



The State Bar of California

Legal Services Trust Fund Commission Teleconference

Open Session Minutes
Thursday, November 9, 2023
12:00 p.m.–4:00 p.m.

Time Meeting Commenced: The Legal Services Trust Fund Commission (LSTFC) meeting commenced in open session at 12:00 p.m.

Time Meeting Adjourned: 4:02 p.m.

Chair: Erica Connolly

Committee Coordinator: Doan Nguyen

Members Present: Jacqueline Alikhaani, Louise Bayles-Fightmaster, Catherine Blakemore, Venetta Campbell, Efrain Escobedo, Jason Galkin (arrived after 1:30), Eloina Gonzalez, Eric Isken, Angie King, Hon. Clifford Klein, Hon. Diana Kruz, Joseph Lee, Tammy Mahoney, Jonathan Sandville

Members Absent: Amin Al-Sarraf, Jeffrey Ball, Patience Milrod, Maria Morales, Xavier Vargas

Advisors Present: None

Advisors Absent: Justice Victor Rodriguez, Judge Brad Seligman, Hon. Bryant Yang

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

Staff Present: Rocío Ávalos, Erica Carroll, Michael Cheng, Shannon Crossley, Brady Dewar, Elizabeth Hom, Christopher McConkey, Lauren McGary, Doan Nguyen, Angela O'Hara, Kimberly Warmesley, Jennifer Zelnick

OPEN SESSION

1. Call to Order

The LSTFC was called to order by Chair Connolly.

2. Roll Call

Roll call was taken and a quorum was established.

Chair Connolly welcomed new commissioners Jacqueline Alikhaani, Eloina Gonzalez, and Jonathan Sandville and provided an opportunity for them to introduce themselves. Chair

Connolly thanked Louise Bayles-Fightmaster for her time on the Commission as she is retiring, and this will be her last meeting.

Brady Dewar, Attorney, Office of General Counsel, provided commissioners with a brief overview of potential changes to the conflicts of interest process for commissioners.

Call for Public Comment

Chair Connolly called for public comments. No public comments were made at this point. However, public comments were made during agenda item 4.5 by Kevin Aslanian, Executive Director of the Coalition of California Welfare Organizations (CCWRO), Andrew Chen, Staff Attorney at CCWRO, and Susan, Accountant at CCWRO (see below).

3. Consent

- 3.1 Open Session Minutes: October 13, 2023**
- 3.2 Approve Recommendations Regarding State Bar Grant Expenditure Deductions**
- 3.3 Approve Recommendations Regarding Pro Bono Allocation**
- 3.4 Approve Recommendations Regarding Carryovers and Budget Modifications**
- 3.5 Approve Recommendations Regarding Unspent and Relinquished Grant Funds**
- 3.6 Approve Greater Bakersfield Legal Assistance's 2022 IOLTA Budget Revision**

RESOLVED, that the Legal Services Trust Fund Commission approves the consent calendar as posted on the agenda.

Moved by Kruz seconded by Bayles-Fightmaster.

Ayes – (14) Alikhaani, Bayles-Fightmaster, Blakemore, Campbell, Connolly, Escobedo, Gonzalez, Isken, King, Klein, Kruz, Lee, Mahoney, Sandville

Noes – (0)

Abstain – (0)

Absent – (6) Al-Sarraf, Ball, Galkin, Milrod, Morales, Vargas

Motion carries.

4. Grants Administration

- 4.1 Approve Recommendations for 2024 IOLTA and EAF Budget Submissions (Eligibility and Budget Review Committee)**

Presenters: Erica Carroll, Lead Program Analyst, Office of Access & Inclusion (OA&I)
Catherine Blakemore, Member, LSTFC

Carroll reported on the 2024 IOLTA and EAF Budget submissions, explained the changes for 2024 (multiyear spending period for IOLTA, LRAP guidelines and expenditures, and

change to the definition of “civil legal services”), and shared some highlights of the 110 grantees.

The following resolution was then presented:

RESOLVED, that the Legal Services Trust Fund Commission approves all 2024 IOLTA/EAF budgets from organizations listed in the November 9, 2023, meeting materials.

Moved by King, seconded by Bayles-Fightmaster.

Ayes – (15) Alikhaani, Bayles-Fightmaster, Blakemore, Campbell, Connolly, Escobedo, Galkin, Gonzalez, Isken, King, Klein, Kruz, Lee, Mahoney, Sandville

Noes – (0)

Abstain – (0)

Recuse – (6) Recusal as to individual organizations: Blakemore as to Disability Rights California, El Otro Lado, and Immigrant Legal Defenders; Gonzalez as to grant applications from Alameda County; Isken as to Bet Tzedek; King as to San Luis Obispo Legal Assistance Foundation; Lee as to Disability Rights Legal Center; Connolly as to Legal Aid at Work and Impact Fund.

Absent – (5) Al-Sarraf, Ball, Milrod, Morales, Vargas

Motion carries.

