

Alabama Civil Justice
Foundation

2008 Alabama Supreme
Court Report

Introduction

"It was once said that the moral test of government is how that government treats those who are in the dawn of life, the children; those who are in the twilight of life, the elderly; and those who are in the shadows of life—the sick, the needy and the handicapped." --Hubert H. Humphrey

The Alabama Civil Justice Foundation seeks to help improve the quality of life for Alabamians through its grantmaking program. With funds from Interest on Lawyers Trust Accounts (IOLTAs) as well as charitable giving, ACJF has been able to make a significant impact on the lives of children, families and seniors through vital programs and services such as educational enrichment programs for children and adults and healthcare assistance for families and seniors. In its 15 year history, ACJF has a proven record of outstanding service to nonprofit organizations that endeavor to build stronger communities as well as assist the most vulnerable in the state. Therefore, it is no surprise, that ACJF, in its brief history, is considered one of the philanthropic leaders in the state of Alabama.

ACJF understands that its generosity is only possible because of Alabama attorneys who designate their IOLTA funds to the Foundation, which is why there is much pride in the work that ACJF does on behalf of those lawyers. ACJF has since its inception received valuable support from members of Alabama Association for Justice (formerly the Alabama Trial Lawyers Association),

but it is with participating members from various legal backgrounds—small to large firms, defense to plaintiff rights, rural to urban— that ACJF is able to invest in community needs that are of major importance to Alabama attorneys who work for justice both *inside* and *outside* the courtroom.

With the Alabama Supreme Court rule change that mandates IOLTAs for all attorneys, ACJF has been able to expand its work and has been able to provide significant funding for programs to help Alabamians gain access to the legal system. This year, ACJF is proud to have awarded a considerable amount of funding to programs that provide civil legal aid to the poor as well as support other justice related initiatives.

The information provided herein, details the impact of the Rule Change on ACJF's IOLTA program as well as details the Foundation's grantmaking process. Again, ACJF is proud of the successful efforts that have been made to change lives and build communities and it looks forward to many more years of making a difference in the lives of Alabama children, families and seniors.



Alabama Civil Justice Foundation Grant Awards from 1993 to 2008

Year	Grant Amount	Year	Grant Amount
1993	\$15,000.00	2001	\$783,794.00
1994	\$200,000.00	2002	\$397,083.00
1995	\$361,602.00	2003	\$129,511.74
1996	\$438,785.00	2004	\$323,299.00
1997	\$388,438.00	2005	\$705,455.00
1998	\$511,628.00	2006	\$548,512.00
1999	\$570,473.00	2007	\$293,936.00
2000	\$533,042.00	2008	\$706,275.00

Rule Change Impact

Growth in IOLTA Participation

When the Alabama Civil Justice Foundation began in June 1993, there were only 50 IOLTA participants. Since that time, participation increased to 1,657 participating members in June 2007. In June 2008, following the mandatory rule change, the Foundation grew to 2,301 participants, an increase of 644 attorneys.

ACJF has always kept a database with all attorneys participating in the Foundation's IOLTA program. Over the years, efforts have been made to both inform and involve these participating attorneys in ACJF. A primary result has been to increase the engagement of attorneys with organizations in their communities that are assisting the poor and disadvantaged.

One of the more successful strategies has been to have ACJF attorneys deliver grant checks to organizations in their local communities receiving grants from the Foundation. This has resulted in more attorneys becoming individual contributors to these organizations, joining these nonprofit boards, and we have had several that have served as board presidents. Through these and other activities, ACJF attorneys have also been informed about the needs of Alabama citizens—especially the needs of families and children. We anticipate the same expanded interest and involvement from ACJF attorneys with Access to Justice programs as ACJF expands its involvement in this area.

Also, the Foundation welcomes the new participating attorneys since the Court's rule change and we are continuing strategies that engage lawyers to become more and more active in their community.

Growth in Receipts

IOLTA receipts are based on several variables including:

- the number of accounts
- the average account balances
- the interest rate
- the activity charges and IOLTA administrative fees subtracted from interest earned.

The changes the Court made to Rule 1.15 of the Alabama Rules of Professional Conduct that had the most impact on IOLTA receipts were the mandatory requirement that all trust accounts be designated as an IOLTA and the revisions and enforceability of the Comparability Rule for interest rates paid on IOLTAs.

ACJF has added 357 new accounts since October 2007. These new accounts earned \$88,670.82 between October 2007 and June 2008. The Court requested that money from all new accounts be reserved for Access to Justice grants. In 2008, ACJF awarded \$284,000 to Access to Justice grants which was more than three times the Court's request.

Receipts have also increased due to the increase in interest rates paid on IOLTA accounts by Alabama banks. During January to June 2007 when the Federal Funds Rate was 5.25%, the IOLTA rates among all Alabama banks ranged from .11% to 3.45%. During January to June 2008 when the Federal Funds Rate ranged from 3.5% to 2%, the IOLTA rates among all Alabama banks ranged from .05% to 3.44%.

ACJF Average Monthly IOLTA Receipts

1993	\$6,404.00	2002	\$36,855.00
1994	\$26,796.00	2003	\$19,797.00
1995	\$30,670.00	2004	\$16,430.00
1996	\$47,065.00	2005	\$36,334.00
1997	\$48,797.00	2006	\$54,445.00
1998	\$58,366.00	2007	\$59,214.00
1999	\$49,311.00	2008	\$96,333.00*
2000	\$52,390.00		
2001	\$78,305.00		

*as of August 2008

Chart I shows the Federal Funds Rate during the first six months of 2007 in comparison to the interest rates paid by the banks with the larger (most ACJF IOLTA accounts) banks in order to give a better indication of the yield on the majority of accounts.

Chart II shows the Federal Funds Rate for each month between January and June in comparison to the average interest yield earned by all ACJF IOLTA accounts in all banks. (This more comprehensive information is available for 2008 because ACJF purchased a new IOLTA database in late 2007 that allowed for the input, tracking and analysis of all IOLTA remittance information.)

A comparison of the information in **Charts I** and **II** demonstrates that the IOLTA interest rates are significantly closer to the Federal Funds Rate in 2008 than in 2007. This is attributable to the increased enforceability of the Comparability Rule.

The ACJF's IOLTA receipts between January and June 2007 totaled \$377,307.28 and during the same months in 2008, ACJF received \$583,764.89.

Further comparison of the interest rates paid during 2007 and 2008 can be made by examining **Exhibit 1** which shows the interest rates paid by individual banks during January and June 2007 and **Exhibit 2** which shows the same for 2008.

