

**The State Bar of California
FY 2009 Legal Services Trust Fund Commission Work Plan**

BACKGROUND
Sub-entity Name: Legal Services Trust Fund Commission
Chair: Diane Bras
State Bar Staff: Stephanie Choy, Managing Director
Date: December 10, 2007
<p>Commission Background:</p> <p>The Legal Services Trust Fund Commission was created by the Board of Governors in 1982 to administer a statutorily-created program that receives interest on attorney-client trust accounts and distributes it in grants to legal aid offices. The Commission's responsibilities were expanded in 1999 to include administration of the Equal Access Fund, part of the state budget that also provides grants for legal services to the poor. In 2005, the Uniform Civil Fees and Standard Fee Schedule Act was approved by the Legislature and the Governor, establishing a new distribution of \$4.80 per filing fee to the Equal Access Fund. In 2006, the state appropriation limit was applied to the \$9,500,000 Equal Access Fund, increasing the appropriation for that year by 4.96%. In 2007, AB 1723 was passed requiring financial institutions to pay interest or dividends on IOLTA accounts comparable to those paid on non-IOLTA accounts of similar balances. In the same year, AB 2301 authorized the State Bar to facilitate the voluntary contributions to legal services and designated administration of the funds to the Commission.</p> <p>The Commission in 2009 is projected to oversee the distribution of approximately \$50 million in grants to about 100 legal services programs statewide. The Commission's activities and its decisions have a significant, ongoing effect on the availability and effectiveness of legal services to the poor in California.</p> <p>The Commission's charge from the board and a description of its overall composition are contained in the rules regulating the program:</p> <p>The State Bar establishes a Legal Services Trust Fund Commission (hereinafter referred to as the "Commission") to administer these rules and all provisions of law regarding interest on trust funds. The Board of Governors of the State Bar shall determine the composition of the Commission provided that the Commission shall consist of attorney members and public members with the ratio of public members to attorney members determined, to the extent practical, by the ratios established in Sections 6013, 6013.4 and 6013.5 of the Business and Professions Code, inclusive. The terms of office of those persons appointed by the Board of</p>

BACKGROUND

Sub-entity Name: Legal Services Trust Fund Commission

Governors shall be terms as prescribed by the Board, but such persons shall serve at the pleasure of the Board. The Commission shall have assigned to it administrative and clerical personnel necessary to carry out its duties (Rules Regulating Interest-Bearing Trust Fund Accounts for the Provision of Legal Services to Indigent Persons, Rule 4).

The Commission's duties related to the Equal Access Fund are described in the annual California Budget Act:

In order to improve equal access and the fair administration of justice, funds are to be distributed by the Judicial Council through the Legal Services Trust Fund Commission to qualified legal services projects and support centers as defined in Sections 6213 through 6215 of the Business and Professions Code, to be used for legal services in civil matters for indigent persons. The Judicial Council shall approve awards made by the Commission if the Council determines that the awards comply with statutory and other relevant guidelines. (2007 California Budget Act.)

By board policy, the Commission is made up of 21 voting members. Fourteen members are appointed by the State Bar Board of Governors, ten of whom shall be attorneys and four public members. At least two members of the Commission must be low-income individuals eligible for services under the statute. Seven members are appointed by the Chief Justice in his role as chair of the Judicial Council; five of his appointments are lawyers and two are public members. The Chief Justice also appoints three judges as advisors to the Commission; one of these judges must be an appellate justice.

Proposed Activities	
<u>Activity 1</u>	<u>Status/Time Frame:</u>
Review applications and determine eligibility for funding. (This responsibility is specifically delegated to the Commission by the Board of Governors in Regulating Rule 4.1.)	Annually, February through April.

Performance Indicators
The Commission will notify all applicants for IOLTA funding of a decision as to their eligibility for the 2009-2010 grant year by April, 2009.

Proposed Activity Budget
See budget page that will be sent under separate cover.

How Activity Addresses State Bar Strategic Plan
Strategy 3.7 - Funding for Legal Services. Maintain and increase the availability of legal services for indigent persons statewide by effectively administering and distributing funding through the Interest on Lawyers Trust Accounts Program and the Equal Access Fund and the Justice Gap Fund (AB2301).

How Activity Addresses Sub-entity Charge
These activities are specifically delegated to the Commission by the board's regulating rules. Ensures compliance with the statute and regulating rules and makes the program operate smoothly and effectively.

Proposed Activities	
<u>Activity 2</u>	<u>Status/Time Frame:</u>
Review proposed budgets for IOLTA and EAF grants for compliance with statutory requirements and approve funds to be distributed (Rule 5.2).	Annually, April through June for IOLTA and August through September for EAF.

Performance Indicators
The Commission will review proposed budgets and distribute grant agreements for IOLTA by July, 2009 and for EAF by October, 2009.

Proposed Activity Budget
See budget page that will be sent under separate cover.

