then passed the following resolution:

**RESOLVED**, that the Legal Services Trust Fund Commission approves the timeline and roles for 2023-2024 Homelessness Prevention (HP 4) grants as presented in the Homelessness Prevention Funds Committee's August 12, 2022, memo; and it is

**FURTHER RESOLVED**, that the Commission delegates authority to the Committee to approve the request for proposals, including scoring rubric, for the HP 4 grants and to a commissioner(s)-staff team to score applications in consultation with the Committee to make recommendations for final approval by the Commission.

*Moved by Blakemore, seconded by Isken.*

*Ayes – (14) Reinis, Savage, Schreiber, Akhlaghi, Ball, Bennett, Blakemore, Boschelli, Connolly, Galkin, Isken, Klein, Mahoney, Meeker*

*Noes – (0)*

*Abstain – (0)*

*Absent – (6) Vanarelli, Al-Sarraf, Bayles-Fightmaster, Friedman, Kruze, Lee*

*Motion carries.*



H. Approve a Request from Community Legal Aid SoCal to Revise HP 2 Formula Grant Deliverables

Program Supervisor Chris McConkey discussed the formula grant clerical error the organization found in year two of three in their deliverables. The case manager is 0.24 FTE grand funded. The error stated that the case manager can handle 120 clients per year, but realistically can serve 50 clients. The commission then passed the following resolution:

**RESOLVED**, that the Legal Services Trust Fund Commission approves the revision to Community Legal Aid SoCal's 2021-2023 Homelessness Prevention (HP 2) formula grant deliverables as presented in their May 23, 2022, letter to the Homelessness Prevention Funds Committee.

*Moved by Blakemore, seconded by Boschelli.*

*Ayes – (13) Reinis, Savage, Schreiber, Akhlaghi, Al-Sarraf, Ball, Bennett, Blakemore, Boschelli, Connolly, Galkin, Mahoney, Meeker*

*Noes – (0)*

*Abstain – (2) Isken, Klein*

*Absent – (5) Vanarelli, Bayles-Fightmaster, Friedman, Kruze, Lee*

*Motion carries.*

**VI. LIASON REPORTS**

A. Judicial Council Report on Program Developments

Bonnie Hough from the Judicial Council provided an update on the first annual report for the \$40 million Covid-19 housing funding received last year and on the new requirement for a report for the Department of Finance that will provide more evaluation information.

B. Legal Aid Association of California Report on Program Development

Zach Newman from Legal Aid Association of California discussed how The Bar strategy on the rules revision was very effective, and thanked State Bar staff for working closely with them on the analysis.

**VII. ADJOURN**

**CLOSED SESSION**

**NONE**