Chart I

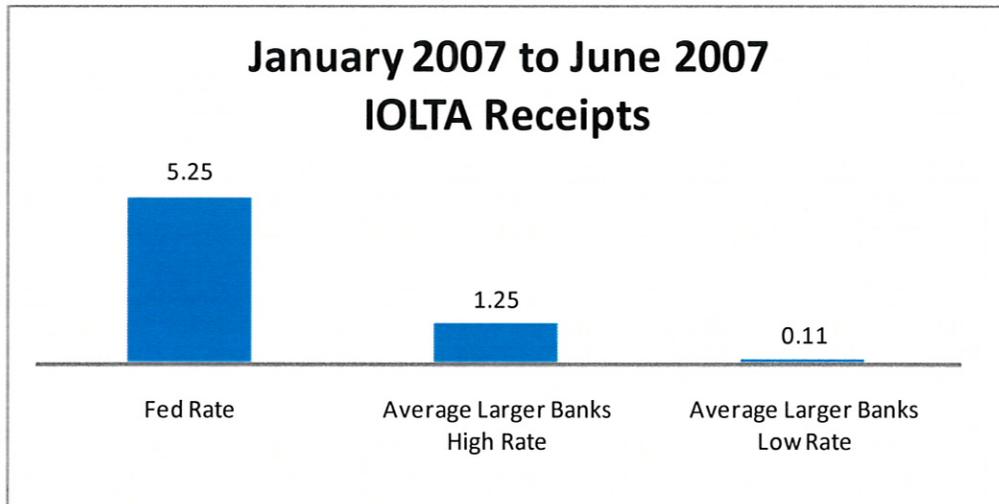
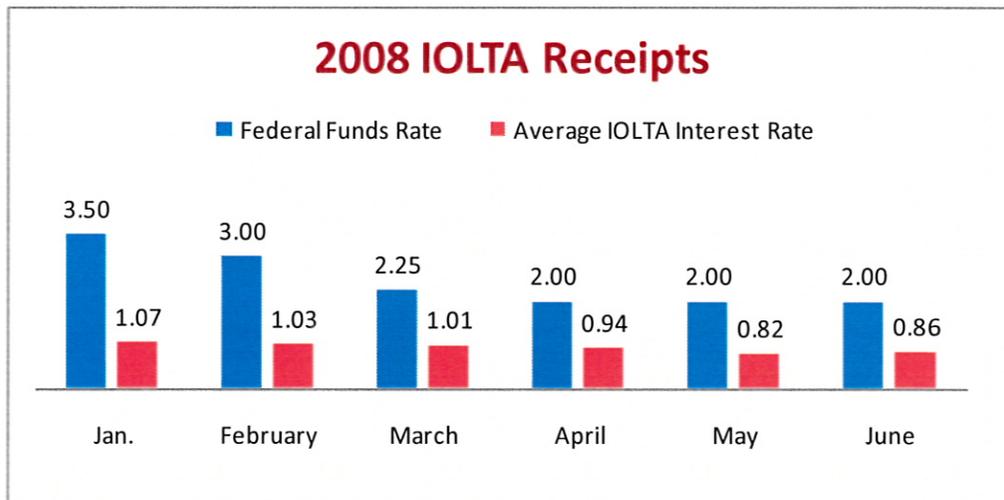


Chart II



Interest rates paid on IOLTA accounts vary substantially from one bank to another and is due to different factors including the difference in rates generally offered by banks, the rates specifically designated for IOLTA accounts, and the Federal Funds Rate.

Exhibit 3 shows all banks that submit to ACJF and provides a comparison of the interest yield among the banks during the first six months of 2008 and whether any Activity Fees and Administration Fees were subtracted from the interest. Activity and IOLTA Administrative fees totaling \$47,266.70 were subtracted from interest earned during this period.

Rule 1.15 allows banks to charge “allowable reasonable fees” (Activity Fees) for per check charges, per deposit charges, a fee in lieu of minimum balance, federal deposit insurance fees, and sweep fees. The Rule also allows banks to charge a “reasonable IOLTA account administrative fee.” The Activity Fees vary by bank and the IOLTA Administrative Fees range from \$1 to \$25 per account.

There are several interesting facts in **Exhibit 3** that impact IOLTA funds received by the IOLTA program.

- The average interest rate earned on all accounts in all banks during the period

was .87%.

- Of the 115 banks, only 26 charge any fees on IOLTA accounts.
- 97 banks waive all activity fees.
- Only 18 banks charge an IOLTA administrative fee.

Exhibit 4 shows the rates for all banks by each month between January and June of 2008. Despite other variables that impact average rates, the spread sheet demonstrates how the drop in the Federal Funds Rate from 3.5 to 2.0 between January and June in 2008 resulted in reductions in interest rates paid on IOLTA accounts at some of the banks.

Comparability Rule with Mandatory IOLTAs

A comparison of 2007 and 2008 information demonstrates that although the Federal Funds Rate is lower in 2008 than 2007, the interest rates paid to IOLTA accounts are higher in 2008 due to the enforceability of the interest rate comparability requirements in Rule 1.15. Comparability refers to the rule requiring banks to pay IOLTA accounts “the highest interest rate or dividend the financial institution offers to its non-IOLTA customers when the IOLTA account meets or exceeds the same minimum balance and other eligibility requirements, if any.”

Example:
Move one \$100K Account to a Higher-rate Bank
Annual Net IOLTA revenue generated at four banks paying different rates



Eighteen states currently have a comparability rule. The Alabama Court first adopted a comparability rule in 2003 making Alabama among the first states to have such a rule. It gave much needed leverage when working with banks to increase rates. However, the ability to enforce comparability was limited by the fact that Alabama attorneys could opt-out of participation in the IOLTA program. There was a tendency not to force compliance because if a bank decided not to offer IOLTAs to its attorney customers, there was the probability that some attorneys would decide to stay with the bank and opt-out of the IOLTA program. The results would be a reduction in participation and in IOLTA income. Under the mandatory rule, banks may, of course, still decide not to offer IOLTAs, but they—not the IOLTA programs—will lose attorneys' trust accounts and potentially all the attorneys' other business as well.

Following the rule change, ACJF was contacted by attorneys whose banks did not want to offer IOLTAs or did not know how to set up IOLTAs. In numerous cases, ACJF staff had the opportunity to speak directly to bank personnel, explain the new rules and the bank action it required, provide them with a Handbook for Financial Institutions ACJF prepared (see **Exhibit 5**) and in all but one case, the bank made the decision to offer IOLTAs.

An Account Option/Rate Selection (See **Exhibit 6**) for IOLTA Accounts form was distributed to all banks which required them to give the rates being paid on the account product types suitable for IOLTAs. They were to indicate the product type with the highest rate or choose the alternative rate of 55% of the Federal Funds Target Rate ("safe harbor").

