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Funding News

➤ **FDIC Extends Full Insurance Coverage to IOLTA Accounts** – On November 21, 2008, the FDIC approved its final rule regarding the Temporary Liquidity Guarantee Program (TLGP), which included a provision extending unlimited FDIC insurance coverage to IOLTA. As initially drafted, the rule only provided unlimited coverage to non-interest bearing accounts. This could have posed a real dilemma for lawyers—participate in IOLTA and have a total of \$250,000 FDIC insurance per client, per financial institution, or move the client funds to a non-interest bearing account and have full FDIC insurance, regardless of the amount of the deposit. Recognizing this problem and the potential for millions of dollars in IOLTA funding for civil legal aid that could be lost, the American Bar Association led the campaign advocating for full FDIC insurance coverage of IOLTA. A wide range of groups and individuals including the ABA, National Association of IOLTA Programs, National Conference of Bar Presidents, state bar associations and members of Congress provided more than 500 comments on the need for this coverage. All banks were automatically enrolled in the TLGP as of November 21st, but had the option to opt-out by December 5th. For more information, contact Bev Groudine, Staff Counsel, ABA Commission on IOLTA, at bgroudine@staff.abanet.org or 312/988-5771.

➤ **Massachusetts Supreme Judicial Court Amends Class Action Rule to Benefit Legal Services** – The Massachusetts Supreme Judicial Court has modified Rule 23 of the Massachusetts Rules of Civil Procedure to provide that class action residual funds be disbursed to nonprofits supporting projects that will benefit the class or similarly situated persons, or to the Massachusetts IOLTA Committee. This change, which becomes effective January 1, 2009, makes Massachusetts the fourth state (after Washington, North Carolina and Illinois) to modify its class action rule to strongly encourage or require that some portion of residuals go to civil legal services. For more information about the Massachusetts rule, contact Jayne Tyrrell, Executive Director, Massachusetts IOLTA Committee, at jtyrrell@maiolta.org or 617/723-9093. For more information about other cy pres rule changes, contact Meredith McBurney, Resource Development Consultant, ABA Resource Center for Access to Justice Initiatives, at meredithmcburney@msn.com or 303/329-8091.

➤ **Legal Services Advocates Plan for 2009 Legislative Sessions as 2008 Sessions Finally Draw to a Close** – Legal services leaders in Illinois were breathing a sigh of relief in mid-November, when a special session of the legislature restored state funding for legal aid that had been vetoed by the governor during the regular 2008 session. State funding experts are urging bar and legal services leaders in all states to be especially vigilant during the coming legislative session, as most state legislatures will be looking for ways to reduce expenditures in this difficult economic time. To report legislative funding changes or to learn more about what other states are doing, contact Meredith McBurney, Resource Development Consultant, ABA Resource Center for Access to Justice Initiatives, at meredithmcburney@msn.com or 303/329-8091.

Pro Bono News

➤ **Tennessee Supreme Court Announces Civil Legal Services Campaign** – The Tennessee Supreme Court announced on December 5, 2008, its multifaceted campaign to help address what was characterized as a “profound civil legal needs crisis.” The announcement came at a press conference attended by more than 100 leaders from the bench, bar, court agencies, lawmakers, public

officials and business and civic communities. Chief Justice Janice Holder stressed that the court was committed “to finding innovative, effective and efficient ways to address the very real gap in civil legal services in this state.” The campaign will include programs to educate community leaders about the problem, promotion of innovative involvement by judges such as preferential docketing of cases where clients are receiving pro bono representation, recognition of law firms that adopt pro bono policies, and support for the Tennessee Bar Association’s Public Service Day on April 4, 2009. To learn more, contact Tony Barash, Director, ABA Center for Pro Bono, at barasha@staff.abanet.org or 312/988-5773.

➤ **State Bar Creates New California Pro Bono Practice Program** – The State Bar of California’s Emeritus Attorney pro bono program has been renamed and expanded to broaden the original target audience beyond retired lawyers. The revised program permits qualified and experienced younger lawyers, who do not actively practice, to perform pro bono work. Now called the Pro Bono Practice Program, it allows lawyers who might otherwise not practice to become an active State Bar member for the sole purpose of doing pro bono work. The work must be performed with a qualified legal services provider or certified lawyer referral service. The lawyer must be a member of the bar in good standing with no disciplinary charges pending. Participants in the program can offer a wide range of services, from negotiation and settlement to litigation support to document preparation and review. Details about the program, and a link to the application form, can be found at www.calbar.ca.gov/probonoresources. For further information, contact Tony Barash, Director, ABA Center for Pro Bono, at barasha@staff.abanet.org or 312/988-5773.

➤ **Minnesota State Bar Association Adopts Resolution in Support of Pro Bono and Legal Aid** –The Minnesota State Bar Association (MSBA) has adopted a resolution affirming its support for pro bono and public interest work. The resolution comes in response to a joint report by the U.S. Department of Justice Office of Inspector General and Office of Professional Responsibility finding that many lawyers were likely rejected for prestigious DOJ appointments due to affiliations with various public interest organizations or activities deemed politically suspect, including Minnesota legal aid, pro bono and public defender programs. The MSBA opposes attempts to define public service as ideological, and states its opposition to employment practices by government agencies that may discourage this work. For more information, contact Cheryl Zalenski, Assistant Counsel, ABA Center for Pro Bono, at zalenskc@staff.abanet.org or 312/988-5770.



Washington Update

As expected, Congress delayed finalization of most FY 2009 appropriations bills until the 111th Congress and Obama Administration are in place. A Continuing Resolution (CR) was enacted on September 30th that keeps most federal programs, including Legal Services Corporation, at FY 2008 funding levels until at least March 6, 2009. As a result, LSC will continue at its current level of \$350.49 million until early next year. For more information, contact Julie M. Strandlie, Director, Grassroots Operations/Legislative Counsel, at jstrandlie@staff.abanet.org or 202/662-1764.

WASHINGTON UPDATE

For more information about specific items, call the contact person listed for that item. To contribute items to future issues of LEGAL SERVICES NOW, or for general information about this bulletin, contact Bev Groudine at 312/988-5771, fax 312/988-5483 or e-mail bgroudine@staff.abanet.org.