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**OPEN SESSION**

**AGENDA ITEM**

**7.2 JANUARY 2025**

**LEGAL SERVICES TRUST FUND COMMISSION GRANT ELIGIBILITY AND  
SUPPORT COMMITTEE**

DATE: January 27, 2025

TO: Members, Legal Services Trust Fund Commission Grant Eligibility and  
Support Committee

FROM: Heidi Slater, Program Manager  
Esteban Cano-Gutierrez, Senior Financial Analyst  
Janet Guan, Financial Analyst

SUBJECT: Action on Requests for 2024 Grant Budget Modifications

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**EXECUTIVE SUMMARY**

State Bar staff have received and reviewed budget modification requests for the following grants: Interest on Lawyers Trust Accounts (IOLTA), Equal Access Fund (EAF), Partnership Grant (Partnership), Homelessness Prevention 3 (HP3), and California Housing Finance Agency (CalHFA). Prior to the start of each grant, grantees submit budgets for each grant for approval. During the course of the grant, any material deviation from the approved budget must be reviewed for approval. Budget modification requests above 25 percent of the grant award or budget modifications that are submitted late require LSTFC approval. State Bar staff has reviewed all of the submitted budget modifications and recommend Legal Service Trust Fund Commission (LSTFC) Grantee Eligibility and Support Committee (GES committee) recommend that the LSTFC approve all of the submitted 2024 budget modification requests above 25 percent of the grant award and budget modifications that were submitted late.

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**RECOMMENDED ACTIONS**

State Bar staff recommend that GES committee recommend the LSTFC approve the submitted 2024 budget modification requests exceeding 25 percent of the grant award, as well as any late-submitted budget modifications.

## BACKGROUND

The State Bar announced the deadline to submit a budget modification for a 2024 grant was November 27, 2024. Upon receipt of each budget modification, State Bar staff reviewed the amount and percentage of the deviation from the grantee’s approved budget, and that the organization remains in line with recommended budgeting ratios (personnel to non-personnel expenses; program to administrative expenses).

Budget modifications above 25 percent or budget modifications submitted after the deadline require LSTFC approval. Pursuant to the Functional Matrix approved by the State Bar’s Board of Trustees, a grantee must request and receive approval for any budget deviation of funds that amounts to more than 10 percent of its grant award.<sup>1</sup> Requests between 10 and 25 percent of the grant amount may be approved by State Bar staff; any request above 25 percent must be reviewed and approved by the LSTFC.

State Bar staff received multiple requests for budget modifications from the organizations and grants listed in Table 1.

**Table 1**

Grant	Number of Requests Submitted	Number of Requests Requiring LSTFC Approval
2024 IOLTA	7	3
2024 EAF	17	4
2024 Partnership	3	1
H3 Formula	5	1
HP3 RFP	3	1

## DISCUSSION

State Bar staff has reviewed the following budget modification requests that require LSTFC approval. A brief summary of each request is detailed below. Attachment A provides additional details about these requests. Attachment B provides a list of budget modification requests between 10-25 percent that have been reviewed and approved by State Bar staff.

### 2024 IOLTA BUDGET MODIFICATION REQUESTS THAT REQUIRE LSTFC APPROVAL

**Center for Immigrant Protection (CIP)** submitted a budget modification request of 37.31 percent of the grant award. Because its attorneys were fully funded by other grant sources, CIP shifted its 2024 IOLTA funding to cover other personnel and non-personnel expenses.

**Center for Workers’ Rights (CWR)** submitted a budget modification request of 10.4 percent of the grant award. Given the percentage of the budget modification, State Bar staff have the authority to approve this request. However, CWR submitted this request after the deadline,

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<sup>1</sup> Budget deviations of less than 10 percent are permissible and do not require a budget modification.

which requires LSTFC approval. Difficulty filling attorney positions caused CWR to shift funds to other staff, non-personnel, and administrative personnel line items.