As closely as we can verify, there are 10 banks that have chosen the safe harbor rate and most of these are the larger financial institutions. Unfortunately, the verification of the information on these reports and comparison with the bank's remittance reports has been slower than desired. This year, the reports were returned to only the Alabama Law Foundation which has limited ACJF access; however, this can be corrected next year with the reports being returned to both Foundations. The monitoring process can be more easily shared. Revisions to the form will be considered as well to

better facilitate the verification process.

Financial Institutions

Alabama banks are true partners in the IOLTA program. ACJF has found overall that the banks have been very cooperative in making necessary changes. There was communication with the Alabama Bankers Association prior to submitting the request to the Court and this facilitated an efficient process.

The ACJF IOLTA Handbook for Financial Institutions (**Exhibit 5**) is available on the Foundation's website and has proved to be helpful especially to the smaller banks establishing IOLTA accounts for the first time. ACJF is also available to answer questions by phone. Attorneys occasionally call with questions they have about their bank's IOLTA procedures and these questions can usually be handled easily by contact with the bank.

All financial institutions are required to submit reports with specified information. ACJF has a standard Remittance Form that may be used by a bank (**Exhibit 7**), but many banks have a computerized form used to report the information.

Although not a new problem, there are a few banks that are not reporting all required information—primarily average balances. ACJF will continue its efforts to assure complete reporting by all banks to adequately monitor bank compliance and to better enable ACJF to analyze the data.

ACJF has built a relationship with IOLTA banks and the staff has frequently made contact with banks concerning remittance questions and the interest rates being paid on IOLTA accounts.

Whenever possible, the ACJF staff communicates with bank personnel about how the IOLTA funds are used as well as offer information about the many people in need who are helped by ACJF grants. Financial institutions must receive CRA (Community Reinvestment Assistance) credits by giving back to help the poor in their community. Banks are not able to receive CRA credits for their participation with IOLTA Programs; however, IOLTA programs have recently been encouraged to write letters for the bank's CRA files. This will

be a good way to highlight the charitable impact of banks through the IOLTA program. ACJF will begin recognizing banks through CRA letters this fall.

ACJF will also be instituting a Leadership Bank program that will recognize the top 10% of banks with the highest yield. In addition, banks that pay at least 55% of the Federal Funds Rate will be designated as Prime Partner Banks. These recognition programs have been very effective in other states to increase the rates paid on IOLTA accounts.

Tracking Information

There are specific procedures followed by ACJF in tracking IOLTA receipts from the 115 financial institutions that have IOLTAs designated to the Foundation. As required by Rule 1.15, banks submit a written report along with the funds, which are overwhelmingly sent by bank check. The ACJF uses these reports to monitor the IOLTA interest rates and to verify that the correct amount of funds were received and that all accounts were reported. It is not unusual to have to follow-up with bank personnel about accounts not included in the report. Until this year, ACJF has randomly checked the average account balances to verify that the correct interest was earned on individual accounts. This was done randomly because the ACJF IOLTA program did not have software with

the capability to analyze all accounts.

Last September, the ACJF Board of Directors made the decision to purchase a software program specifically for IOLTA programs to track and analyze receipts. The Foundation's board knew that the rule changes would require more analysis. This software, developed by Roger Lilavois, was also used by the Alabama Law Foundation, which would make joint analysis more accurate. Because Mr. Lilavois had just upgraded his software, ACJF was one of the first to begin using the new version. All states using his software will be on the new version soon.

ACJF personnel is now inputting much more individual account information and is able to monitor and verify information more accurately. As with any new software and especially one that is continually being upgraded, there have been some difficult moments, but overall the software has become invaluable. The software has been fully utilized for accounts since January 2008. More banks are gradually making reports available in downloadable form. This is especially important for the larger banks since it is incredibly time consuming to enter by hand all the data. Overall, the tracking system continues to facilitate monitoring and communication with ACJF participants.

ACJF Grantmaking

Outside of having the highest ethical standards, grantmaking is the most important responsibility of ACJF. In 1992, the Foundation was given permission by the Alabama Supreme Court to receive IOLTA funds to assist organizations providing aid or assistance to one or more of the following areas in Rule 1.15 i.(1): "underprivileged children, the needy, traumatically injured children or adults, handicapped children or adults, or drug and alcohol rehabilitation programs."

Providing assistance to the needy has been the overarching guide for essentially all grantmaking with support for underprivileged children – and, thus, families – receiving the major portion of funds. Less support has been awarded in the other

categories, which primarily focus on health-related programs.

ACJF also recognized that its responsibility as outlined in these four areas in Rule 1.15 focused on providing assistance for problems outside the legal arena in comparison to the focus of the Alabama Law Foundation, which exclusively focused on law-related areas. ACJF very carefully avoided any duplication in this funding area until last year when the Court allowed ACJF to expand its funding.

As previously stated, ACJF's new accounts resulted in an additional \$88,670.82 between October 2007 and June 2008. ACJF is pleased to report that \$284,000 was awarded to grants in the Access to Justice category. Descriptions of these grants can

be found in the Justice Grant and Capacity Building sections of this report and in the Annual Report. A limited number are Operating Expense Grants.

Early on, the Foundation sought a way to define areas of programming that were most critical to help Alabama's poor and developed a vision for civil justice: "the opportunity for all citizens to have adequate food and shelter, good health care, a safe environment in which to live and work, a sense of well-being, a quality education, and the chance to work and earn a living." While still broad, it did demonstrate to those participating with ACJF and those seeking funding the areas believed to be of importance if Alabama's poor were to move out of poverty. This approach demonstrated a primary support for prevention efforts; however, it recognized that conditions in communities throughout the state make direct support for current needs important as well.

ACJF's grantmaking was also focused on providing support to local programs throughout the state. By the third year of funding, programs that provided services in every county in the state had been supported. While a thorough evaluation of the grant requests remain a primary basis for awarding grants, ACJF has continued to consider geographical distribution important.

Quality Grantmaking

Throughout its history, ACJF has strived to be a leader in its grantmaking. Over 15 years of awarding grants, the ACJF has had as its goal to be a quality grant maker through the use of:

- staff and board knowledge in these fields
- familiarity with Alabama's nonprofit sector
- current research and program evaluation
- best practices in the grantmaking field
- effective collaborative efforts within the state

The ACJF Board of Directors is comprised of a diverse group of individuals who bring knowledge and experience of importance to the Foundation in its grantmaking process and governance. In addition to members who are leaders with the Alabama Association for Justice, more than half of the ACJF board members are appointed because of community leadership and commitment to the Foundation's mission.

The ACJF executive director has 25 years of grantmaking experience with ACJF and the Children's Trust Fund of Alabama. Her respect among Alabama's grantmakers was evidenced when she was elected by her peers as the 2006-2008 president of Alabama Giving, Alabama's professional association of grantmaking foundations.

Involvement with professional associations have helped ACJF keep its grantmaking current and of the highest quality. ACJF is a long-time member of the Council on Foundations, the nation's premiere philanthropic association, and Alabama Giving. Both of these professional associations provide training and current information on successful grantmaking trends and strategies, as well as opportunities for communication and collaboration with colleagues.

