



# The State Bar of California

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## **OPEN SESSION**

### **AGENDA ITEM 4.1**

**AUGUST 2023**

### **LEGAL SERVICES TRUST FUND COMMISSION**

**DATE:** August 10, 2023

**TO:** Members, Legal Services Trust Fund Commission (LSTFC)

**FROM:** Members, LSTFC Eligibility and Budget Review Committee

**SUBJECT:** Approve Recommendation of Eligible and Ineligible Applicants for IOLTA and EAF Funding for Grant Year 2024

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### **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 110 applications for IOLTA and EAF funding for grant year 2024. There were 100 renewal applications and 10 applications for first-time funding. Eighty-nine applicants are seeking funding as QLSPs and 21 as SCs. The Eligibility and Budget Review Committee (Committee) recommends that the Legal Services Trust Fund Commission (LSTFC) find 110 applicants eligible for IOLTA and EAF for grant year 2024.<sup>1</sup>

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### **BACKGROUND**

IOLTA and EAF grants are awarded to approximately 100 QLSPs and SCs each year. QLSPs provide free civil legal services in California to indigent persons, and SCs provide legal training,

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<sup>1</sup> The Committee is meeting the same day as the LSTFC to make these recommendations. Recommendations in this memorandum reflect either staff or working group recommendations to the Committee on the assumption that those recommendations might be adopted. However, should any of the recommendations change, an oral update will be provided to the LSTFC at the August 10 meeting.

technical assistance, and advocacy support to the organizations that directly serve indigent persons. Organizations may apply for IOLTA and EAF funding as both a QLSP and SC but will only receive funding for one or the other. 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 annual State Budget Act as part of the Judicial Branch's 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.

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 2024 APPLICATION PROCESS AND NEXT STEPS**

OA&I received 110 applications for IOLTA and EAF funding for grant year 2024, including 100 renewal applications and 10 applications for first-time funding. Eighty-nine applicants seek funding as QLSPs and 21 as SCs. (See Attachment A for a list of IOLTA and EAF funding applicants for grant year 2024 with recommendations regarding funding eligibility for each.)

The purpose of the IOLTA and EAF application review is to determine if applicants 1) meet primary purpose; 2) have 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 LSTFC for a final determination. At its June, July, and August meetings, the Committee reviewed and discussed issues raised by staff and made eligibility recommendations.

Once the LSTFC approves eligibility for 2024 grants, OA&I will run the IOLTA formula and release to applicants their tentative award allocations for 2024, as well as budget proposal forms. The information is scheduled to be released on August 23 with the budget proposals due September 22. The Committee is then scheduled to reconvene on November 3 to discuss any substantive issues related to budget proposals. The LSTFC will meet on November 9 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).

### **Eligibility Review Conferences**

When concerns arise that an applicant fails to meet threshold requirements or is experiencing other challenges in meeting its grant obligations, staff works with the Committee to schedule an eligibility review conference with the applicant to discuss its qualifications. This year, one eligibility review conference was held with Coalition of California Welfare Rights Organizations (CCWRO), an existing grantee and support center.

A working group of committee members participated in the review conference and reported back to the Committee. The working group ultimately recommended the organization as eligible in 2024. However, assuming the Committee agrees with that recommendation, the Committee recommends continued eligibility contingent upon several actions by CCWRO. These include requiring CCWRO to participate in a follow-up monitoring visit and requiring complete, timely, and accurate submission of reports, grant materials, and successful implementation of an existing corrective action plan in order to remain eligible for future funding.

### **Support Center Eligibility**

The IOLTA statute 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. This year, Family Violence Appellate Project, Impact Fund, and Legal Services for Prisoners with Children received the majority votes required to be deemed.