4.2 Approve Recommended Approach to Carryover Period for Grants with Multiyear Spenddown (Eligibility and Budget Review Committee)

Presenters: Erica Carroll, Lead Program Analyst, OA&I
Catherine Blakemore, Member, LSTFC

Carroll explained the proposed approach for carryover requests for grants with multiyear spenddown. Carroll provided background information on historical practice.

The following resolution was then presented:

RESOLVED, that the Legal Services Trust Fund Commission (LSTFC) finds that the extended spending period afforded to grantees for 2024 IOLTA awards represents a preapproved carryover, with no further carryover permitted beyond the four-year spending period for 2024 IOLTA awards, and it is

FURTHER RESOLVED, that this same policy will apply to subsequent approved multiyear spending periods for IOLTA and/or EAF grants unless and until the LSTFC decides otherwise.

Moved by Blakemore, seconded by Kruz.

Ayes – (15) Alikhaani, Bayles-Fightmaster, Blakemore, Campbell, Connolly, Escobedo, Galkin, Gonzalez, Isken, King, Klein, Kruz, Lee, Mahoney, Sandville

Noes – (0)

Abstain – (0)

Recuse – (6) Recusal as to individual organizations: Blakemore as to Disability Rights California, El Otro Lado, and Immigrant Legal Defenders; Gonzalez as to grant applications from Alameda County; Isken as to Bet Tzedek; King as to San Luis Obispo Legal Assistance Foundation; Lee as to Disability Rights Legal Center; Connolly as to Legal Aid at Work and Impact Fund.

Absent – (5) Al-Sarraf, Ball, Milrod, Morales, Vargas

Motion carries.

4.3 Approve Recommendations for 2024–2025 Bank Grant Funding (Bank Grants Committee)

Presenters: Jennifer Zelnick, Senior Program Analyst, OA&I
Tammy Mahoney, Member, LSTFC

Zelnick reported on the 2024-2025 Bank Grant Funding submissions, explained the review process, and shared some highlights of the 29 applications. Zelnick reported that the Bank Grant Committee recommended funding ten of the 29 applicants to receive the total award amount of \$4,520,570.

The following resolution was then presented:

RESOLVED, that the Legal Services Trust Fund Commission approves the 2024–2025 bank grant recipients and amounts as described in staff’s memo dated November 9, 2023.

Moved by Mahoney, seconded by Bayles-Fightmaster.

Ayes – (15) Alikhaani, Bayles-Fightmaster, Blakemore, Campbell, Connolly, Escobedo, Galkin, Gonzalez, Isken, King, Klein, Kruz, Lee, Mahoney, Sandville

Noes – (0)

Abstain – (0)

Recuse – (6) Recusal as to individual organizations: Blakemore as to Disability Rights California, El Otro Lado, and Immigrant Legal Defenders; Gonzalez as to grant applications from Alameda County; Isken as to Bet Tzedek; King as to San Luis Obispo Legal Assistance Foundation; Lee as to Disability Rights Legal Center; Connolly as to Legal Aid at Work and Impact Fund.

Absent – (5) Al-Sarraf, Ball, Milrod, Morales, Vargas

Motion carries.

4.4 Approve Recommendations for 2024 Legal Aid Leaders Fellowship RFP and Delegation of Authority to Executive Committee to Approve Awards Recommendations (Legal Aid Leaders Fellowship Grants Committee)

Presenters: Lauren McGary, Senior Program Analyst, OA&I
Venetta Campbell, Member, LSTFC

McGary reported on the 2024 Legal Aid Leaders Fellowship (LALF) program and provided background on the governing authorities and an explanation of the benefits. McGary shared some learnings from the 2023 LALF grant cycle (which supported 81 law students from 35 organizations) and changes that were made to the 2024 LALF program as a result. McGary shared the proposed timeline for the 2024 LALF grant cycle and explained the need to delegate authority for the LSTFC Executive Committee to approve grant awards.

The following resolution were then presented:

RESOLVED, that the Legal Services Trust Fund Commission approves the Request for Proposals for the 2024 Legal Aid Leaders Fellowship Grants, and it is

FURTHER RESOLVED, that the Legal Services Trust Fund Commission delegates authority to its Executive Committee to approve the Legal Aid Leaders Fellowship Grants Committee's award recommendations for the 2024 Legal Aid Leaders Fellowship Grants.

Moved by Escobedo, seconded by Galkin.

Ayes – (15) Alikhaani, Bayles-Fightmaster, Blakemore, Campbell, Connolly, Escobedo, Galkin, Gonzalez, Isken, King, Klein, Kruz, Lee, Mahoney, Sandville

Noes – (0)

Abstain – (0)

Absent – (5) Al-Sarraf, Ball, Milrod, Morales, Vargas

Motion carries.

