



The State Bar of California

Legal Services Trust Fund Commission Eligibility and Budget Review Committee Teleconference

Open Session Minutes
Thursday, August 10, 2023
9:00 a.m.–11:00 a.m.

Time Meeting Commenced: Eligibility and Budget Review Committee meeting commenced in open session at 9:03 a.m.

Time Meeting Adjourned: 10:59 a.m.

Chair: Catherine Blakemore

Committee Coordinator: Erica Carroll

Members Present: Catherine Blakemore, Louise Bayles-Fightmaster, Angie King, James Meeker

Members Absent: Banafsheh Akhlaghi, Hon. Clifford Klein, Xavier Vargas

Advisors Present: None

Advisors Absent: Judge Brad Seligman

Liaisons Present: Zach Newman, Salena Copeland (LAAC), Melanie Snider (Judicial Council), Laura Brown (Judicial Council)

Staff Present: Rocío Ávalos, Erica Carroll, Danielle MacRae, Jennifer Zelnick

OPEN SESSION

1. Call to Order

The committee was called to order by Chair Blakemore.

2. Roll Call

Roll call was taken and a quorum was established.

Call for Public Comment

Chair Blakemore called for public comment, inquiring as to whether there were person(s) who wished to comment on any agenda item. No public comments were made.

3. Approval of Minutes

3.1 Open Session Minutes: July 14, 2023

RESOLVED, that the Eligibility and Budget Review Committee approves the minutes as posted on the agenda.

Moved by King, seconded by Bayles-Fightmaster.

Ayes – (4) Bayles-Fightmaster, Blakemore, King, Meeker

Noes – (0)

Abstain – (0)

Absent – (0)

Motion carries.

4. Updates

4.1 Update on IOLTA/EAF Grants Administration

Presenter: Rocío Ávalos, Program Director, Office of Access & Inclusion

Ávalos reported three grantees needed adjustments to their IOLTA and EAF 2023 allocations based on incorrectly reported qualified expenditures. Adjustments will be made during fourth quarter grant disbursements and amendments will be made to grant contracts.

5. Business

5.1 Review Support Center Deeming Results

Presenter: Erica Carroll, Lead Program Analyst, OA&I

Carroll reported on the support center deeming process, which requires support centers not in existence prior to December 31, 1980, to be deemed to be of special need by a majority of the qualified legal services projects. Three support centers were deemed for 2024 eligibility: Family Violence Appellate Project, Impact Fund, and Legal Services for Prisoners with Children. All three support centers received a majority vote.

5.2 Approve New Applicant 2022 Impact Litigation and Advocacy Work (ILAW) Activities

Presenter: Erica Carroll, Lead Program Analyst, OA&I

Carroll reported on ILAW activities of new IOLTA/EAF applicants who did not participate in ILAW activities review earlier in the calendar year. Grantees must demonstrate that the activity will impact or benefit a majority indigent population or has a disproportionate impact on indigent persons. Ten new applicants submitted IOLTA/EAF applications; seven reported ILAW activities. The applicants reported 45 activities: 4

were voluntarily marked nonqualifying, 38 were clearly qualifying, and staff recommend the remaining three be found qualifying.

The following motion was then proposed:

RESOLVED, that the Eligibility and Budget Review Committee approves all 2022 ILAW activities reported by new applicants as qualifying activities, except for those already acknowledged and deducted as nonqualifying in the application.

Moved by King, seconded by Bayles-Fightmaster.

Ayes – (4) Bayles-Fightmaster, Blakemore, King, Meeker

Noes – (0)

Abstain – (0) Blakemore as it relates to Al Otro Lado, Inc. and Immigrant Defenders Law Center

Absent – (0)

Motion carries.

5.3 Action on Eligibility Review Conferences

Presenter: Erica Carroll, Lead Program Analyst, OA&I
Jennifer Zelnick, Senior Program Analyst, OA&I

Coalition of California Welfare Rights Organizations' (CCWRO) Executive Director Kevin Aslanian made public comment to share appreciation of State Bar staff time and effort and commission support.

Carroll briefed the committee on the purpose of Eligibility Review Conferences (ERC) as an in-depth review of an organization's activities, typically during the application review process, in response to eligibility concerns or questions. Zelnick reported on an ERC held with CCWRO. Staff raised concerns about CCWRO's internal and quality control procedures, particularly related to:

- irregularities with CCWRO's 2021-2023 homelessness prevention (HP 2) formula and 2021-2024 homelessness prevention (HP 3) formula grants;
- internal accounting inaccuracies; and
- missed deadlines and inaccurate or incomplete reports and materials.

After the Eligibility Review Conference, the working group recommends that if CCWRO be found eligible for 2024 funding, LSTFC require the following:

- require participation in a follow up fiscal and program monitoring visit in 2024;
- require submission of complete, accurate, and timely reports for all Trust Fund Program grants;
- require submission of complete, accurate, and timely documentation of successful implementation of its HP3 Corrective Action Plan;

- require submission of a complete, timely, and satisfactory response to the findings in 2023 Monitoring Visit report;
- require submission of a complete and accurate 2024 IOLTA and EAF application, including an audit, but May 1, 2024, deadline;
- recommend staff informs CCWRO's Board of Directors about the ERC and keeps the Board of Directors more informed generally;
- recommend recruiting Board member(s) with a financial background; and
- recommend hiring a part-time or full-time accountant or bookkeeper.