During monitoring visits with two support centers this year, Legal Services for Prisoners with Children and Youth Law Center, staff determined that some of the organizations' work was likely nonqualifying but needed more information before providing definitive guidance. Both organizations currently meet the presumption of primary purpose threshold for their qualified expenditures. Additional deductions will not impact the organizations' grant awards as all support centers receive the same amount, but they could impact primary purpose. Given the timing of these visits, staff has not had the opportunity to obtain all the necessary follow-up information prior to making eligibility determinations. Staff recommended to the Committee

that these two organizations be found eligible for 2024 funding as long as they continue to work with staff to determine the extent of their nonqualifying work for future applications.

### **Pro Bono Allocation**

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, which is addressed in more detail in the memorandum to agenda item 4.2.

### **Committee Participation in Application Review**

In addition to the total number of applicants recommended as eligible for funding to the Committee and then the LSTFC, staff also reports out and recommends action to the Committee throughout the application process on issues such as primary purpose and late audits. After review, staff recommended all 110 applicants as eligible for funding in 2024.

### **FISCAL/PERSONNEL IMPACT**

None

### **RECOMMENDATIONS**

Should the LSTFC concur with the Eligibility and Budget Review Committee's recommendations, passage of the following is recommended:

**RESOLVED**, that the **Legal Services Trust Fund Commission** approves 110 applicants as eligible for 2024 IOLTA/EAF funding as reflected in Attachment A to the August 10, 2023, meeting memorandum; and it is

**FURTHER RESOLVED**, that the **Legal Services Trust Fund Commission** finds Legal Services for Prisoners with Children and Youth Law Center eligible contingent upon their continued work with staff to resolve questions regarding possible nonqualifying activities prior to next year's application; and it is

**FURTHER RESOLVED**, that the **Legal Services Trust Fund Commission** finds Coalition of California Welfare Rights Organizations eligible for 2024 IOLTA and EAF funding, contingent upon its compliance with the conditions imposed by the Eligibility and Budget Review Committee, as reflected in the memorandum to that Committee dated August 10, 2023; and it is

**FURTHER RESOLVED**, that the **Legal Services Trust Fund Commission** provides a formal warning to Coalition of California Welfare Rights Organizations that if it fails to comply with its Corrective Action Plan, the LSTFC may pursue any of the remedies available to it under the General Grant Provisions.

## **ATTACHMENT(S) LIST**

- A. 2024 IOLTA/EAF Applicant Eligibility Recommendations**

## 2024 IOLTA/EAF Applicant Eligibility Recommendations

#	Organization	Funding Opportunity		New?	Pro Bono Applicant	Recommendation for 2024 IOLTA/EAF Grants
		LSP = Legal Services Project	SC = Support Center			
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	Al Otro Lado, Inc.	IOLTA/EAF LSP		New		Eligible
5	Alameda County Homeless Action Center	IOLTA/EAF LSP				Eligible
6	Alliance for Children's Rights	IOLTA/EAF LSP			Yes	Eligible
7	Asian Americans Advancing Justice Southern California	IOLTA/EAF LSP				Eligible
8	Asian Pacific Islander Legal Outreach	IOLTA/EAF LSP				Eligible
9	Bay Area Legal Aid	IOLTA/EAF LSP				Eligible
10	Bet Tzedek Legal Services	IOLTA/EAF LSP			Yes	Eligible
11	California Advocates for Nursing Home Reform	IOLTA/EAF SC				Eligible
12	California Collaborative for Immigrant Justice	IOLTA/EAF LSP		New		Eligible
13	California Indian Legal Services	IOLTA/EAF LSP				Eligible
14	California Rural Legal Assistance Foundation	IOLTA/EAF SC				Eligible
15	California Rural Legal Assistance, Inc.	IOLTA/EAF LSP				Eligible
16	California Women's Law Center	IOLTA/EAF SC				Eligible
17	Capital Pro Bono Inc.	IOLTA/EAF LSP			Yes	Eligible
18	Casa Cornelia Law Center	IOLTA/EAF LSP			Yes	Eligible
19	Center for Gender and Refugee Studies - California	IOLTA/EAF SC				Eligible
20	Center for Human Rights and Constitutional Law	IOLTA/EAF SC				Eligible
21	Center for Immigrant Protection dba The LGBT Asylum Project	IOLTA/EAF LSP		New		Eligible
22	Center for Workers' Rights	IOLTA/EAF LSP		New		Eligible
23	Central California Legal Services	IOLTA/EAF LSP				Eligible
24	Centro Legal de la Raza	IOLTA/EAF LSP				Eligible
25	Child Care Law Center	IOLTA/EAF SC				Eligible
26	Coalition of California Welfare Rights Organizations	IOLTA/EAF SC				Eligible
27	Community Lawyers Inc.	IOLTA/EAF LSP				Eligible
28	Community Legal Aid SoCal	IOLTA/EAF LSP				Eligible

