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Overview of State Funding Provided to Support Legal Assistance for Housing and Evictions

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Hon. María Elena Durazo, Chair



LEGISLATIVE ANALYST'S OFFICE

Introduction

- First, we provide an overview of state funding provided to support legal services and assistance to indigent people in civil cases—including housing cases. This includes funding made available in recent years to the Equal Access Fund Program and the Shriver Program.
- Second, we discuss the 11 legal aid organizations in California that receive both state funding from the above programs as well as federal funds from the Legal Services Corporation to provide legal aid to low-income people in civil issue areas—including housing.
- Finally, we conclude by providing an overview of state trial court funds that support self-help centers that provide assistance to self-represented people in various case types—including on housing issues.



Equal Access Fund (EAF) Program

Summary of Equal Access Fund Program Budget Appropriations

(In Millions)

Fund Source	2018-19	2019-20	2020-21	2021-22	2022-23 (Estimated)	2023-24 (Proposed)
General Use						
General Fund	\$20.4	\$20.4	\$20.4	\$65.4	\$35.4	\$35.4
Trial Court Trust Fund	5.5	5.5	5.5	5.5	5.5	5.5
Subtotals	(\$25.9)	(\$25.9)	(\$25.9)	(\$70.9)	(\$40.9)	(\$40.9)
Specific Use						
Federal funds (housing/eviction)	—	—	—	\$40.0	\$20.0	\$20.0
General Fund (housing/eviction)	—	\$20.0	—	—	30.0	—
General Fund (other various)	—	2.5	—	5.3	20.0	10.9
National Mortgage Special Deposit Fund (housing/eviction)	—	—	\$31.0	—	—	—
Subtotals	(—)	(\$22.5)	(\$31.0)	(\$45.3)	(\$70.0)	(\$30.9)
Totals	\$25.9	\$48.4	\$56.9	\$116.1	\$110.9	\$71.7

Overview of EAF Program

- The EAF program generally supports the provision of legal services and assistance to indigent or self-represented people in civil cases—including eviction and housing-related cases. As shown above, the program receives support from various sources, including the General Fund.
- While a portion of EAF program funds are appropriated for general uses, some funds have been appropriated for specific purposes in recent years. EAF program monies are distributed by the judicial branch through the State Bar of California's Legal Services Trust Fund Commission.



Equal Access Fund (EAF) Program

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Funds Appropriated for General Use

- State law requires funding appropriated for general use be distributed in certain ways.
 - At least 90 percent must be distributed as “formula grants” to nonprofit legal service providers (such as legal aid) for the provision of free civil legal services and assistance to indigent and underserved people. About 100 providers are supported by such funding.
 - 85 percent of this amount is distributed to entities that provide free legal services by formula generally based on the number of people in each county whose income is 125 percent or less of the poverty threshold.
 - 15 percent is designated for entities that provide free civil legal training and technical assistance.
 - Up to 10 percent may be distributed as competitive “partnership grants” to nonprofit legal service providers who partner with local courts for projects that provide legal assistance to self-represented litigants (such as through self-help centers). About 20 to 30 providers—operating 30 to 50 projects—are supported by such funding.
 - Up to 2.5 percent can be deducted for judicial branch and State Bar administrative costs.



Equal Access Fund (EAF) Program

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Funds Appropriated Specifically for Eviction and Housing Purposes

- The four most recent state budgets—2019-20 through 2022-23—have included specific appropriations for grants to legal service providers to support eviction defense or other tenant assistance in landlord-tenant disputes, and (in some years) to prevent foreclosure for homeowners. Such assistance could include pre-eviction and eviction legal services, mediation, renter education and representation, and legal services to improve habitability.
- Provisional budget and trailer bill language for each appropriation directed the distribution of this funding.
 - Funding appropriated in the 2022-23 budget is distributed through competitive grants, with preference for providers that (1) serve rural or underserved communities or (2) partner with community-based organizations or local jurisdictions.
 - Funding appropriated in 2019-20, 2020-21, and 2021-22 was distributed in two ways. First, 75 percent was distributed as grants to legal service providers that (1) already provided eviction defense or other tenant assistance in landlord-tenant rental disputes and (2) were currently eligible to receive the general use formula grants. Funding was allocated on a pro-rata basis based on each provider's share of the formula grant award. Second, 25 percent was distributed as competitive grants to legal service providers to support services to those tenants whose needs would not be met by the pro-rata distribution. Preference was given to providers that serve rural or underserved communities.