ACJF is also a member of the National Association of IOLTA Programs (NAIP) and the Executive Director regularly attends its training sessions. NAIP provides an active list serve in which IOLTA program directors communicate and a members' web-site that provides numerous documents and information.

ACJF has worked closely with the Nonprofit Resource Center of Alabama encouraging its expansion from the Birmingham area to a true statewide presence. ACJF's executive director is currently serving as the NRCA Board Chair and is the first Board Chair outside of Birmingham. NRCA is an important key to reaching nonprofits throughout the state with quality training that will help to build strong nonprofit organizations. ACJF has also participated in and benefited from NRCA training.

Grant Review Process

ACJF established a competitive grant process with guidelines and a grant application in 1994 which has been updated or revised several times. ACJF currently has two grant committees that recommend revisions and provide support to the staff and full board in the Competitive Grant and Justice Grant processes.

The **Competitive Grant** process is the traditional grant cycle that ACJF has always offered. It

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requires applying organizations to submit written proposals by a specified deadline. The review process takes approximately 10 weeks. The major categories that grant applicants are asked to include are:

- Mission
- History
- Program Description
- Evaluation Methods
- Future Plans
- Financial Information
- Board member information

In addition to other items such as verification of their nonprofit status and support letters, ACJF includes several items in our application that are intended to encourage nonprofit "best practices." For instance, applicants are asked about the percentage of board members who made a financial contribution, the ways in which the organization receives training for its boards and staff and a list of partners with which it collaborates. The 2008 Competitive Grant Guidelines and Application are included as **Exhibit 8**.

ACJF grant applications are thoroughly reviewed by staff and board members. After an initial staff and Competitive Grant Committee review, the entire board membership is divided into five review committees each with specific grant applications to review. These committees make recommendations to the full board that approves all grant awards.

This review process is thorough and requires difficult decisions. The requests for every grant cycle has far exceeded the funds available and there are always many qualified and outstanding programs that cannot be funded. It is ACJF's policy to only award funds that have been previously received by the Foundation; therefore, no grants are awarded on anticipated funds.

From 1993 to 2000, ACJF had two grants cycles a year in June and December. In 2001, the Board eliminated the June cycle and only awarded grants in December. In 2007 when the Board approved two major changes in the Foundation's grantmaking, the award date was moved from December to May and current plans are to keep

this schedule for the foreseeable future. The 2008 Grant Guidelines and Application are posted on www.acjf.org. The 2009 Application will be posted by January 1, 2009.

Competitive Grants are awarded primarily to community-based nonprofits with some funds awarded to regional or statewide organizations that support local efforts. The impact of these grants has been substantial over the years. ACJF uses its extensive knowledge of the needs and problems facing Alabama communities, its awareness of what is working both within the state and nationally, and its experience in grantmaking as grants are awarded. Effective grantmaking requires a foundation to be both committed to "best practices" and open to local circumstances in the awarding of community grants, and ACJF strives to be both.

ACJF IMPACT Story!

In 1996, ACJF awarded a \$5,000 grant to the city of Sylacauga to develop a collaborative effort that would help strengthen struggling families in their community. Established as a "Family Resource Center" model, the Sylacauga Alliance for Family Enrichment (S.A.F.E.) resulted the next year. Since its creation, S.A.F.E. has had an \$8 million economic impact in Sylacauga and two years ago the community was recognized as one of the top 100 cities in America for families to live due to the incredible resources and family friendly atmosphere made possible by S.A.F.E.

Additionally, ACJF has been a strong supporter of Family Resource Centers in other Alabama communities and of the FRC Network. It is a model that has gained a broad base of support within the state, and there is movement to expand the now twelve (12) Centers into additional communities throughout the state.

Competitive Grants—Two Types

ACJF awards two types of Competitive Grants—the basic Operating Expense Grants and the more focused Capacity Building Grants. The same high standard of review and expectations remain for these proposals as outlined earlier. The Operating Expense grants are smaller with a maximum of \$5,000 per grant. Capacity Building Grants are a maximum of \$10,000.

A listing of all Competitive Grants awarded in 2007 -08 can be found in the Annual Report. See

Exhibit 8 for the Competitive Grant Guidelines and Application.

Operating Expense Grants

ACJF changed its competitive grantmaking from project focused in which applicants requested funds for specific budget line items to funding operating expenses in 2003 when interest rates dropped so drastically that individual grant awards were generally cut in half.

Experience with nonprofits had taught that restrictions on how grant funds could be spent frequently reduced an organization's ability to manage effectively. Therefore, ACJF followed a trend just beginning with other foundations nationally and began investing in organizations and their missions rather than specific aspects of a particular project. The results have been outstanding from the funder's perspective and, as can be seen in the Annual Report, ACJF receives numerous testimonies from grantees about this aspect of its grantmaking.

Capacity Building Grants

Capacity Building Grants are for organizations that are prepared to take on an effort to strengthen the organization and its ability to meet its mission. Although many nonprofits have a strong sense of mission and service, few nonprofits have the staff or resources to take their organization to the next level that will lead to sustained growth. Capacity building can take on many forms but some examples include professional development, strategic planning, evaluation, new equipment or technology, or advice on marketing or communication.

ACJF requires applicants for a Capacity Building Grant to indicate the reason why—both internally and externally within their community—the time is right for the particular capacity building strategy they propose. Commitment by the staff and board must be documented. Grants in these areas have been most successful and ACJF hopes to be able to expand them over the next few years.

On page 11 of this report there are descriptions and expected outcomes of the Capacity Building Grants awarded in 2007-08.

Justice Grants Come from Major 2007-2008 Grant Award Revisions

In early 2007, ACJF contracted with a consultant to develop strategies for grantmaking and for building a reserve fund. Among the consultant's recommendations for grantmaking was that ACJF classify its grants into four areas that have special identification to the Alabama attorneys and the public. These areas were: Children, Families and Seniors; Community; Responsibility and Accountability; and Safety and Security. (Access to Justice was added as a category in September.)

The consultant also recommended that the board designate 60% of its grant funds for more substantial and strategic initiatives. The remaining 40% would be for traditional competitive grants that were generally community based and \$10,000 or less.

These changes were adopted in May 2007 and the Foundation immediately began to revise its grant process. The grant deadline for the upcoming cycle was moved from October 1, 2007 to March 1, 2008 in order to provide adequate time for developing the new guidelines and applications and getting them posted in time for applicants to meet the deadline.