State Bar staff initially released the budget modification form to CWR on October 10, 2024.OA&I. State Bar staff notified all grantees via email that the deadline for these requests was November 27, 2024, though there was some allowance for extensions due to technical difficulties with the SmartSimple platform. All pending requests that were not submitted were closed. CWR emailed State Bar staff on January 14, 2025, requesting the 2024 IOLTA budget modification form be re-opened. State Bar staff re-opened the form on January 14, 2025, with a deadline of January 17, 2025. CWR subsequently submitted its budget modification request on January 15, 2025. It should also be noted that CWR submitted their 2024 EAF budget modification request late as well.

**San Luis Obispo Legal Assistance Foundation (SLOLAF)** submitted a budget modification request of 26.0 percent of the grant award. SLOLAF shifted its 2024 IOLTA funding from its Civil Law program to its Family Law program due to cuts in federal funding sources for the latter.

#### **2024 EAF BUDGET MODIFICATION REQUESTS THAT REQUIRE LSTFC APPROVAL**

**California Indian Legal Services (CILS)** submitted a budget modification request of 38.9 percent of the grant award. CILS' original 2024 EAF budget included the estimated amount it would use to launch the Loan Repayment Assistance Program (LRAP) benefit for attorneys. However, the actual LRAP expenses are much lower than budgeted. CILS is thus proposing to shift funds from its LRAP to increase its personnel budget.

**Center for Workers' Rights (CWR)** submitted a budget modification request of 23.2 percent of the grant award. Given the percentage of the budget modification, State Bar staff have the authority to approve this request. However, CWR submitted this request after the deadline (as described above), which requires LSTFC approval. Difficulty filling attorney positions caused CWR to shift funds to paralegal and non-personnel line items.

**Center for Immigrant Protection (CIP)** submitted a budget modification request of 33.3 percent of the grant award. Because its attorneys were fully funded by other grant sources, CIP shifted its 2024 EAF funding to cover its paralegals instead.

**Legal Aid Society of San Bernardino (LASSB)** submitted a budget modification request of 43.8 percent of the grant award. LASSB's original budget included expenses to fund its Loan Repayment Assistance Program (LRAP). In actuality, the LRAP did not require as much funding as was originally projected. LASSB revised its budget modification to shift funds from its LRAP to personnel and administrative costs.

#### **PARTNERSHIP GRANT BUDGET MODIFICATION REQUESTS THAT REQUIRE LSTFC APPROVAL**

**Community Legal Aid SoCal (CLAS)** submitted a budget modification request of 31.4 percent of the grant award for its Orange County Consumer Debt Series grant. CLASC has revised its

budget by reducing spending for attorneys and employee benefits while increasing funding for paralegals and contract services to clients. This adjustment reflects the fact that, during Q1, Public Law Center (a CLASC subgrantee) provided an attorney for the project due to staffing vacancies.

### **HP 3 FORMULA BUDGET MODIFICATION REQUESTS THAT REQUIRE LSTFC APPROVAL**

**National Center for Youth Law (NCYL)** submitted a budget modification request of 66.5 percent of the grant award. NCYL has adjusted its budget by decreasing its spending for attorneys, paralegals, and overall non-personnel expenses, while increasing its budget for employee benefits, other staff, and administrative costs. They explained that these changes were made to align with the approved federally negotiated fringe benefit and indirect cost rates.

### **HP 3 RFP BUDGET MODIFICATION REQUESTS THAT REQUIRE LSTFC APPROVAL**

**Legal Aid Society of San Bernardino (LASSB)** submitted a budget modification request of 25.3 percent of the grant award. LASSB has adjusted its budget by decreasing spending for other staff, employee benefits, and overall non-personnel expenses, while increasing spending for attorneys and paralegals. They explained that these changes were made to allocate more resources toward personnel expenses in response to an increase in cases.

### **CALHFA BUDGET MODIFICATION REQUESTS THAT REQUIRE LSTFC APPROVAL**

**Senior Advocacy Network (SAN)** submitted a budget modification request of 25.6 percent of the grant award. SAN decreased its overall personnel and non-personnel budget and increased its administrative budget. They explained that they are learning how to appropriately allocate administrative expenses into their accounting practices.