Since the ERC, CCWRO has failed to adhere to an HP3 desk audit corrective plan to submit deliverables by July 31, 2023. CCWRO's Executive Director responded to questions related to steps the organization has taken to comply with the staff recommendations and requirements.

The following motion was then proposed:

RESOLVED, that the Legal Services Trust Fund Commission (LSTFC) Eligibility and Budget Review Committee (Committee) recommends that the LSTFC find Coalition of California Welfare Rights Organizations eligible for 2024 IOLTA and EAF funding, contingent upon its compliance with the above conditions, as described in the working group's memo data August 10, 2023.

FURTHER RESOLVED, that the Committee recommends that the LSTFC provide a formal warning to Coalition of California Welfare Rights Organizations that if it fails to comply with the conditions imposed, the LSTFC may pursue any of the remedies available to it under the General Grant Provisions.

Moved by Meeker, seconded by Fightmaster.

Ayes – (4) Bayles-Fightmaster, Blakemore, King, Meeker

Noes – (0)

Abstain – (0)

Absent – (0)

Motion carries.

5.4 Action on Plan Regarding Youth Law Center Possible Nonqualifying Activities

Presenter: Erica Carroll, Lead Program Analyst, OA&I

Carroll reported on possible nonqualifying work conducted by two support centers, Youth Law Center and Legal Services for Prisoners with Children. State Bar staff are still working with the two grantees to identify and deduct all nonqualifying work. Given the timing, staff recommend the organizations be found eligible for 2024 IOLTA/EAF funding contingent on continued collaboration between grantees and staff. Because both

organizations are support centers, their IOLTA/EAF grant amounts are not impacted by their qualified expenditures. Staff also believe deducting the nonqualifying activities will not impact the organizations' primary purpose analysis.

5.5 Action on Outstanding Eligibility Issues

This item was discussed in tandem with agenda item 5.4.

5.6 Recommend Applicants as Eligible or Ineligible for 2024 IOLTA/EAF Funding

Presenter: Erica Carroll, Lead Program Analyst, OA&I

Carroll reported that 110 organizations applied for 2024 IOLTA/EAF grant funding, 10 of which are new. Eighty-nine organizations are legal services projects and 21 are support centers. New applicants found eligible will have monitoring visits in the first year. Staff recommend all applicants be found eligible, with contingencies previously discussed for CCWRO, Youth Law Center, and Legal Services for Prisoners with Children.

Salena Copeland from LAAC requested a list of previous grantees that did not reapply for funding. It is staff's understanding that no current grantees declined to reapply for funding in 2024. One organization was found eligible for 2023 and declined its award; that organization did not apply for 2024 funding.

The following motion was then proposed:

RESOLVED, that the Eligibility and Budget Review Committee recommends to the Legal Services Trust Fund Commission 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 Eligibility and Budget Review Committee recommends California Coalition of Welfare Rights Organizations, Legal Services for Prisoners with Children, and Youth Law Center, as eligible contingent upon their continued work with staff to resolve issues raised during this year's application and eligibility review process prior to next year's application.

Moved by Meeker, seconded by King.

Ayes – (4) Bayles-Fightmaster, Blakemore, King, Meeker

Noes – (0)

Abstain – (0) Bayles-Fightmaster as it relates to Law Foundation of Silicon Valley and Legal Aid of Sonoma County; Blakemore as it relates to Disability Rights California, Al Otro Lado, Inc., California Collaborative for Immigrant Justice, and Elder Law and Disability Rights Center; King as it relates to San Luis Obispo Legal Assistance Foundation; Meeker as it relates to Public Law Center

Absent – (0)

Motion carries.

5.7 Recommend Approval of 2024 Budgeting Guidelines

Presenter: Erica Carroll, Lead Program Analyst, OA&I

Carroll reported on recommended 2024 budgeting guidelines given the large 2024 IOLTA distribution amounts. Staff recommend grantees have up to four years to spend down 2024 IOLTA funds and adjust quarterly expenditures reports to a semiannual basis.

Committee members discussed the differences between a multi-year budget and spend-down period versus unencumbered funds moved forward year-to-year, and the impacts of a four-year IOLTA budget on the carryover, rollover, and budget modification processes. Committee members also asked about the oversight mechanisms for staff and the commission to address programs that do not spend down funds in a timely manner. State Bar staff plan to continue finalizing the reporting structure and mechanisms by which grantees share information on spending projections and the commission's ability to review and respond to changes in spending projections. Staff intend to bring these details to the committee at its November meeting.

The following motion was then proposed:

RESOLVED, due to the significant increase in 2024 IOLTA funds for distribution, the Eligibility and Budget Review Committee recommends that the Legal Services Trust Fund Commission approve a flexible four-year spending period for 2024 IOLTA funds, as well as a change to IOLTA expenditure reporting from a quarterly basis to a semiannual basis.

Moved by King, seconded by Bayles-Fightmaster.

Ayes – (4) Bayles-Fightmaster, Blakemore, King, Meeker

Noes – (0)

Abstain – (0)

Absent – (0)

Motion carries.

6. Adjourn

The meeting adjourned at 10:59 a.m.