ACJF's new area of grants designated for more substantial initiatives were named Justice Grants. They vary from Competitive Grants in many more ways than simply the amount of funds and the extent of expected results. There is no timeline for ACJF to receive or award Justice Grant applications. Interested organizations can submit a Letter of Inquiry that outlines their proposal. If the proposed initiative has merit as a potential Justice Grant, the Justice Grant Committee and ACJF staff will enter into discussions and the possible development of the full proposal. This process allows each proposal to be thoroughly examined and strategically designed for maximum impact.

Just as the scope of Justice Grants are expected to be significantly larger than traditional grants, the amount that can be awarded is also significantly larger and is currently set between \$10,000 and \$100,000. For a complete review of the 2008 Justice Grant guidelines and process, see **Exhibit 9** of this report.

Grantee Reporting

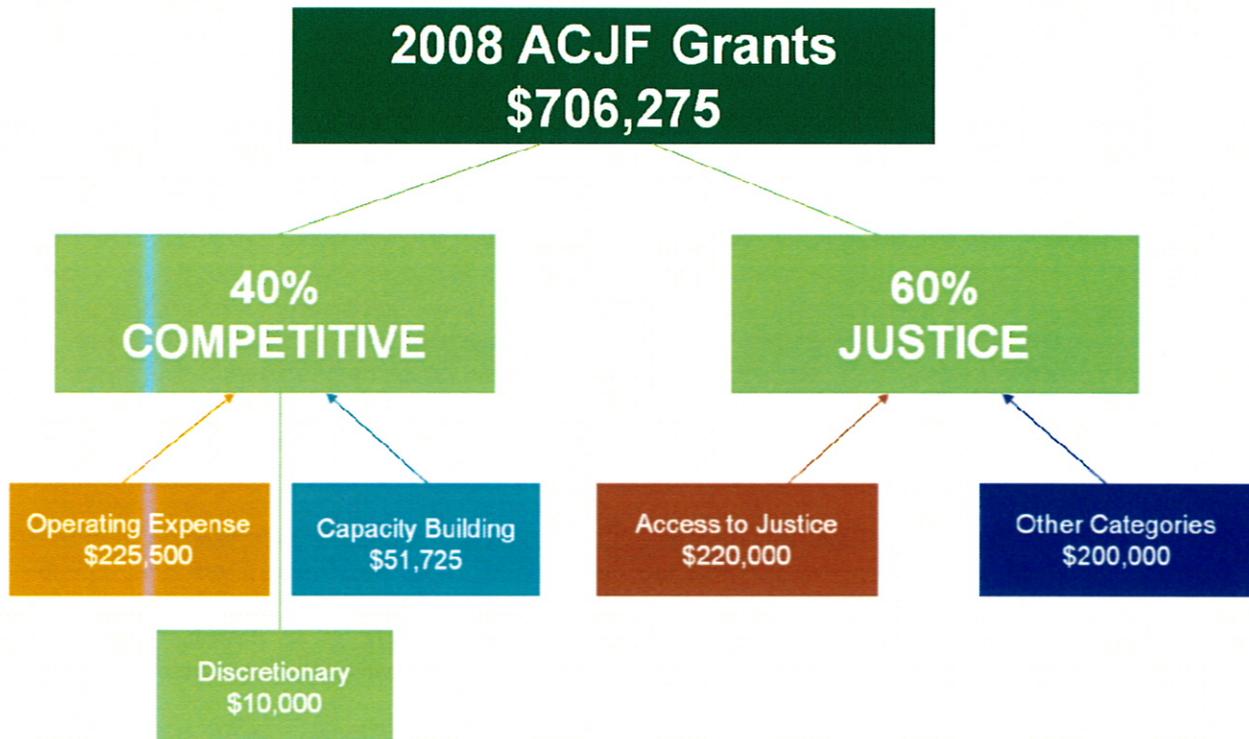
All ACJF grantees are required to make mid-year and final reports to ACJF as to the grants progress that are reviewed by ACJF staff. **Exhibit 10** includes the Mid-Year and Final Report Forms for Competitive Grants. Capacity Building grantees are expected to communicate by phone with ACJF staff before the mid-year report is submitted. Justice grantees are to communicate regularly with ACJF staff in addition to submitting written reports.

Most grant awards are given in two installments with the second installment sent after approval of

the Mid-Year Report. ACJF will not approve a grant for an organization that has not complied with all reporting requirements for a prior year.

Grant Awards

The chart on page 1 provides the total of grants awarded by ACJF during each calendar year. Most, but not all, of these grants were funded by IOLTA funds through the ACJF grant procedures described. Other funds available for ACJF grants come primarily through contributions. The ACJF has received more than \$2.5 million in contributions. Below, the chart shows the categories of funding for 2008 grants.



2008 Capacity Building Grants

Alabama Network of Children's Advocacy

Award: \$7,225

Child Advocacy Centers (CAC) support children victimized by sexual abuse through the investigation and court proceedings. The Alabama Network of Children's Advocacy Centers (ANCAC) is the formal connection of the 27 advocacy centers and two pilot projects located in Alabama. The Network is primarily responsible for facilitating training and professional development for CAC staff and board members. The grant will enable the Network Executive Committee, Long Range Planning Committee and staff in a collaborative strategic planning activity.

Expected Results

- ANCAC Bylaws will be revised and updated to reflect the current needs of the dynamic, growth-oriented vision of the Network and presented to the Board.
- A Policies & Procedures Manual will be developed and presented to the Board.
- Strategies for the development of diverse and sustainable funding streams will be developed and presented to the Board.

Childcare Resources

Award: \$7,000

The mission of Childcare Resources is to improve the availability and affordability of quality early childhood care and education. It operates under the guiding principle that parents are a child's first and most important teacher. It works to improve child care services by providing information, education and assistance to families, providers of childcare, and the communities in four Birmingham area counties. Childcare Resources helps families locate child care centers that meet their needs, educates parents on how to identify quality care and offers a financial assistance program for low-income working families. Childcare teachers and administrators receive high quality, CEU approved training from the agency. Childcare Resources' website is a key and sometimes first point of entry into services offered. The ACJF grant will enable them to upgrade their on-line resource and referral services to be a more interactive, informative and user-friendly system for delivering services and

information.

Expected Results

- Numbers and statistics will indicate an increase in website hits, number of visitors, pages viewed and documents downloaded from the website's resource and referral information.
- Website visitors will be engaged for the first time via virtual entry into Childcare Resources through online polls, discussion rooms, confirmed opt-in email and other online opportunities.
- The enhanced, interactive web-site will reach a broader audience that will be analyzed by an expanded client base for the agency.