## **RESOLVED**

Should the Legal Services Trust Fund Commission Grant Eligibility and Support Committee (GES committee) concur, it is:

**RESOLVED**, the GES committee recommends approval of all 2024 budget modification requests in excess of 25 percent of the grant award or submitted after the deadline, as reflected in Attachment A, to the Legal Services Trust Fund Commission.

## **ATTACHMENTS**

- A. Summary of 2024 budget modifications requests that require LSTFC approval, by organization
- B. Informational copy of State Bar staff approved 2024 budget modification requests, by organization

**2024 BUDGET MODIFICATION REQUESTS THAT REQUIRE LSTFC APPROVAL, BY ORGANIZATION**

Organization	Grant	Allocation	Budget Revision Amount	Budget Revision Percentage
California Indian Legal Services	EAF	\$196,006	\$74,000	38.9%

CILS' original 2024 EAF budget included an estimate for launching the LRAP benefit for attorneys, based on staff surveys and projected demand. However, the actual demand was much lower than expected. As a result, CILS proposes reallocating the surplus funds originally designated for LRAP. Most of these funds will be redirected to increase Personnel costs, supporting the expansion of services, while a portion will be allocated to Non-Personnel and Administrative costs to facilitate the additional services.

Organization	Grant	Allocation	Budget Revision Amount	Budget Revision Percentage
Center for Immigrant Protection (The LGBT Asylum Project)	IOLTA	\$17,809	\$6,645	37.3%
	EAF	\$5,911	\$1,970	33.3%

The CIP budget revision is made to accurately reflect the allocation of IOLTA and EAF funds. IOLTA funds have been used to cover paralegal salaries and employer costs for legal personnel payroll, while lawyers' salaries are fully funded by other grant resources. Similarly, EAF funds have been dedicated exclusively to paralegal salaries, with lawyer funding provided by alternative grant sources.

Organization	Grant	Allocation	Budget Revision Amount	Budget Revision Percentage
Center for Workers' Rights	IOLTA	\$148,296	\$15,454	10.4%
	EAF	\$49,086	\$11,434	23.2%

This is a late submission, therefore requires LSTFC approval.

For EAF, the increase in other staff and decrease in attorney wages resulted from an unfilled attorney position until November, with non-attorney staff covering the gap. Space costs rose due to higher utility expenses, and program travel was covered by EAF funds after a separate source did not cover travel. Contract services to clients increased due to higher interpreter costs. Administrative costs decreased after administrative personnel departed in August 2024.

For IOLTA, similar adjustments were made for other staff and attorney wages due to the unfilled attorney position. Increased space and telecommunications costs were covered by IOLTA funds. Library costs rose from a subscription renewal, and other expenses increased from workshop refreshments. Administrative costs were higher early in 2024 due to support for outreach programs.

Organization	Grant	Allocation	Budget Revision Amount	Budget Revision Percentage
Community Legal Aid SoCal - Orange County Consumer Debt Series 2024	Partnership	\$ 60,300	\$ 18,945	31.4%

CLASC has revised its budget by reducing allocations for attorneys and employee benefits while increasing funding for paralegals and contract services to clients. This adjustment reflects the fact that, during Q1, Public Law Center (a CLASC subgrantee) provided an attorney for the project due to staffing vacancies.

Organization	Grant	Allocation	Budget Revision Amount	Budget Revision Percentage
Legal Aid Society of San Bernardino	EAF	\$385,814	\$169,341	43.8%
	HP3 RFP	\$ 950,000	\$ 239,894	25.3%

LASSB has requested an EAF budget modification to ensure the continued delivery of high-quality services to clients. The proposed adjustments will optimize staff time and resources, prioritizing technology and staffing needs to enhance service delivery for rural populations and provide better support for clinic staff.

For the HP3 RFP, LASSB has revised its budget by reducing allocations for other staff, employee benefits, and non-personnel expenses, while increasing funding for attorneys and paralegals. These changes aim to allocate more resources toward personnel expenses in response to a growing caseload.