4.5 Action on Coalition of California Welfare Rights Organizations' (CCWRO) 2021–2024 Homelessness Prevention (HP 3) Formula Grant (Homelessness Prevention Funds Committee)

Presenters: Jennifer Zelnick, Senior Program Analyst, OA&I
Efrain Escobedo, Member, LSTFC

The following members of the public provided comments: Andrew Chen, Staff Attorney at CCWRO; Kevin Aslanian, Executive Director at CCWRO; and Susan, Accountant at CCWRO.

Zelnick reported on compliance issues with CCWRO's HP 2 and HP 3 grants. The continued revisions, inconsistencies, and discrepancies between CCWRO's spend down plans and accounting reports raise concerns about CCWRO's internal controls. Throughout 2023, the HP Funds Committee and State Bar staff actively monitored issues with CCWRO and provided extensive technical assistance. The HP Funds Committee gave CCWRO a final deadline of October 31, 2023, to correct any inconsistencies and reconcile its spend down plans with its expenditure reports and general ledger. Because CCWRO failed to meet this deadline and failed to comply with applicable federal requirements, the HP Funds Committee proposed that the LSTFC require CCWRO to return any disallowed costs from its HP 3 formula grant award, as defined in staff's presentation on November 9, 2023.

Commissioners asked clarifying questions to better understand the extent of CCWRO's issues, the timeline and nature of attempts at resolution, and the amount of possible disallowed costs. The commissioners had outstanding questions and decided to postpone action until the December 13, 2023, LSTFC meeting. The additional time will allow staff to look at information CCWRO submitted late, determine the scope of allowable costs, and explore enforcement of federal grants. Commissioners encouraged a meeting between commission members, State Bar staff, and CCWRO's board to engage them about the issues.

No action was taken.

5. Regulatory Proposals

5.1 Report on Public Comment Response to Proposed State Bar Rules Changes Related to Grants Administration

Presenter: Doan Nguyen, Program Director, OA&I

Nguyen reported that only two public comments were received, and they required no action. The proposed rules changes were advancing to the Board of Trustees for approval.

6. Reports

6.1 Report from Directors of the Office of Access & Inclusion

This item was not addressed.

6.2 Update on Single Audit

Presenters: Rocío Ávalos, Program Director, OA&I
Michael Cheng, Program Supervisor, OA&I
David Bullock, MGO Auditing Firm

Ávalos explained the process the State Bar undertook to conduct its first Single Audit. Ávalos reported that the audit yielded no programmatic findings but that two findings related to Information Technology internal controls were reported. David Bullock provided more detail and shared the State Bar's Single Audit report and corrective action plan for the IT related matters.

6.3 Strategic Plan

Presenters: Doan Nguyen, Program Director, OA&I
Cassandra Walker Pye, Lucas Public Affairs

Nguyen explained the purpose and background for the decision to conduct a strategic planning effort with the LSTFC. Cassandra Walker Pye provided more details about the strategic planning process and expected outcomes and answered questions from commissioners.

6.4 Review of Committee Assignments

This item was not addressed.

6.5 Review of Administrative Calendar

Presenter: Doan Nguyen, Program Director, OA&I

Nguyen shared the proposed LSTFC meeting dates for 2024 and urged commissioners to accept the calendar invites that would be coming out soon. Nguyen noted that the February 2, 2024, meeting was planned to take place in person at the State Bar's Los Angeles office and encouraged all commissioners to make plans to attend.

6.6 Report on IOLTA Revenue

Program Director Nguyen reported briefly that IOLTA revenue was doing well and surpassing prior projections.

6.7 2016-2022 Bank Grant Evaluation Report

This item was not addressed.

6.8 Report on 2021-2022 Provisionally Licensed Lawyers Grants

This item was not addressed.

6.9 Judicial Council Report on Program Developments

Presenter: Melanie Snyder, Judicial Council
Laura Brown, Judicial Council

Snyder reported they had received the State Bar's annual report and would provide to the Judicial Council at its January 2024 meeting and to the Department of Finance by its January 1 deadline. Snyder reported that the contracts for IOLTA, Partnership Grants, and HP 3 were being finalized with plans to be fully executed by end of November. Snyder noted that they attended the State Bar's Convening in October and enjoyed the opportunity to learn about emerging trends and to interact with grantees. Snyder reported they have submitted recommendations to fill the LSTFC vacancy left by Louise Bayles-Fightmaster's retirement and hope to have a new commissioner in place by January 1, 2024. Snyder reported that the Judicial Council has updated term lengths for commissioners from three years to four to align with the amendment made to Business & Professions Code 6210.5(3).

6.10 Legal Aid Association of California Report on Program Developments

Presenter: Salena Copeland, Legal Aid Association of California

Copeland shared that interest in Loan Repayment Assistance Programs was continuing and reported that the California Student Aid Commission will begin giving LRAP funds to approximately 40 attorneys next year. Copeland reported on LAAC's efforts to coordinate legal aid training to support recruitment and fill skills gaps experienced by new legal aid attorneys.

7. Adjourn