Equal Access Fund (EAF) Program

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Status of Appropriations Specifically for Eviction and Housing Purposes

- **2022-23 Budget (\$30 Million General Fund).** Grants totaling \$25.2 million were awarded to 46 legal service providers. The remaining \$3.3 million is scheduled to be awarded at the end of April 2023. Up to 5 percent of this funding could be used for administrative costs.
- **2021-22 Budget (\$80 Million Federal Funds Appropriated Over Three Years).** Of the total for these grants, \$40 million was available in 2021-22, \$20 million was available in 2022-23, and \$20 million is planned to be available in 2023-24. Grants totaling \$78 million were (or are expected to be) awarded to 77 legal services providers including (1) \$58.5 million in pro-rata grants to 75 providers and (2) \$19.5 million in competitive grants to 23 providers. Up to 2.5 percent in 2021-22 and 5 percent in 2022-23 and 2023-24 of this funding could be used for administrative costs. (We note that this assumes the final \$20 million is appropriated as part of the 2023-24 budget.)
- **2020-21 Budget (\$31 Million National Mortgage Special Deposit Fund).** A total of \$29.5 million was awarded to 71 legal services providers. These providers were awarded \$22.1 million in pro-rata grants, and 12 of these providers were awarded an additional \$7.4 million in competitive grants. Up to 5 percent of this funding could be used for administrative costs.
- **2019-20 Budget (\$20 Million General Fund).** Grants totaling \$19.7 million were awarded to 64 different legal services providers. This includes (1) \$15.7 million in pro-rata grants to 61 of the providers and (2) \$5 million in competitive grants to 18 of the providers. A total of \$150,000 was to be used for administrative costs.



Shriver Program

Summary of Shriver Program Grants

Fiscal Year	Estimated Amount Awarded (in Millions)	Number of Project Grants	Number of Court Participants	Number of Service Provider Participants
2011-12	\$9.5	9	7	7
2012-13	9.5	9	7	7
2013-14	9.5	9	7	7
2014-15	7.7	7	6	8
2015-16	7.7	7	6	8
2016-17	7.7	7	6	8
2017-18	7.2	8	7	9
2018-19	7.2	8	7	9
2019-20	9.7	8	7	9
2020-21	11.8	12	9	11
2021-22	12.3	13	10	12
2022-23 (through December)	12.4	13	10	12

Overview of Shriver Program

- Since 2011-12, the Shriver Program has provided competitive grants to projects that provide legal representation for low-income people in civil matters generally deemed to be affecting basic human needs (such as housing and child custody matters) and support court activities to ensure access to justice for unrepresented people. State law prioritizes grants for family law matters—most notably child custody cases. Funded projects are required to be a partnership between at least one court and one legal services provider.
- The program is generally supported by a share of certain civil filing fees related to post-judgement activities. Fee revenues steadily declined between 2011-12 and 2018-19 from nearly \$10 million to \$7.5 million. To address this, Chapter 217 of 2019 (AB 330, Gabriel) increased the share of fees from \$10 to \$25 per filing. (The 2019-20 budget also included \$2.5 million General Fund in one-time additional support.)



Shriver Program

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Status of Grant Allocations

- Grants are typically awarded for three years, with the most recent grants awarded to support projects from October 2020 through September 2023. For 2022-23, Shriver Program grants—totaling about \$12.4 million—support 13 projects. These projects reflect 9 trial courts partnering with 12 legal service providers.
- Of the currently funded projects, five are housing-specific projects (\$5.4 million). An additional three projects (\$4.8 million) partially support housing-related workload.



