



# The State Bar of California

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## **OPEN SESSION**

### **AGENDA ITEM 3.5**

**JUNE 2024**

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

**DATE:** June 21, 2024

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

**FROM:** Members, LSTFC Homelessness Prevention Funds Committee

**SUBJECT:** Approve 2021–2023 Homelessness Prevention (HP 2 Formula), 2022–2024 Homelessness Prevention (HP 3 RFP), and 2023–2024 Homelessness Prevention (HP 4) Budget and Deliverable Revision Requests

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### **EXECUTIVE SUMMARY**

Organizations that receive HP 2 Formula, HP 3 RFP, and HP 4 grant funding may seek to modify their approved grant budget and/or project deliverables. During the grant period, organizations may submit such requests on a rolling basis. State Bar staff (staff) may then approve budget revision requests between 10 and 25 percent of the award. Budget revisions equal to or exceeding 25 percent of the award and changes to deliverables require LSTFC review and approval. The Homelessness Prevention Funds Committee (committee) typically reviews the latter requests to recommend action by the LSTFC. This memo describes the committee's recommendations about one HP 2 Formula and one HP 4 budget revision request, as well as one HP 3 deliverable revision request for the LSTFC's June 21, 2024, meeting.

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### **BACKGROUND**

Legal Services Trust Fund Program General Grant Provision 7.01 states that recipients shall not materially deviate from their approved budget without prior written approval. Grantees seeking to modify their budgets must do so in writing. Budget modification requests must fully delineate the reasons for the revision and any effects on the recipient. According to the LSTFC's Functional Matrix, changes that are 10 percent or less than the total award are permissible deviations. Staff may approve requests that are between 10 and 25 percent of the total award, and those equal to or greater than 25 percent require LSTFC approval.

Grantees seeking to modify their deliverables must also do so in writing. When grantees propose to substantively change and/or reduce their deliverables, staff present those requests to the committee for review. The committee then recommends action by the LSTFC.

## **DISCUSSION**

Staff received one HP 2 Formula, two 2021–2024 Homelessness Prevention (HP 3 Formula), one HP 3 RFP, and seven HP 4 budget revision requests. Staff reviewed each request and calculated the percent of the total award that the request represents to determine if it requires LSTFC approval. For six budget revisions equal to or greater than ten percent of the total award, staff assessed the justification and budget narratives to determine whether the proposed use of funds is reasonable (e.g., would continue to fund qualifying work, would conform to the recommended personnel and program ratios, would not put an unexplained amount into capital additions, etc.). Staff approved three of the requests between 10 and 25 percent.<sup>1</sup> Two budget revision requests and one deliverable modification request require LSTFC approval.

### **Youth Law Center's (YLC's) request**

YLC requested an 18.2 percent budget modification to its HP 2 Formula grant. Although staff could normally approve a request of this size, YLC submitted it after the final deadline following the grant period. YLC forgot to request a budget revision by the HP 2 deadline because it had expended the funds earlier in 2023. The LSTFC, therefore, must decide whether to accept this request. YLC's request includes decreasing spending on attorneys and increasing spending on paralegals and other staff. Overall, YLC proposes to increase its spending on personnel. To do so, it requests reducing its spending on space, office supplies, program travel, and administrative costs. The committee recommends approving YLC's late HP 2 Formula budget revision request because the committee found the rationale and proposed changes to be reasonable under the parameters for HP 2 funds. Additionally, although YLC submitted its revision request late, YLC proactively contacted staff upon realizing it needed to submit a late revision request.

### **San Luis Obispo Legal Assistance Foundation's (SLOLAF's) request**

SLOLAF submitted an HP 3 RFP deliverable revision request with its budget revision request. While staff approved SLOLAF's budget revision request at 15.3 percent of its award, the LSTFC would have to approve its deliverable revision. Since this grant was awarded under a competitive bid process based upon the proposed services and deliverables and other organizations did not receive funding based upon their proposed services and deliverables, staff deferred to the committee to determine if this request should be recommended for approval to the LSTFC.

