



# The State Bar of California

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## Legal Services Trust Fund Commission (LSTFC) Executive Committee Teleconference

Open Session Minutes  
Tuesday, March 5, 2024  
1:00 p.m.–3:00 p.m.

**Time Meeting Commenced:** The LSTFC Executive Committee meeting commenced in open session at 1:05 p.m.

**Time Meeting Adjourned:** 2:35 p.m.

**Chair:** Erica Connolly

**Committee Coordinator:** Doan Nguyen

**Members Present:** Amin Al-Sarraf, Erica Connolly

**Members Absent:** None

**Liaisons Present:** Laura Brown (LAAC), Lorin Kline (LAAC) Melanie Snider (Judicial Council of California)

**Liaisons Absent:** None

**Staff Present:** Shannon Crossley, Elizabeth Hom, Danielle MacRae, Chris McConkey, Doan Nguyen, Jennifer Zelnick

### OPEN SESSION

#### 1. Call to Order

The LSTFC Executive Committee was called to order by Chair Connolly.

#### 2. Roll Call

Roll call was taken and a quorum was established. Chair Connolly called for public comment, inquiring as to there were person(s) who wished to comment on any agenda item. The following comment was provided to the committee:

##### 1. Lorin Kline:

Lorin Kline commented that the Legal Aid Association of California (LAAC) supports the proposed changes to Business & Professions Code section 6033.

#### 3. Approval of Minutes

##### 3.1 Approval of Open Session Minutes from July 18, 2023, and December 7, 2023.

**RESOLVED**, that the Legal Services Trust Fund Commission Executive Committee approves the Open Session Minutes from the July 18, 2023, and December 7, 2023, meetings, as posted on the agenda.

*Moved by Al-Sarraf, seconded by Connolly.*

*Ayes – (2) Al-Sarraf, Connolly*

*Noes – (0)*

*Abstain – (0)*

*Absent – (0)*

*Motion carries.*

#### **4. Discussion and Action Items**

##### **4.1 Update on Legal Services Trust Fund Commission Strategic Planning Process**

Presenter: Doan Nguyen, Program Director

Updates to the strategic planning process following the February 2, 2024, LSTFC meeting were provided. The working group plans to conduct in-depth interviews with 15 groups of stakeholders, and a short survey to the legal aid community. The working group will develop a five-year workplan, mission statement, and major initiatives for the LSTFC to review. Program Director Nguyen will provide a more detailed update at the March 29, 2024, LSTFC meeting, and build in time for brainstorming and discussion about the strategic plan.

##### **4.2 Approve Recommended Changes to Business & Professions Code section 6033**

Presenter: Elizabeth Hom, Program Director

Staff recommendations regarding changes to Business and Professions Code section 6033 were presented.

Business & Professions Code section 6033 authorizes the State Bar to collect donations from attorneys toward the Justice Gap Fund. The total combined revenue from the Justice Gap Fund is typically \$6–8 million annually. By statute, these funds are combined with IOLTA for distribution to grantees by formula. However, since the IOLTA distribution is at an all-time high, the State Bar and LAAC are advocating for a statutory change to allow for more flexible use of this revenue to address emergent issues. The LSTFC may also distribute these funds pursuant to the IOLTA formula as necessary if IOLTA revenue were to decline.

The committee asked for clarification about the distribution timeline and whether these funds can go into the reserve. Rule 3.683 dictates a maximum IOLTA reserve balance of \$25 million. Therefore, the LSTFC cannot divert this revenue to the reserve and must distribute the funds. LAAC will advocate for this change with the Legislature, and, if successful, the change would be reflected in the summer fee bill for this budget cycle.

**RESOLVED**, that the Executive Committee of the Legal Services Trust Fund Commission supports proposed changes to Business & Professions Code section 6033 that would allow the Legal Services Trust Fund Commission to allocate revenue from the Justice Gap Fund to fund project responding to significant issues impacting the provision of legal services to indigent Californians.

*Moved by Connolly, seconded by Al-Sarraf.*

*Ayes – (2) Al-Sarraf, Connolly*

*Noes – (0)*

*Abstain – (0)*

*Absent – (0)*

*Motion carries.*

#### **4.3 Recommend Delegation of Authority to Reallocate California Housing Finance Agency Foreclosure Prevention Grant Funds**

Presenter: Chris McConkey, Program Supervisor

An update regarding the California Housing Finance Agency Foreclosure Prevention (CalHFA) grant was presented. Public Counsel voluntarily reduced its CalHFA award by \$216,594 approximately seven months after the grant started. Staff recommended at the time that the committee and LSTFC wait to reallocate the funds from Public Counsel in case other grantees needed to voluntarily reduce their awards. Since December 31, 2023, was the midpoint for the CalHFA grant period, in January 2024, staff surveyed the CalHFA grantees about whether they could either absorb more funding or if they anticipated having any CalHFA funds left when the grant period ends. At least three grantees indicated they might seek more funds if available, and no grantees reported anticipating having unspent funds after the grant ends.

Staff recommends reallocating the funds, and recommends the committee seek delegated authority from the LSTFC to reallocate CalHFA grant funds. Seeking delegated authority from the LSTFC will streamline the process, ensuring participating grantees have more time to spend down the additional funds.

**RESOLVED**, that the Legal Services Trust Fund Commission (LSTFC) Executive Committee (Committee) recommends to the LSTFC that it delegate to the Committee authority to reallocate any California Housing Finance Agency Foreclosure Prevention Grant funds that are currently available and that might become available later.

Moved by Al-Sarraf, seconded by Connolly.

*Ayes – (2) Al-Sarraf, Connolly*

*Noes – (0)*

*Abstain – (0)*

*Absent – (0)*

*Motion carries.*

#### **4.4 Review Agenda for Legal Services Trust Fund Commission’s March 29 meeting**

Presenters: Doan Nguyen, Program Director  
Jennifer Zelnick, Senior Program Analyst

The committee reviewed the planned agenda for the March 29, 2024, LSTFC meeting. Noncontroversial budget revision and carryover requests were placed on the Consent Calendar. Budget revision and carryover requests elevated by the other committees were placed under Grants Administration for further review and discussion by the LSTFC.

The committee was also informed that LAAC is advocating for additional Homelessness Prevention (HP) grant funding with the Legislature. Staff presented the HP Impact Fact Sheet, which was created for this advocacy effort. The HP fact sheet will also be presented to the LSTFC at the March meeting.

In addition, the CARE Court Grants Committee will be requesting the LSTFC to delegate authority to approve the 2024–2025 CARE Court Grants Request for Proposals and to recommend awards. This committee will also report on the successful CARE Court Convening held in February with Cohort One and Los Angeles County.

**ADJOURN**