How Activity Addresses State Bar Strategic Plan
Strategy 3.7 - Funding for Legal Services. Maintain and increase the availability of legal services for indigent persons statewide by effectively administering and distributing funding through the Interest on Lawyers Trust Accounts Program and the Equal Access Fund and the Justice Gap Fund.

How Activity Addresses Committee Charge
These activities are specifically delegated to the Commission by the board's regulating rules and the California Budget Act. Makes the program operate smoothly and effectively.

Proposed Activities	
<u>Activity 3</u>	<u>Status/Time Frame:</u>
Review and revise as needed the guidelines and Request for Proposals for EAF Partnership Grants. Evaluate proposals for funding and select successful applicants. Review evaluation reports (Budget Act).	Annually, decide on guidelines and RFP in August, review and select proposals in November, review evaluation reports in March and April.

Performance Indicators
The Commission will select successful Partnership Grants proposals and make recommendations to the Judicial Council by December, 2009. The Commission will complete the grant year administration of approximately 25 Partnership Grants for the second half of the 2008-2009 grant year by December 31, 2009.

Proposed Activity Budget
See budget page that will be sent under separate cover.

How Activity Addresses State Bar Strategic Plan
Strategy 3.7 - Funding for Legal Services. Maintain and increase the availability of legal services for indigent persons statewide by effectively administering and distributing funding through the Equal Access Fund.

How Activity Addresses Sub-entity Charge
Recommendation by the Commission to the Judicial Council is inferred in the State Budget Act, and as defined by contract with the Administrative Office of the Courts. Makes the program operate smoothly and effectively.

Proposed Activities	
<u>Activity 4</u>	<u>Status/Time Frame:</u>
Monitor and evaluate grantee performance to ensure compliance with statutory and regulatory provisions of the program (Rule 5.3).	Ongoing. Commission members participate in on-site monitoring visits to grantees.

Performance Indicators
The Commission will oversee the on-site monitoring of 33 recipient programs in 2009.

Proposed Activity Budget
See budget page that will be sent under separate cover.

How Activity Addresses State Bar Strategic Plan
Strategy 3.7 - Funding for Legal Services. Maintain and increase the availability of legal services for indigent persons statewide by effectively administering and distributing funding through the Interest on Lawyers Trust Accounts Program and the Equal Access Fund.

How Activity Addresses Sub-entity Charge
This is a specific charge to the Commission from the Board. Maintains the high quality of services funded by the program.

Proposed Activities	
<u>Activity 5</u>	<u>Status/Time Frame:</u>
Administer a system for responding to formal complaints about grant recipient programs if such complaints are received (Rules 6.2 – 6.6). Oversee handling of formal appeals of any denial or termination of funding as allowed by regulating rules (Rules 7 – 7.1).	As needed. Complaints and appeals are rare. The systems for handling them are in the rules and are quite specific.

Performance Indicators
If needed, the Commission will handle these proceeding in accordance with Trust Fund Program and State Bar Court rules.

How Activity Addresses State Bar Strategic Plan
Strategy 3.7 - Funding for Legal Services. Maintain and increase the availability of legal services for indigent persons statewide by effectively administering and distributing funding through the Interest on Lawyers Trust Accounts Program and the Equal Access Fund.

How Activity Addresses Committee Charge
These activities are specifically delegated to the Commission by the board's regulating rules. Makes the program operate smoothly and effectively.

Proposed Activity Budget
See budget page that will be sent under separate cover.

Proposed Activities	
Activity 6	Status/Time Frame:
Make decisions regarding administration of grant funds as needed; for example, handle requests for approval to carry funds over from one grant year to another, requests for waivers of certain auditing requirements for law schools, and schedules for application review.	Ongoing, monthly or bimonthly depending on meeting schedule.

Performance Indicators
The Commission will complete the grant year administration of 225 grants (100 IOLTA, 100 EAF, 25 Partnership) for the second half of the 2008-2009 grant year by June 30, 2009(IOLTA), September 30, 2009 (EAF), and December 31, 2009 (Partnership).

How Activity Addresses State Bar Strategic Plan
Strategy 3.7 - Funding for Legal Services. Maintain and increase the availability of legal services for indigent persons statewide by effectively administering and distributing funding through the Interest on Lawyers Trust Accounts Program and the Equal Access Fund.

How Activity Addresses Committee Charge
These activities make the program operate smoothly and effectively, by holding grant recipient programs accountable for complying with program grant conditions.

Proposed Activity Budget
See budget page that will be sent under separate cover.

Proposed Activities	
<u>Activity 7</u>	<u>Status/Time Frame:</u>
Interpret the statute, rules and guidelines, and provide guidance to staff regarding their administration. Monitor the application of rules and guidelines and make changes as needed or recommend changes to the Board of Governors or Judicial Council.	Ongoing direction to staff. The Commission will monitor all developments related to IOLTA and the Equal Access Fund and respond as needed to anything that comes up during the year.

