



# The State Bar of California

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## **OPEN SESSION**

### **AGENDA ITEM 4.2**

**JULY 2024**

### **LEGAL SERVICES TRUST FUND COMMISSION, PARTNERSHIP GRANTS COMMITTEE**

**DATE:** July 17, 2024

**TO:** Members, Legal Services Trust Fund Commission, Partnership Grants  
Committee

**FROM:** Heidi Slater, Acting Program Manager, Office of Access & Inclusion

**SUBJECT:** Action on Unreported 2022 2.0 and 2023 Partnership Grant Budget  
Deviations Identified During Grant Closeout

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### **EXECUTIVE SUMMARY**

The Partnership Grant agreements in section 11 require grantees to notify the State Bar of any material change in the proposed budget. During the 2022 2.0 and 2023 Partnership grant closeout process, State Bar staff (staff) identified 6 grants that deviated from their approved budget by more than allowable without requesting a budget modification. This memo describes staff's recommendation to the Partnership Grants Committee (committee) to approve the budget deviations and to send warning letters to grantees whose deviations exceeded 25 percent.

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### **RECOMMENDED ACTION**

Staff recommend that the committee approves recommending to the Legal Services Trust Fund Commission (LSTFC) that it approves the six budget deviations. Staff also recommend submitting warning letters to one grantee whose budget deviation was greater than 25 percent.

### **DISCUSSION**

The 2022 2.0 and 2023 Partnership grant periods ended on December 31, 2023. To facilitate grant closeout, staff informed 2022 2.0 and 2023 Partnership grantees to submit budget revision requests by January 31, 2024. Grantees completed a final 2022 2.0 and 2023 Partnership grant annual evaluation, which included a grant closeout report, on March 7, 2024.

The grant closeout report asked grantees to report total grant expenditures by budget line-item and identify unspent funds to be remitted to the State Bar. Staff also used this report to compare grantees' line-item spending to their approved budget to identify any unapproved budget deviations.

According to the LSTFC's Functional Matrix, budget modifications that are 10 percent or less than the total award are permissible deviations. During the grant period, 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.

Staff reviewed the 2022 2.0 and 2023 Partnership Grants reports for all 45 Partnership Grants. Through its review, staff identified six grants with budget deviations greater than 10 percent. As Table 1 demonstrates, seven budget deviations were between 10 and 25 percent, and one was greater than 25 percent. Although staff could normally approve requests between 10 and 25 percent, because these deviations were submitted as part of the grant closeout process, after the budget revision deadline passed, the LSTFC must decide whether to approve them.

**Table 1. 2022 2.0 and 2023 Partnership Budget Deviations**

Grantee	PG 2022 2.0 or PG 2023	Deviation Amount	Percent Deviation	Impacted Line Items	Grantee Explanation
Bet Tzedek Legal Services	2023	\$17,094	11%	Increased Attorney, decreased non-personnel expenditures	Staff oversight due to staffing reorganization, did not realize a revision was required
Bet Tzedek Legal Services	2022 2.0	\$94,966	37%	Increased Other non-personnel, Reduced Personnel expenditures	Cost for implementing new tech platform higher than estimated, did not realize a revision was required
Inland Counties Legal Services	2023	\$32,117	21%	Increased Attorney and Other Staff, decreased non-personnel expenses	Increased attorney and other staff at outreach events, did not realize a revision was required

Grantee	PG 2022 2.0 or PG 2023	Deviation Amount	Percent Deviation	Impacted Line Items	Grantee Explanation
Inland Counties Legal Services	2022 2.0	\$32,605	15%	Increased Attorney and Other Staff, decreased non-personnel expenditures	Hired addition attorney and increased attorney and other staff at outreach events, did not realize a revision was required
Legal Assistance for Seniors	2023	\$5,802	11%	Increased Attorney, decreased non-personnel expenses	Higher personnel costs, did not realize a revision was required
Legal Assistance for Seniors	2023	12,244	24%	Increased Attorney, decreased non-personnel expenses	Higher personnel costs, did not realize a revision was required

Table 1 also details the line-items impacted by each grant's budget deviation and explanations from each grantee regarding why they did not submit a budget revision request. Generally, grantees reported that they did not submit a budget revision request because of an oversight, because they did not realize it was necessary, or due to staffing changes. Many grantees detailed corrective actions they have already undertaken to safeguard against unreported budget deviations in the future. Staff recommend approving all unreported budget deviations. However, staff recommend that the LSTFC issue warning letters to Bet Tzedek Legal due to the size of their Partnership budget deviations.

## PREVIOUS ACTION

None

## FISCAL/PERSONNEL IMPACT

None

## AMENDMENTS TO RULES

None

## **AMENDMENTS TO BOARD OF TRUSTEES POLICY MANUAL**

None

## **STRATEGIC PLAN GOALS & IMPLEMENTATION STEPS**

Goal 1. Protect the Public by Strengthening the Attorney Discipline System

Choose corresponding text

Goal 2. Protect the Public by Enhancing Access to and Inclusion in the Legal System

Choose corresponding text

None – compliance

Choose corresponding text

Goal 4. Protect the Public by Engaging Partners

Choose corresponding text

## **RESOLUTIONS**

Should the committee concur, it is

**RESOLVED**, that the Legal Services Trust Fund Commission (LSTFC) Partnership Grants Committee (committee) recommends that the LSTFC approve the 10 budget deviations as described in staff's memo; and it is

**FURTHER RESOLVED**, that the committee recommends that the LSTFC provide a formal written warning to Bet Tzedek Legal Services that future unreported budget deviations may not be approved and the LSTFC may require additional corrective actions.

## **ATTACHMENT LIST**

None