



June 4, 2002 • Issue #36

Funding News

➤ **Status of 2002 Legislative Activity for Legal Services** - Although there was concern that this would be a very difficult year for state funding for legal services because of the economic slow-down, it appears that funding will be maintained at the 2001-02 level in most states, and there have been a few solid increases. The Nebraska Legislature increased the filing fee surcharge from \$2 to \$5. It is estimated that this will increase the legal services funding from \$750,000 to \$1,550,000. As reported in the March 2002 issue of Legal Services NOW, Virginia also increased its filing fee add-on, from \$2 to \$3. In Pennsylvania, where work continues on a filing fee surcharge, the Governor has included in his budget a one-time appropriation of \$2 million from TANF funds to be used for improvements in technology for legal services programs. For more information about state funding for legal services or to report legislative activity in your state, contact Meredith McBurney, Director, ABA Project to Expand Resources for Legal Services (PERLS), at mm8091@aol.com or 303/329-8091.

➤ **New Mexico Supreme Court Amends IOLTA Rules** - The Supreme Court of the State of New Mexico has amended the state's IOLTA rules to convert the IOLTA program from a voluntary program to an opt-out one. Effective April 1, 2002, the new rules require lawyers or law firms to create and maintain an IOLTA account for clients' funds which are nominal in amount or are to be held for a short period of time unless a letter is submitted to the Clerk of the Supreme Court in which the lawyer or law firm declines to participate. The letter must be submitted by January 10 of each calendar year in which the lawyer wishes to decline participation. It is hoped that this rule change will lead to a substantial increase in IOLTA revenues. Currently, 27 jurisdictions mandate lawyer participation in IOLTA, 22 permit lawyers to opt-out and in three, lawyer participation is voluntary. For more information about the New Mexico rule change, contact Michelle Giger, President & CEO, Center for Civic Values, at michelle@civicvalues.org or 505/764-9417.

➤ **IOLTA Litigation Update** - On May 31, 2002, in a 7-7 decision with one judge recusing himself, the U.S. Court of Appeals for the Fifth Circuit denied the Texas IOLTA program's petition for rehearing en banc in the case of *Washington Legal Foundation v. Texas Equal Access to Justice Foundation*. The petition was filed in October 2001 after a three-judge panel of the Fifth Circuit reversed the January 2000 District Court decision in favor of the Texas IOLTA program and held that the program violated the Fifth Amendment of the United States Constitution. The Texas IOLTA program intends to file a petition for a writ of certiorari before the United States Supreme Court and will continue to operate pending a decision by the Court. In the case of *Washington Legal Foundation v. Legal Foundation of Washington*, briefing has been completed on the petition for writ of certiorari filed before the United States Supreme Court by the Washington Legal Foundation and others. The petitioners are seeking certiorari of an en banc decision issued by the United States Court of Appeals for the Ninth Circuit on November 14, 2001, finding in favor of the Washington IOLTA program and rejecting claims that it violates the Fifth Amendment. The American Bar Association remains convinced that ultimately, the constitutionality of this vital resource for providing legal services to the poor will be upheld. For more information, contact Bev Groudine, Counsel, ABA Commission on IOLTA, at bgroudine@staff.abanet.org or 312/988-5771.

Pro Bono Developments

📌 **Chicago Area Law Firms and Corporations Pledge Commitment to Pro Bono Service** - On April 29, 2002, lawyers from 39 law firms and chief legal officers from 14 corporations in the Chicago-area signed "Statements of Principles" pledging their commitment to pro bono legal services on behalf of the poor. The Statements of Principles were developed as part of the Pro Bono Initiative of the Public Interest Law Initiative (PILI) in Chicago, Illinois. Among its nine points, the Statement of Principles for law firms encourages each firm to contribute 35 hours of pro bono work per lawyer per year by representing the poor and organizations serving the public interest. The statement for corporations is slightly different from the law firm version and among its eight points, it encourages corporations to adopt a pro bono policy and recognize law department personnel for their pro bono work. For some Chicago firms, the signing ceremony represents a recommitment to a previous 1991 Statement, but the 2002 signing marks the first time Chicago-area corporations signed a Pro Bono Statement of Principles. To obtain copies of the Statements or for more information, contact Susan Shulman, Director of the Pro Bono Initiative, PILI, at susanshulman@yahoo.com or 312/362-6915.

Hot On the Web

📌 **Pro Bono Project Development: A Deskbook for Government and Public Sector Lawyers** - This manual was developed to: (1) encourage greater government attorney participation in pro bono and (2) assist government offices and pro bono programs to create effective policies and projects. It guides managing government attorneys, pro bono practitioners, and project coordinators through the issues that impact a government attorney pro bono project. The Deskbook also includes many examples of federal, state and local policies and procedures that will provide the foundation for successful projects. See <http://www.abanet.org/legalservices/downloads/probono/gvtattylowresfnl.pdf> to view this joint project of the ABA Government and Public Sector Lawyers Division and the Standing Committee on Pro Bono and Public Service.



WASHINGTON UPDATE

On April 19, 2002, Senator Edward Kennedy (D-MA) and 13 of his Democratic colleagues from the Senate Committee on Health, Education, Labor and Pensions (HELP) and the Judiciary Committee wrote Chairman Ernest Hollings (D-SC) and Ranking Member Judd Gregg (R-NH) of the Senate Appropriations Subcommittee on Commerce, Justice, State, urging them to increase LSC's funding by \$45 million, to \$375 million for FY 2003. During ABA Day in Washington on May 7-8, 2002, more than 150 bar leaders from across the country asked Congress to increase LSC's funding. For more information on how you can help with this effort, please visit the ABA website at <http://www.abanet.org/poladv/priorities/lsc.html> or contact Julie Strandlie, ABA Director of Grassroots Operations, at jstrandlie@staff.abanet.org or 202/662-1764.

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.