Legal Services Corporation (LSC): Legal Aid Organizations

Overview of LSC Program

- The LSC is a national, independent nonprofit entity that allocates federal funding to legal services providers through competitive grants to provide legal aid to low-income people. Entities receiving funding are typically required to provide legal aid in a range of civil issue areas—including housing, family, and employment.
- About 90 percent to 95 percent of the funding in recent years is allocated for the direct delivery of legal assistance, with the remainder allocated for specific purposes (such as technology initiatives). The funding for the direct delivery of legal assistance is distributed by formula to jurisdictions generally based on the number of people with household incomes at or below the federal poverty level.
- As a condition of receiving LSC funding, federal law prohibits legal services providers from engaging in certain activities (such as participating in class action cases or most political activities) or representing certain clients (such as people who are not U.S. citizens, with certain exceptions). These restrictions apply to the LSC funding and frequently to other sources of funding supporting the providers.



Legal Services Corporation (LSC): Legal Aid Organizations

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California Legal Service Providers Receive LSC Funding

Summary of Total Funding for California Recipients of LSC Funding				
	2017-18	2018-19	2019-20	2020-21
LSC Funding				
Direct service delivery	\$46.6	\$44.0	\$46.6	\$49.2
Specific purposes	2.2	0.4	0.2	0.1
Subtotals	(\$48.8)	(\$44.4)	(\$46.7)	(\$49.3)
Other Funding	\$77.7	\$88.1	\$120.8	\$119.6
Totals	\$126.5	\$132.5	\$167.5	\$168.9

LSC = Legal Services Corporation.

- The LSC received \$465 million in total funding in 2020-21 to distribute nationwide. As shown above, California received \$49.3 million—\$49.2 million in funding for the direct delivery of legal aid and \$115,000 for technology initiatives. These funds were distributed to 11 legal service providers who also receive funding from the state (such as through the previously discussed programs) and other sources (such as private donations).
- In 2021, California’s legal service providers reported closing 61,226 cases—of which 49.7 percent were housing related. The percentage related to housing ranged from 15.2 percent to 72.8 percent across providers.



Legal Services Corporation (LSC): Legal Aid Organizations

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State Funding Received by California Recipients of LSC Funding

Summary of Equal Access Fund General Use Appropriations to California Recipients of LSC Funding

(In Millions)

	2017-18	2018-19	2019-20	2020-21	2021-22
Formula grants	\$7.9	\$7.8	\$8.5	\$7.7	\$21.3
Partnership grants	1.2	1.1	1.1	1.1	3.0
Totals	\$9.1	\$8.9	\$9.6	\$8.8	\$24.3

LSC = Legal Services Corporation.

- As shown above, all of the 11 legal service providers that receive LSC funding received EAF formula grants totaling \$21.3 million and 8 providers also received partnerships grants totaling \$3 million in 2021-22.
- These legal services providers also received a share of the EAF program funding appropriated specifically for eviction defense.
 - **2022-23 Budget.** Of the \$30 million (General Fund), \$5.1 million was awarded to five of these providers.
 - **2021-22 Budget.** Of the \$80 million (Federal Funds), \$24.1 million in pro-rata grants was awarded to 11 providers and \$6.9 million in competitive grants to 7 providers. (We note that this assumes the final \$20 million is appropriated as part of the 2023-24 budget.)
 - **2020-21 Budget.** Of the \$31 million (National Mortgage Special Deposit Fund), \$9.1 million in pro-rata grants was awarded to 11 providers and \$2.3 million in competitive grants to 3 providers.
 - **2019-20 Budget.** Of the \$20 million (General Fund), \$6.5 million in pro-rata grants was awarded to eight providers and \$2.4 million in competitive grants to four providers.
- Finally, five of these legal services providers currently participate in Shriver programs—four providers in housing-specific projects (\$4.7 million) and one provider in a housing and child custody project (\$3 million).



Trial Court Self-Help Centers

- Each trial court operates a self-help center which serves as a central location for self-represented people to educate themselves and seek assistance with navigating court procedures.
- Attorneys and other trained personnel who staff the centers provide services in a variety of ways (such as through one-on-one discussions, courtroom assistance, workshops, and referrals to other legal resources). This assistance is provided for a range of civil issue areas including housing issues.
- The 2022-23 budget includes \$30.3 million—\$19.1 million from the General Fund (limited term) and \$11.2 million from two judicial branch special funds (ongoing)—to support self-help centers.

