



JUDICIAL COUNCIL OF CALIFORNIA

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REPORT TO THE JUDICIAL COUNCIL

Item No.: 22-154

For business meeting on September 20, 2022

Title

Equal Access Fund: Distribution of New Funding for Housing and Consumer Debt Issues

Agenda Item Type

Action Required

Effective Date

September 20, 2022

Rules, Forms, Standards, or Statutes Affected

None

Date of Report

September 2, 2022

Recommended by

Legal Services Trust Fund Commission
Richard G. Reinis, Cochair
Kim Savage, Cochair

Contact

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Executive Summary

The Budget Act of 2022 (Assem. Bill 178 (Ting); Stats. 2022, ch. 45) includes two new allocations to the Equal Access Fund for distribution to legal services providers and support centers to provide civil legal services for indigent persons. One allocation is for \$15 million for services related to consumer debt matters affected by the COVID-19 pandemic and the other is for \$30 million for legal services related to housing issues. The Legal Services Trust Fund Commission requests approval of the distribution of those funds, less administrative costs, through a competitive grant process as set forth in the Budget Act.

Recommendation

The Legal Services Trust Fund Commission recommends that the Judicial Council, effective September 20, 2022:

1. Approve the distribution of \$15 million of Equal Access funds to the State Bar for distribution to eligible legal services agencies to provide assistance with consumer debt matters for FY 2022–23 according to the terms of the Budget Act; and

2. Approve the distribution of \$30 million of Equal Access funds to the State Bar for distribution to eligible legal services agencies to provide assistance with housing-related matters according to the terms of the Budget Act.

Relevant Previous Council Action

The Judicial Council has approved the distribution of Equal Access funds proposed by the Legal Services Trust Fund Commission for the past 21 years.

Analysis/Rationale

The Budget Act of 2022 (Assem. Bill 178) provides \$15 million to the Equal Access Fund for distribution to legal services providers and support centers to assist with provision of legal services for indigent persons related to consumer debt matters affected by the COVID-19 pandemic, and \$30 million for housing related assistance. This is in addition to the \$20 million in federal funding allocated from the Coronavirus Fiscal Recovery Fund for housing-related legal services and the \$35.392 million in base Equal Access funding that is also included in the budget for the Equal Access Fund.

Funds are to be distributed by the Judicial Council to legal services providers through the Legal Services Trust Fund Commission, which is staffed by the State Bar of California. The Chief Justice, as chair of the Judicial Council, appoints one-third of the voting members to the commission: five attorney members and two public members, one of whom is a court administrator. The Chief Justice also appoints three nonvoting judges to the commission: two trial court judges and one appellate justice.

Consumer funds are to be used for civil legal services for consumer debt matters affected by the COVID-19 pandemic. Grantees must demonstrate that consumer funds received will not be used to supplant existing resources.

Housing-related funds are to be used by legal services providers and support centers to assist with issues relating to housing matters including eviction defense or other landlord-tenant disputes; services to prevent foreclosure for homeowners; legal services to improve habitability; increasing affordable housing; ensuring receipt of eligible income or benefits to improve housing stability; legal help for persons displaced because of domestic violence; and homelessness prevention.

Each fund is to be distributed through a competitive process developed by the commission. Preference for both projects is to be given to qualified legal aid projects or support centers that serve rural or underserved communities. Any funding not allocated under this competitive grant process must be distributed to qualified legal services projects and support centers under the formula set forth in Business and Professions Code section 6216. Funds appropriated for consumer debt matters are available for encumbrance or expenditure through December 31, 2025, and for housing-related legal services until June 30, 2024.

The anticipated timing for release of the applications for funding is September for consumer debt matters and August for housing, with at least one month for legal services agencies to complete applications. The State Bar will convene webinars for both consumer debt matters and housing grants to answer potential applicants' questions and encourage participation. Staff and the members of the commission will score each proposal according to an approved scoring rubric. After reviewing proposals to assess project impact and strategies, organizational capacity, and focus on populations identified by the Legislature, the committee will consider funding levels and make recommendations to the full commission for approval at its December meeting. Grants for both programs will commence on January 1, 2023.

The Budget Act of 2022 (Sen. Bill 154; Stats. 2022, ch. 43) , in a section that was not amended by AB 178¹, requires that the State Bar “annually provide to the Judicial Council a report that includes funding allocations, annual expenditures, and program outcomes by service area, and service provider for all Equal Access Fund and federal funding. Data shall be reported using the established reporting framework in the Equal Access Program including applicable outcome measures reported in Legal Services standardized reporting, state level performance measures, and main benefits scores. The Judicial Council shall provide the report to the Department of Finance by January 1 of each year for the prior fiscal year.” Up to 5 percent of the funds may be used for administrative costs of the Judicial Council and State Bar.

Policy implications

This recommendation helps implement Goal I of *The Judicial Council's Strategic Plan for California's Judicial Branch*—Access, Fairness, and Diversity—by increasing representation for low-income persons.

Comments

The statutory scheme does not contemplate public comment.

Alternatives considered

There are no viable alternatives to distributing the funds according to the recommendations of the Legal Services Trust Fund Commission. The Budget Act provides that the commission will make the award determinations.

Fiscal and Operational Impacts

These grants require no court implementation. Council staff will work with the Legal Services Trust Fund Commission to oversee administration of the Equal Access Fund, including fulfillment of requirements for reports on the commission's administration of the fund. Staff will also provide support to the commission—including the third of its members appointed by the Chief Justice—to facilitate administration of the Equal Access Fund.

¹ See 0250-162-8506, 0150083 – Equal Access Fund

The recommendations contained in this report will have no direct fiscal effect on the courts; nevertheless, the courts will indirectly benefit from assistance provided to self-represented litigants. Council staff support will be covered by the provision for administrative costs in the appropriation.

Attachments and Links

1. Link A: Assembly Bill 178 (Stats. 2022, ch. 45),
https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB178&search_keywords=budget+2022#content_anchor