Organization	Grant	Allocation	Budget Revision Amount	Budget Revision Percentage
National Center for Youth Law	HP3 Formula	\$ 442,044	\$ 294,107	66.5%

NCYL has adjusted its budget by decreasing its allocation for attorneys, paralegals, and overall non-personnel expenses, while increasing its budget for employee benefits, other staff, and administrative costs. They explained that these changes were made to align with the approved federally negotiated fringe benefit and indirect cost rates.

Organization	Grant	Allocation	Budget Revision Amount	Budget Revision Percentage
San Luis Obispo Legal Assistance Foundation	IOLTA	\$148,639	\$38,717	26.0%

SLOLAF's original 2024 budget planned to use IOLTA funds for the Bilingual Intake & Referral Coordinator position in civil law services. However, due to funding cuts from VOCA and VAWA for their

family law services program, they reallocated IOLTA and EAF funds to support those services, while spreading the civil law intake position costs across other civil law programs. This shift resulted in changes to personnel and administrative costs, including IOLTA funds now covering an attorney and two legal advocates. Travel costs increased due to frequent court appearances, and non-personnel Admin expenses rose due to audits and the development of a new website in 2024.

Organization	Grant	Allocation	Budget Revision Amount	Budget Revision Percentage
Senior Advocacy Network	CalHFA	\$756,705	\$193,522	25.6%

SAN decreased its overall personnel and non-personnel budget and increased its administrative budget. They explained that they are learning how to appropriately allocate administrative expenses into their accounting practices.

## STATE BAR STAFF-APPROVED 2024 BUDGET MODIFICATION REQUESTS, BY ORGANIZATION

Organization	Grant	Allocation	Budget Revision Amount	Budget Revision Percentage
AIDS Legal Referral Panel	EAF	\$17,793	\$3,078	17.3%
Coalition of California Welfare Rights Organizations	EAF	\$225,046	\$27,000	12.0%
East Bay Community Law Center	EAF	\$136,067	\$17,600	12.9%
Elder Law and Advocacy	Partnership	\$82,800	\$18,655	22.5%
Greater Bakersfield Legal Assistance	IOLTA	\$1,432,340	\$348,000	24.3%
	EAF	\$473,900	\$83,500	17.6%
Impact Fund	IOLTA	\$680,188	\$127,560	18.7%
	EAF	\$225,046	\$25,022	11.1%
Inland Empire Latino Lawyers Association, Inc.	IOLTA	\$171,290	\$22,273	13.0%
LACBA Counsel for Justice	HP3 Formula	\$176,961	\$22,924	13.0%
La Raza Centro Legal	IOLTA	\$51,682	\$10,134	19.6%
	EAF	\$17,141	\$3,359	19.6%
Lawyers' Committee for Civil Rights	EAF	\$292,838	\$70,400	24.0%
Legal Assistance for Seniors	Partnership	\$50,000	\$10,951	21.9%
Legal Aid Foundation of Santa Barbara County	HP3 Formula	\$224,843	\$41,437	18.4%
Legal Aid of Sonoma County	HP3 RFP	\$880,000	\$131,831	15.0%
	CalHFA	\$807,152	\$184,533	22.9%
Legal Aid Society of San Bernardino	CalHFA	\$807,135	\$163,304	20.4%
Legal Aid Society of San Diego	EAF	\$824,871	\$201,808	24.4%
Prison Law Office	EAF	\$270,757	\$42,000	15.5%
Public Counsel	HP3 RFP	\$1,100,000	\$62,662	11.7%

**ATTACHMENT B**

<b>Public Law Center</b>	EAf	\$544,813	\$62,217	11.4%
<b>Riverside Legal Aid</b>	EAf	\$257,028	\$57,999	22.5%
	HP3 Formula	\$442,044	\$62,791	14.2%
<b>San Luis Obispo Legal Assistance Foundation</b>	EAf	\$50,175	\$7,144	14.2%
<b>Southern California Immigration Project</b>	EAf	\$23,497	\$2,349	10.0%
<b>Youth Law Center</b>	IOLTA	\$680,188	\$69,091	10.1%
	EAf	\$225,046	\$50,199	22.3%
	HP3 Formula	\$442,044	\$62,791	14.2%