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<sup>1</sup> Coalition of California Welfare Rights Organizations' (CCWRO's) request for a 22.9 percent revision of its HP 3 Formula grant requires further revision, as was discussed in Agenda Item 5.1 at the committee meeting on May 20, 2024.

SLOLAF was approved for an HP 3 RFP grant in the amount of \$575,000 to help clients access public benefits. Due to staffing shortages, significant time required for each case, and less uptake for the public benefits project than anticipated, SLOLAF requests to expand the scope of its project to include cases in its general housing program, which was previously funded under the HP 2 grant which ended in 2023. SLOLAF proposes spending \$124,000 of its HP 3 RFP grant funds on this expansion of services. SLOLAF requested to close 400—rather than 460—cases, or a 13 percent reduction in cases closed. See Attachment B for additional details about SLOLAF’s request. The committee recommends approving SLOLAF’s deliverables expansion request but does not recommend approving SLOLAF’s request to decrease its cases closed.

#### **Community Legal Services in East Palo Alto’s (CLSEPA’s) request**

CLSEPA submitted an HP 4 budget revision request for 25.2 percent of its award. It proposed increasing spending on attorneys and other staff and decreasing spending on paralegals. CLSEPA also proposed decreasing spending on space, office supplies, telecommunications, and other line items. The committee recommends approving CLSEPA’s HP 4 budget revision request because the committee found the rationale and proposed changes to be reasonable under the parameters for HP 4 funds.

### **RECOMMENDATIONS**

Should the LSTFC concur with the committee’s proposal, passage of the following resolution is recommended:

**RESOLVED**, that the Legal Services Trust Fund Commission (LSTFC) approves Youth Law Center’s late 2021–2023 Homelessness Prevention Formula Grant budget revision request as described in the committee’s memo and Attachment A, dated June 21, 2024; and it is

**FURTHER RESOLVED**, that the LSTFC approves Community Legal Services in East Palo Alto’s 2023–2024 Homelessness Prevention Grant budget revision request as described in the committee’s memo and Attachment A, dated June 21, 2024; and it is

**FURTHER RESOLVED**, that the LSTFC approves San Luis Obispo Legal Assistance Foundation’s 2022–2024 Homelessness Prevention Competitive Grant deliverables expansion request as described in the committee’s memo and Attachment B, dated June 21, 2024. The LSTFC does not approve SLOLAF’s request to decrease its cases closed.

### **ATTACHMENTS LIST**

- A. Homelessness Prevention Grant Budget Revision Requests for the May 20, 2024, Committee Meeting
- B. SLOLAF’s HP 3 RFP Grant Deliverable Revision Request

## Homelessness Prevention Grant Budget Revision Requests for the May 20, 2024, Committee Meeting

Table 1. HP 2 Formula Budget Revision Request

Organization	Project name	Grant award	Revision amount	Revision percent	Recommendation
Youth Law Center	Preventing Eviction and Ensuring Housing Stability for Young Adults Exiting the Foster Care and Juvenile Justice Systems	\$172,545	\$32,578	18.2%	Approve

Table 2. HP 4 Budget Revision Request

Organization	Project name	Grant award	Revision amount	Revision percent	Recommendation
Community Legal Services in East Palo Alto	HP 4 – 2023 Community Legal Services in East Palo Alto	\$210,905	\$53,047	25.2%	Approve

April 16, 2024

To: Jennifer Zelnick, State Bar of CA

From: Donna Jones, SLOLAF Executive Director

Re: HP# RFP Deliverables

Jennifer,

You are aware from our previous conversations and my memos from July 2023 and February 2024 requesting a budget revision for our HP3 grant that San Luis Obispo Legal Assistance Foundation (SLOLAF) has struggled to spend down our allotted funds. As you have recently pointed out, our deliverables have fallen short as well and are in need of revision. I've done some research to try to pinpoint the reasons for the difference in stated deliverables and actual, as follows:

1. I can see in reviewing our grant application that we aimed to serve 60 clients in 2022 and 200 clients each year in 2023 and 2024. In reviewing the genesis of these numbers, I believe the grant writer was assuming that each case would take about 10 hours. Since the grant was budgeted for one full-time attorney, the logic was that 2080 hours divided by 10 hours per case was approximately 200 cases per year for the full years of the grant. With the program not starting for us until July 2022, and knowing it would take a while to ramp up, we estimated 60% of half a year to make 60 cases for 2022. The logic in this formula is flawed, however, as it did not take into account holidays, sick time and vacation, which for SLOLAF amount to approximately 272 hours a year. With only 1808 hours left in a year, and assuming the attorney is working 8 hours a day on this grant (which is ambitious), the numbers should have been more like 52 cases for 2022 and 174 cases for 2023 and 2024.
2. Our grant reporting, which is based on cases closed, does not accurately reflect the numbers we put into our grant application (clients we would serve). We reported that we closed 26 cases in 2022 and 75 in 2023, significantly below our deliverables. If we look at cases opened, however (using cases opened to avoid duplication of cases served over two years), we opened 41 cases in 2022 and 87 in 2023. Based on cases opened so far in 2024, we should open approximately 50-60 cases in 2024. These numbers are still below our deliverables but are closer than using the metric of cases closed. The cases we are working on, which

are government benefit appeals, generally take much longer than other types of cases, sometimes stretching out over month or even years.

3. SLOLAF was terribly understaffed for many months, spanning November 2022 – September 2023. We lost two attorneys November 2022-April 2023, and were down to just 2.5 attorneys for our Civil Law Services team in April 2023. We added attorneys in June, July and September and are finally fully staffed again. However, with our many other programs to serve, we were triaging cases and were unable to serve nearly as many cases as we wanted to in all areas.
4. This program simply has not gained as much traction as we had hoped when writing our application. Despite our efforts on the outreach front, if the calls don't come in, we can't help the clients. We believe most potential clients don't really think of legal services as being able to help with their government benefits – they think they can only work with the agency disbursing the benefits. Once they inquire and find out that we can indeed help, they are thrilled and our results have been positive, but getting clients in the door has been a challenge.

In looking forward, assuming State Bar approves our request to expand the scope of this project and allow us to use \$124,000 toward cases in our General Housing program, we believe we can get closer to the deliverables originally stated. We do need to be on the same page, however, about the reporting asking for cases closed instead of cases opened/worked on.

We can decrease our deliverables for 2022 to 45 cases. The 41 cases we opened would put us over the 90% mark. For 2023, we could decrease our deliverables to 100 cases. The 87 cases we opened would put us at 87%. For 2024, assuming we expand our scope, we could decrease the deliverables for the government benefits portion of the grant to 60 cases. I expect that we would open approximately 115 General Housing cases with this funding (April-December), bringing our total cases opened for 2024 to 175. This would be right as expected for 2024 given the reduced hours logic in #1.

In addition, it should be noted that SLOLAF has markedly stepped up our outreach efforts in this area, including bringing this information to our various senior center presentations that we do for our Senior Legal Services program in an effort to get in front of as many potential clients as possible. Program cards are being delivered to all who go to food bank distribution sites as well, in addition to our regular outreach to low-income neighborhoods.

Regarding our deliverables in the outreach area, I know the press releases were not done, so we'd like to adjust that deliverable. We can absolutely do one or two throughout the remainder of this year. For outreach events and educational sessions, I suspect we did not report accurately. I'm happy to revisit that to correct our reporting and/or adjust our deliverables. Do know that this program is discussed at most of our outreach opportunities, though, even if the outreach opportunity is not focused on this particular area of our services. We always share everything we do as you never know who in the audience might need something they didn't know was available.