Performance Indicators

How Activity Addresses State Bar Strategic Plan
Strategy 3.7 - Funding for Legal Services. Maintain and increase the availability of legal services for indigent persons statewide by effectively administering and distributing funding through the Interest on Lawyers Trust Accounts Program and the Equal Access Fund and the Justice Gap Fund.

How Activity Addresses Committee Charge
Provides needed direction to staff, applicants and grant recipients for ongoing administration of grants.

Proposed Activity Budget
See budget page that will be sent under separate cover.

Proposed Activities	
<u>Activity 8</u>	<u>Status/Time Frame:</u>
Continue the implementation of IOLTA Comparability to ensure compliance with statutory and regulatory mandates to maximize revenue that will be available for distribution in grants.	Ongoing assistance to staff.

Performance Indicators
The Commission will use these strategies in 2009 to generate additional annual income with the application of comparable rates on comparable deposits and the use of sweep accounts.

How Activity Addresses State Bar Strategic Plan
Strategy 3.7 - Funding for Legal Services. Maintain and increase the availability of legal services for indigent persons statewide by effectively administering and distributing funding through the Interest on Lawyers Trust Accounts program.

How Activity Addresses Committee Charge
Increases the funds available for grants, enforces rules regarding comparable interest rates, increases effectiveness of the program.

Proposed Activity Budget
See budget page that will be sent under separate cover.

Proposed Activities	
<u>Activity 9</u>	<u>Status/Time Frame:</u>
Continue the development of innovative and effective self-evaluation by grant recipient programs.	The evaluation system has been designed and put in place, with a significant number of grant recipients submitting reports evaluating the activity under their grants. The Trust Fund Program and the Administrative Office of the Courts are committed to continuing to provide support in the form of research, training and other resources to move evaluation forward as an important part of the ongoing activities of legal services programs in California, with due regard toward new ABA standards and LSC performance criteria.

Performance Indicators
The Commission will oversee efforts to increase the number of programs performing self-evaluation of one or more of their Equal Access Fund projects to three-quarters by the end of 2009, and the conduct of evaluation focus groups for all Partnership Grants recipients.

How Activity Addresses State Bar Strategic Plan
Strategy 3.7 - Funding for Legal Services. Maintain and increase the availability of legal services for indigent persons statewide by effectively administering and distributing funding through the the Equal Access Fund.

How Activity Addresses Committee Charge
Evaluates the efficiency and effectiveness of the programs funded by the Equal Access Fund, trains and encourages legal services programs to expand their self-evaluation into other areas.

Proposed Activity Budget
See budget page that will be sent under separate cover.

Recommended New Strategic Initiatives For Board Consideration

Name of Initiative: Implementation of AB 2301

Purpose: Provide additional source of revenue for civil legal services to California's indigent population.

Responsible Entity: Legal Services Trust Fund Commission and Task Force on AB 2301

Connection to Strategic Plan: Strategy 3.7 Funding for Legal Services. Maintain and increase the availability of legal services for indigent persons statewide by effectively administering and distributing funding.

Desired Outcome(s): Increased services available to indigent persons in California.

Fiscal and Staff Implications: In 2007, the AB 2301 Task Force decided the Justice Gap Fund would be distributed through the IOLTA allocation formula, but that the Task Force would reevaluate that distribution in 2009. Legal Services Trust Fund Program staff will work with the Task Force and the legal aid community to utilize Justice Gap Funding most effectively and distribute and monitor accordingly.

Proposed Performance Measures: To be determined.

Are activities within legislative and judicial restrictions imposed on the State Bar (*Keller, Hudson, Brosterhous, etc.*)?

Yes No If no, please explain.

Other strategic Initiatives:

Work with statewide stakeholders and field programs to identify needs and ways to eliminate gaps in services.

Proposed Budget Cost Center 28003
(Combined Proposed Activity Budgets plus Staff Costs)

Items	2006 Actual	2007 Budget	2008 Budget	2009 Forecast
Estimated Staff Time Required FTE: 9 (Approximately 25% of program and accounting staff time is spent staffing the commission as opposed to administering the program.)	FYI: Salary and benefit expenses for staff are budgeted in cost centers 28001 and 28004.			
Travel Staff	\$2,246	\$1,200	\$2,336	\$2,400
Travel Volunteer	\$1,696	\$7,700	\$1,764	\$1,800
Travel Others (e.g. Annual Meeting speakers for MCLE presentations)	\$200	\$2,700	\$200	\$200
Meeting Room Rental				
Catering	\$3,195	\$3,600	\$3,323	\$3,425
Postage	\$28	\$150	\$29	\$30
Telephone				
Copier Allocation	\$20	\$200	\$200	\$200
Other Professional Services Outside Printing Outside Design In House Printing Miscellaneous	\$450	\$1,660	\$1,000	\$1,030
TOTAL Operating Expense	\$7,383	\$17,210	\$8,850	\$9,085