29	Community Legal Services in East Palo Alto	IOLTA/EAF LSP	Yes	Eligible
30	Contra Costa Senior Legal Services	IOLTA/EAF LSP		Eligible
31	Dependency Advocacy Center	IOLTA/EAF LSP		Eligible
32	Disability Rights California	IOLTA/EAF LSP		Eligible
33	Disability Rights Education and Defense Fund	IOLTA/EAF SC		Eligible
34	Disability Rights Legal Center	IOLTA/EAF LSP	Yes	Eligible
35	East Bay Community Law Center	IOLTA/EAF LSP		Eligible
36	Elder Law & Advocacy	IOLTA/EAF LSP		Eligible
37	Elder Law and Disability Rights Center	IOLTA/EAF LSP	New	Eligible
38	Eviction Defense Collaborative	IOLTA/EAF LSP		Eligible
39	Family Violence Appellate Project	IOLTA/EAF SC		Eligible
40	Family Violence Law Center	IOLTA/EAF LSP		Eligible
41	Greater Bakersfield Legal Assistance	IOLTA/EAF LSP		Eligible
42	Harriett Buhai Center for Family Law	IOLTA/EAF LSP	Yes	Eligible
43	Housing and Economic Rights Advocates	IOLTA/EAF LSP		Eligible
44	Immigrant Defenders Law Center	IOLTA/EAF LSP	New	Eligible
45	Immigrant Legal Defense	IOLTA/EAF LSP	New	Eligible
46	Immigrant Legal Resource Center	IOLTA/EAF SC		Eligible
47	Impact Fund	IOLTA/EAF SC		Eligible
48	Inland Counties Legal Services	IOLTA/EAF LSP		Eligible
49	Inland Empire Latino Lawyers Association, Inc.	IOLTA/EAF LSP	Yes	Eligible
50	Inner City Law Center	IOLTA/EAF LSP		Eligible
51	Justice & Diversity Center of the Bar Association of San Francisco	IOLTA/EAF LSP	Yes	Eligible
52	Justice in Aging	IOLTA/EAF SC		Eligible
53	La Raza Centro Legal	IOLTA/EAF LSP		Eligible
54	LACBA Counsel for Justice	IOLTA/EAF LSP	Yes	Eligible
55	Law Foundation of Silicon Valley	IOLTA/EAF LSP	Yes, but not recommended for allocation	Eligible
56	Lawyers' Committee for Civil Rights	IOLTA/EAF LSP	Yes	Eligible
57	Learning Rights Law Center	IOLTA/EAF LSP		Eligible
58	Legal Access Alameda	IOLTA/EAF LSP	Yes	Eligible
59	Legal Aid at Work	IOLTA/EAF LSP		Eligible
60	Legal Aid Foundation of Los Angeles	IOLTA/EAF LSP		Eligible
61	Legal Aid Foundation of Santa Barbara County	IOLTA/EAF LSP		Eligible
62	Legal Aid of Marin	IOLTA/EAF LSP		Eligible
63	Legal Aid of Sonoma County	IOLTA/EAF LSP		Eligible