Greater Birmingham Ministries

Award: \$10,000

GBM was originally started by the North Alabama Conference of the United Methodist Church. GBM is now sponsored by eighteen (18) various faith groups. They provide services to those in need and support public policies that actually reduce poverty and its effects on the most needy and other citizens. GBM supports infrastructure that provides vitally needed services. Their activities range from securing emergency assistance (food, clothing, rent, utilities and medical prescriptions) for low-income families to strengthening the capacity of communities and their partners to work toward beneficial change through listening to and working alongside low-income neighbors and neighborhoods. GBM's efforts impact their local community and they reach throughout the state with numerous local and state partnerships. The ACJF grant will support the development of a coherent communication strategy for GBM in partnership with a specific consultant, the Community Media Organizing Project (CMOP), uniquely experienced in helping organizations to effectively tell the story of America's poor in ways that will result in system change.

Expected Results

- A comprehensive and effective communication plan tailored for GBM's needs, strategies and working environment will be developed through intensive collaboration of staff and board with the consultant.

- GBM's website and other current communication tools will be updated and new media opportunities will be explored.
- Staff and board (numbers will be tracked) will receive training and coaching from CMOP on effective communication techniques.
- Staff and board as well as GBM partners will generate and learn to effectively use the communication technique of telling "stories" that utilize the voices and life situations of GBM's low-income constituencies—as documented by the number of "stories" that increase the earned media and public attention to targeted issues.

Hands On Birmingham (HOB)

Award: \$7,000

HOB provides flexible volunteer opportunities for busy people. They partner with nonprofit agencies and schools to provide quality, hands-on experiences. They manage projects that are led by trained volunteer project coordinators, take place outside traditional work hours, are team-based and provide a direct-service to those in need. Since Katrina, HOB has become very involved in the management of projects that occur during natural or man-made disasters. They carry out numerous responsibilities that include recruiting and training volunteers before disasters occur, organize specialized volunteer based projects such as distributing disaster kits to homebound seniors, and most strategically manage Volunteer Resource Centers (VRC). The ACJF Grant will enable HOB to expand its services in Shelby, St. Clair, Blount and Walker Counties by providing the technology, supplies and program support needed for four new VISTA (Volunteers in Service to America) workers in these counties. A core part of the VISTA's work will be in the area of disaster relief.

Expected Results

- Effective working relationships will be developed with Volunteer Organizations Active in Disasters (VOAD) partners and Emergency Management Agencies (EMAs) in four counties as evidenced by effective coordination and use of volunteers during disasters.
- Effective development and management of relationships with new nonprofit agencies and schools as evidenced by the coordination and partnership of valuable volunteer projects.

- An internal HOB operations plan for Volunteer Resource Centers (VRCs) will be developed that includes roles and responsibilities based on the needs of each county's VOADs and EMAs.
- Trained corps of volunteers led by HOB VISTAs, staff and AmeriCorps will open and manage or assist in the operation of VRCs in the four counties.
- Preparation will be made in each county for senior citizens during disasters.
- In the event of a disaster, HOB will work in conjunction with the affected EMAs, VOADs, and the United Way of Central Alabama to critically evaluate the disaster relief systems.

Hispanic Interest Coalition of Alabama

Award: \$10,000

¡HICA! is a social service agency providing information and referral, English classes, citizenship education, advocacy, and support for victims of domestic violence to the immigrant Latinos in Alabama. The need for these services is evidenced by the fact that Alabama now ranks 6th in percentage increase in the immigrant population. The ACJF grant will focus entirely on building the agency's capacity to provide much needed legal services through a Family Immigration Services Program (FIS). FIS will enable ¡HICA! to assist low-income immigrants with immigration issues, specifically citizenship, naturalization and victims of abuse who are eligible to adjust their status. The FIS model was developed by Catholic Legal Immigration Network, Inc. (CLINIC) and in order to implement FIS, ¡HICA! must be recognized and staff must be accredited by the Board of Immigration Appeals (BIA), the highest administrative body for interpreting and applying immigration laws.

Expected Outcomes:

- ¡HICA! staff will attend three trainings offered by CLINIC and visit a model immigration services program in Dallas, Texas.
- ¡HICA! will develop program materials including policies and procedures manual, job descriptions for a Program Coordinator and Immigration Specialist, fee schedules, and program budgets.
¡HICA! will complete its application to the

- Board of Immigration Appeals.
- ¡HICA! will submit funding request, advertise the positions and staff the program.

Holy Family Cristo Rey Catholic High School

Award: \$10,000

Holy Family Cristo Rey High School is located in Birmingham and incorporates a proven strategy for college preparatory education to children in families who otherwise could not afford such an opportunity. In addition to receiving top quality academic instruction, every student at Holy Family is employed by the separately incorporated not-for-profit Corporate Internship Program (CIP), which serves as a temporary employment agency to provide students with meaningful work experiences. Proceeds subsidize the majority of the cost of education for each student, thus making the school an affordable option for most families. Students work in teams of four in a Full Time Equivalent (FTE) position that are provided by corporate partners. Every student works at his or her internship one full day each week and attends classes during an extended school day during the other four. The 2007 enrollment was 185 with a

projected growth over the next three to four years until the maximum of 400 students is reached. The ACJF grant will help meet the critical need for increased technological support for the teaching staff.

Expected Results

- The installation of ten (10) computers with necessary software.
- Wireless network access that will allow direct linking of all classrooms with the administrative offices enabling staff to have remote access to records.
- More accurate and efficient record maintenance with administrative task as evidenced by improved grade reporting, attendance records and other administrative responsibilities of classroom teachers.
- Increased teacher time for direct interaction with students as documented by individual teacher surveys and supervisor evaluations.
- Increased time for classroom preparation and instruction as documented by individual teacher surveys and supervisor evaluations.

2008 Justice Grants

Alabama Appleseed Center for Law and Justice

Award: \$22,500

Alabama Appleseed seeks to make legal and social systems better serve Alabama citizens through a combination of education, advocacy and policy expertise. Their board and staff include a broad representation of members of Alabama's legal community and the organization brings their expertise to bear on the solutions they seek. The Appleseed grant supports a three-year constitutional reform initiative that will strategically engage the legal community as a catalyst to build a substantive policy foundation and engage Alabama's many and varied constituencies in order to find common cause to bring a new constitution into force.

Expected Outcomes

- Appointment of a highly regarded Advisory Commission.
- Convening quarterly meetings of the Commission.

- Engage pro bono lawyers from at least six law firms to assist with the Initiative.
- Identify and convene key representative constituencies from throughout state.
- Compile Commission's recommendations for an improved constitution.
- Establish a statewide network of lawyers and judges committed to working for constitutional reform.
- Ultimately, a new, understandable, functional and equitable constitution speaking for and reflecting the interests of all Alabamians

Alabama Department of Senior Services

Award: \$75,000

Through the wide network of ADSS and its various mechanisms for providing assistance to Alabama seniors making decisions about changes to their healthcare benefits, it became clear that seniors in Alabama are at a high risk to become a victim of a Medicare scam by unscrupulous insurance salespersons. Therefore, in collaboration

with thirteen local Area Agency of Aging offices and the statewide Healthcare Fraud Advocacy & Outreach Council, ADSS developed a Medicare Protection Toolkit to serve as the primary catalyst for the campaign to alert seniors and the public and specifically to give Medicare beneficiaries real solutions and tools when considering making changes to their healthcare benefits. The ACJF grant awarded in September of 2007 provided for the production of 100,000 toolkits and the support of ADSS awareness activities. The six-month Campaign began with a joint press conference led by the Governor and included enormous activity throughout the state. The Alabama Association for Justice partnered with ACJF and ADSS to expand awareness by engaging their membership in reaching vulnerable clients and the general public in their local communities.

Results:

- 100,000 toolkits were produced and 75,000 were distributed (remaining 25,000 are available for the 2008 Campaign), and over 10,000 toolkits were downloaded from the ADSS website.
- The Medicare Protection Toolkit provided valuable assistance to Alabama seniors as evidenced by the results of a survey of Medicare beneficiaries who had received a toolkit:
 1. 89% found the contents to be very useful in making informed decisions.
 2. 92% agreed that the toolkit increased their knowledge about steps to safeguard their Medicare.
 3. 91% found the toolkit easy to understand.
 4. 16% had the opportunity to use the toolkit during a meeting with a sales agent.
 5. 61% used the toolkit when making a change to Medicare or other benefits.
- The quality of the Medicare Protection Toolkit was verified by
 1. its selection by the U.S. Administration on Aging as a "national best practice model"
 2. its replication by nineteen other states
 3. its translation into Spanish and made available nationally by the National Hispanic Council on Aging
 4. the campaign's national exposure that is resulting in additional information in the Medicare & You handbook distributed to all Medicare beneficiaries in the nation.
- The Governor's Office, Attorney General, ADSS Commissioner and various local and state

partners will be involved in expanding the distribution of the Toolkits this year.

Alabama School Readiness Alliance

Award: \$35,000

As a member of AL Giving, the professional association for grantmaking foundations in Alabama, ACJF provided the lead gift of \$25,000 in 2006 to form the Alabama School Readiness Alliance. ASRA is a collaborative initiative advocating for increased voluntary, high-quality pre-k programs based on the research that demonstrates quality pre-k is the most effective tool for closing the academic gap among children entering school. ASRA partners include AL Giving, VOICES for Alabama's Children, A+ Education Foundation and the AL Partnership for Children with membership open to organizations and individuals who signed a Statement of Support. Other Alabama grantmakers and a national funder joined ACJF's initial financial support of ASRA and that support has continued through ASRA's second year. ACJF awarded an additional \$10,000 grant to ASRA in 2007.

Results:

- ASRA membership has grown to over 100 organizations that include the Alabama Academy of Pediatrics, Alabama Chapter of AARP, Alabama Faith Council, Business Council of Alabama, Children First Foundation, River Region United Way, Rotary Club of Birmingham, University of Alabama's College of Education and College of Human Environmental Services.
- State funding for pre-k increased from \$4.6 million to \$10 million in the 2007-08 budget and from \$10 million to \$17 million in the 2008-09 budget.
- The Alabama Legislature and the Governor's Office have developed an understanding of the need for quality pre-k and a commitment to its expansion.
- Alabamians are supportive of the need for quality pre-k across all demographics (age, race, gender, economic status, location, political persuasion, with/without pre-school children) as evidenced by a state-wide poll conducted by ASRA.
- An economic impact study documented the potential impact of pre-k that was described as "larger than any industry recruited to Alabama."
- Quality has remained a top priority as

evidenced by Alabama's state-funded pre-k programs receiving a rating of 9 out of 10 in 2007 and 10 out of 10 in 2008 with Alabama ranked the highest (tied with one other state) in the nation both years.

- Quality has remained a top priority due in large part to the unyielding emphasis of ASRA on the importance of quality and its direct input on pre-k policy issues primarily through the Governor's Council on Pre-K Policy.
- Through media coverage, training sessions, presentations, and available material, the public and targeted groups (pre-school providers, families with pre-school children, community leaders, and governmental leaders) have been made aware of the importance of quality pre-k programs as documented by specific activities.

Impact Alabama – SaveFirst Award: \$30,000

Impact Alabama collaborates with colleges, universities, and communities throughout the state to develop and implement substantive service-learning projects designed to engage students in addressing human and community needs and enhance students' senses of social and civic responsibility. The goal of its SaveFirst Initiative is to train college, graduate, and law students to offer free tax preparation services, financial literacy information, and opportunities for savings and investment to low-income families, especially targeting those eligible for an Earned Income Tax Credit (EITC) refund. Alabama ranks 49th in the nation in terms of percentage of EITC filers who take out a refund anticipation loan. 75% of Alabama's EITC recipients pay an average of \$200 to commercial tax preparers just to access this benefit.

Expected Results

- Expand SaveFirst into at least two new communities while increasing the number of families receiving the free service statewide.
- Quadruple the results from last year—260 trained students from twelve campuses prepared tax returns for more than 1,400 families in seven cities statewide.
- Improve the technological capacity to current and new tax preparation sites through the purchase of computers, internet installation and wiring at the new locations.

- Increase the number of families receiving SaveFirst through outreach to low-income clients of ACJF participating attorneys.

Legal Services Corporation of Alabama Awards: \$30,000 and \$55,000

Legal Services Corporation of Alabama is the only statewide nonprofit in Alabama that provides free civil legal assistance for the state's low-income population. With ten local offices, one remote site and call center, LSA provides legal aid and assistance in civil matters in all 67 counties of Alabama. LSA's services include community education about rights and responsibilities, counsel and advice, administration and judicial representation, appeals in appropriate cases and legal self-help materials and forms.

An initial grant of \$30,000 was awarded to LSA in October, 2007 for general operating expenses to help the organization overcome a major financial setback. During the financial crisis, LSA lost one quarter of its personnel.

Expected Results

- Financial stability will be realized with a balanced budget.
- Personnel numbers will become stable.
- Organization will be positioned for growth and increased quality.

A **second grant of \$55,000** was awarded to LSA to fully fund a three-day training conference for all LSA employees.

Expected Results

- An increased sense of professional pride and unity among staff that will be measured by three anonymous questionnaires over the coming year seeking input from personnel. Increased consistency and uniformity of reporting tasks by personnel in all state offices that will be evidenced by improved reporting to Legal Services Corporation.
- LSA's legal staff will receive six hours of CLE approved training.
- Administrative and professional staff will receive technological training.
- LSA will create and maintain ongoing documentation of the technical skills for all LSA

staff.

- Improved performance in specific areas of professional training in conference workshops that will be documented through mid-year staff surveys.
- Private bar members who may volunteer through Volunteer Lawyer Programs (VLP) will receive training at the conference with LSA attorneys and become better equipped to provide legal services to the low-income population. Increased cooperation between LSA and VLP programs will be experienced and documented.