			Yes, but not recommended for allocation in Riverside County	
64	Legal Aid Society of San Bernardino	IOLTA/EOF LSP		Eligible
65	Legal Aid Society of San Diego	IOLTA/EOF LSP		Eligible
66	Legal Aid Society of San Mateo County	IOLTA/EOF LSP		Eligible
67	Legal Assistance for Seniors	IOLTA/EOF LSP		Eligible
68	Legal Assistance to the Elderly	IOLTA/EOF LSP		Eligible
69	Legal Services for Children	IOLTA/EOF LSP		Eligible
70	Legal Services for Prisoners with Children	IOLTA/EOF SC		Eligible
71	Legal Services for Seniors	IOLTA/EOF LSP		Eligible
72	Legal Services of Northern California	IOLTA/EOF LSP		Eligible
73	Los Angeles Center for Law and Justice	IOLTA/EOF LSP		Eligible
74	Loyola Marymount University	IOLTA/EOF LSP		Eligible
75	McGeorge Community Legal Services	IOLTA/EOF LSP		Eligible
76	Mental Health Advocacy Services	IOLTA/EOF LSP		Eligible
77	National Center for Youth Law	IOLTA/EOF SC		Eligible
78	National Health Law Program	IOLTA/EOF SC		Eligible
79	National Housing Law Project	IOLTA/EOF SC		Eligible
80	Neighborhood Legal Services	IOLTA/EOF LSP		Eligible
81	OneJustice	IOLTA/EOF SC		Eligible
82	Open Door Legal	IOLTA/EOF LSP		Eligible
83	Prison Law Office	IOLTA/EOF LSP		Eligible
84	Public Advocates Inc.	IOLTA/EOF LSP		Eligible
85	Public Counsel	IOLTA/EOF LSP	Yes	Eligible
86	Public Interest Law Project	IOLTA/EOF SC		Eligible
87	Public Law Center	IOLTA/EOF LSP	Yes	Eligible
88	Q.Me Place, Inc.	IOLTA/EOF LSP	New	Eligible
89	Riverside Legal Aid	IOLTA/EOF LSP	Yes	Eligible
90	San Diego Volunteer Lawyer Program	IOLTA/EOF LSP	Yes	Eligible
91	San Joaquin College of Law	IOLTA/EOF LSP		Eligible
92	San Luis Obispo Legal Assistance Foundation	IOLTA/EOF LSP		Eligible
93	Santa Barbara County Immigrant Legal Defense Center	IOLTA/EOF LSP	New	Eligible
94	Santa Clara County Asian Law Alliance	IOLTA/EOF LSP		Eligible
95	Santa Clara University Alexander Law Center	IOLTA/EOF LSP		Eligible
96	Senior Adults Legal Assistance	IOLTA/EOF LSP		Eligible
97	Senior Advocacy Network	IOLTA/EOF LSP		Eligible
98	Senior Citizens Legal Services	IOLTA/EOF LSP		Eligible
99	Social Justice Collaborative	IOLTA/EOF LSP		Eligible



100	Southern California Immigration Project	IOLTA/EAF LSP	New	Eligible
101	UC Davis School of Law Legal Clinics	IOLTA/EAF LSP		Eligible
102	UnCommon Law	IOLTA/EAF LSP		Eligible
103	USD School of Law Legal Clinics	IOLTA/EAF LSP		Eligible
104	Veterans Legal Institute	IOLTA/EAF LSP	Yes	Eligible
105	Wage Justice Center	IOLTA/EAF LSP		Eligible
106	Watsonville Law Center	IOLTA/EAF LSP		Eligible
107	Western Center on Law and Poverty	IOLTA/EAF SC		Eligible
108	Worksafe, Inc.	IOLTA/EAF SC		Eligible
109	Youth Law Center	IOLTA/EAF SC		Eligible
110	Yuba-Sutter Legal Center for Seniors	IOLTA/EAF LSP		Eligible