Volunteer Lawyers Programs of Alabama

Award: \$40,000

Alabama has four organized pro bono programs that include programs in Birmingham, Huntsville, Mobile, and the Alabama State Bar Volunteer Lawyers Program that covers all other counties. The mission of all four of these programs is to provide access to quality legal assistance for the poor in civil matters through the use of volunteer attorneys. The VLP programs have recently experienced a decline in referred cases from their primary referral source Legal Services Corporation of Alabama. In addition, over 80% of the referred cases have been in the single area of family law, which according to recent surveys is not currently the largest area of need in the state. There is also a potential for recruiting many more volunteer lawyers experienced in other areas of the law if cases in these areas were available. The ACJF grant will provide for a web-based intake system for all four VLP programs and a targeted public awareness campaign to inform potential clients about the system.

Expected Results:

- Targeted outreach to specific client populations will result in a larger variety of cases.
- The number of people who access the system through the web-site will increase, potentially

double.

- The intake process will be easily understood as demonstrated by a comparison of the number of people who complete the intake process and the number who abandon the process before completion.
- Client feedback will be obtained through a survey at the conclusion of the intake process and a survey sent to clients when their case is complete.

YWCA Central Alabama

Award: \$96,000

YWCA in Birmingham is a 105 year old organization with visionary leadership, sound fiscal and administrative capacity, and a history of operating excellent programs that serve at-risk populations. YW has extensive services to domestic violence victims including an emergency shelter in a confidential location for women and their children, support groups for women, Children In Crisis support groups for children, Court Advocates, and the YWCA Family Law Center, which is a comprehensive, holistic, legal services system. Alabama ranks 12th in the nation for domestic violence crimes and Birmingham has the highest rate of domestic violence in the state. The YWCA grant will create a high functioning domestic violence court to serve the people of the City of Birmingham and as a model to the state and nation.

Expected Results

- The number of domestic violence cases which are dismissed without being prosecuted will decrease by 25%.
- The time between the perpetrator's first appearance and the date of trial will decrease by at least 50%.
- The proper sanctions imposed for perpetrators' failure to comply with court ordered mandates will increase by at least 30%.
- The number of victims contacted by court advocates will increase by at least 25%.

Concluding thoughts:

Movement into Access to Justice

As has been expressed on numerous occasions, the board, staff and participating attorneys of ACJF are genuinely excited to have been given permission and encouragement to expand ACJF grantmaking to include Access to Justice. As ACJF would express it, the Foundation is most pleased to be helping create justice both *inside and outside the courtroom*.

As requested, we committed last September to award Access to Justice grants for the IOLTA funds received from the new accounts ACJF added as a result of the mandatory rule change. As shared earlier in this report, the \$284,000 in Access to Justice grants awarded since last September more than triple that amount. ACJF remains committed to Access to Justice and our plans for the future include increasing our support for legal aid for the poor, growing in our grantmaking expertise in this field, and bringing some of the experience we have had in grantmaking to impact the new category of grantmaking.

The Access to Justice Commission will be the key to ACJF's success in impacting positive change in Alabama's legal aid system. We will continue to look to the Commission for direction and advice as it offers the best opportunity in Alabama for coordinating the expansion of the various aspects of a comprehensive access to justice system.

Attorney Benefits

Over the past 15 years, a strong case can be made that the Alabama Civil Justice Foundation has had a profound impact on Alabama lawyers, Alabama communities and Alabama's disadvantaged citizens. ACJF has served as a vehicle for philanthropy for Alabama's legal community through its IOLTA program and more than \$2.6 million in contributions. The \$7 million awarded in small and large grants has resulted in improved opportunities and conditions for individuals, families and communities who were in great need.

However, ACJF not only serves as a vehicle for the legal profession's philanthropy, but it also serves to encourage lawyers as individuals to do more and

serve more. It is true that lawyers have for a long time helped to make their communities a better place for those in need through gifts of both their time and money, but connections made through ACJF has increased the involvement of attorneys on boards and as volunteers of charitable organizations. Practicing law provides attorneys many lessons about the needs of families and children and along with their legal expertise needed in the governance of an organization, attorneys can be a great value to nonprofit organizations.

Many lawyers have found a place in the ACJF to seek information and advice on community problem solving and their own charitable giving. ACJF has also exposed many Alabama attorneys to solutions to many of the problems faced by families and children, and, better yet, to the prevention of these problems. And ACJF has helped lawyers to see better than ever the connection between the needs in their own communities and needs throughout the state. The existence of ACJF has resulted in Alabama's legal community partnering with a broad range of professionals and community leaders to provide for Alabama's poor and in the search for solutions to some of our state's most entrenched problems.

ACJF Board of Directors

A part of ACJF's success and strength comes from the bringing together of community leaders and outstanding members of the legal profession to direct the Foundation's governance and grantmaking. This unique structure of our board along with the commitment of our attorneys and community members has helped to make ACJF a dynamic force in the state involved in solving some of the important and pressing issues that face our state.

The Alabama Association for Justice (ALAJ - formerly Alabama Trial Lawyers Association) has had an important relationship with ACJF since the beginning of the Foundation. In addition to the Association providing and encouraging support of the Foundation, ALAJ's leadership has served as a minority of the ACJF board. Their attorneys have brought a valuable awareness of life from inside the

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courtroom where they have seen many of the effects of broken homes, incarcerated parents, poor education opportunities, poverty and other ills of society. These experiences have prompted them to want to improve the quality of life for all Alabamians.

A majority of the ACJF board members are non-ALAJ members selected based on their proven leadership ability, demonstrated commitment to service, specific expertise of value to the Foundation, and their particular interest in the Foundation's charitable causes. Appointed members of ACJF's board have included banking professionals, members of the clergy, child advocates, economic development professionals, educators, nonprofit leaders, and members of the judiciary, among numerous other professional areas of experience. ACJF has benefited significantly from their extensive knowledge and firsthand experience.

Through their involvement in the community, they often times know and understand the financial strains and constraints that some nonprofit organizations face. They, too, know the value of

programs and services offered to assist ACJF in making vital decisions about grants to provide funding for nonprofits organizations that benefit society. Appointed members are not only a majority of the ACJF Board, they are an essential component of the Foundation's board.

Common Values – Common Purpose

It has been said that ACJF is a symbol of the common values of the legal profession and the charitable community. The ACJF brings these two sectors together, both of which work daily toward a more just and humane society, in meaningful and important ways. Their common values call each to work on behalf of justice again and again. Their common purpose is to finally realize a just and fair society.

Whether protecting children, caring for our elderly, strengthening communities, or providing legal aid to the poor; the legal and charitable communities in Alabama are indeed working together with common values and a common purpose. It is a perfect partnership that is helping our state and its people move forward.

