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Funding News

✎ **State Legislative Funding for Legal Services Increases in 2012 after Decline in 2011** - State legislative funding for civil legal aid in 2012 increased by approximately \$22 million, or 8 percent, over 2011. Overall, there were increases in 10 states, and decreases in five. Seventy-five percent of the increase was attributable to two states – New York’s appropriation for legal aid increased by \$12.5 million, while Connecticut increased filing fees devoted to legal services by approximately \$4.5 million. One state, Indiana, obtained a new filing fee surcharge to provide funding for legal services. Many of the 2013 legislative sessions have started; reports will be posted in future editions of *Legal Services Now* as they become available. For more information about state legislative funding contact Meredith McBurney, Resource Development Consultant, ABA Resource Center for Access to Justice Initiatives, at meredithmcburney@msn.com or 303/329-8091.

✎ **Changes in FDIC Insurance for IOLTA Accounts Effective January 1, 2013** - As of January 1, 2013, FDIC insurance available to IOLTA accounts is \$250,000 per owner of the funds (client), per financial institution, assuming that the account is properly designated as a trust account and proper accounting of each client’s funds is maintained. Non-interest-bearing trust accounts have this same level of coverage. For the past four years, a series of temporary federal laws had operated to provide unlimited FDIC insurance coverage for IOLTA and non-interest bearing accounts. While there were attempts in Congress to extend the most recent provision that provided this coverage - Section 343 of the Dodd-Frank Wall Street Reform and Consumer Protection Act – they were not successful. However, because IOLTA and non-interest accounts are being treated the same, this change in FDIC coverage should not have any real impact on IOLTA income. For more information contact Bev Groudine, Staff Counsel, ABA Commission on IOLTA, at Bev.Groudine@americanbar.org or 312/988-5771.

✎ **Montana Justice Foundation Benefits from Class Action** - By objecting to the class action settlement agreement reached by the parties in *Fogel v. Farmers Group*, Montana’s Commissioner of Securities and Insurance Monica J. Lindeen was able to obtain \$1.377 million for the Montana Justice Foundation. That charitable, non-profit organization administers IOLTA and other funds in the state that are used to support legal services to the poor. Under a \$455 million settlement agreement, unclaimed settlement funds would be returned to subsidiaries controlled by the defendant. Lindeen objected to the settlement, arguing that some of the unclaimed settlement funds should be returned to Montana, since fewer than one-third of eligible Montana class members filed a claim. Four other states joined the objections. After negotiations, attorneys representing the class agreed to pay from their attorneys’ fees award a total of \$2 million to non-profit organizations in the five states. Montana received the largest share and low-income people in the state benefited greatly. For more information contact Amy Sings in the Timber, Executive Director, Montana Justice Foundation, at asings@mtjustice.org or 406/523-3920.

Pro Bono Developments

✎ **Ohio Supreme Court Adopts CLE Credit for Pro Bono Service Rule** - The Supreme Court of Ohio revised the state’s CLE rule to provide CLE credit for pro bono work, effective January 1, 2014. The rule permits attorneys to earn one hour of CLE credit for every six hours of pro bono service. Credit is available for legal services provided to either a person of limited means or a charitable organization. The work must be assigned, verified and reported by approved organizations to obtain credit. For additional



information regarding this rule revision contact Susan Christoff, Director of Attorney Services, Supreme Court of Ohio, at Susan.Christoff@sc.ohio.gov or 614/387-9327.

📌 **New York Court of Appeals Adopts Pro Bono Requirement for Admission to the Bar** - Provisions implementing Chief Judge Jonathan Lippman's bar admissions initiative, announced in his 2012 Law Day address, have now been added to the Rules of the NY Court of Appeals for the Admission of Attorneys and Counselors at Law. As of January 1, 2015, every applicant to the New York Bar will be required to fulfill 50 hours of pro bono service, defined as legal services for people of "limited means"; not-for-profit organizations; individuals or groups seeking to promote access to justice; and public service in the judiciary and state and local governments. Services may be completed in any state or U.S. territory, the District of Columbia or any foreign country. For further information regarding the rule and its implementation, email ProBonoRule@nycourts.gov or call 855/227-5482.

📌 **California Gives Local Inventors a Pro Bono Boost** - The California Inventors Assistance Program, launched on October 23, 2012, and backed by the US Patent and Trademark Office will provide local inventors assistance in obtaining patents for their inventions. The program provides pro bono assistance to both individuals and small businesses and stems from a mandate in the America Invents Act to establish regional pro bono centers for inventors. The steering committee works with lawyers from major law firms in the area to ensure that California's 1,100 pro se applicants have an increased opportunity to receive patents. California's program follows similar ones established in Minnesota and Colorado. Programs are expected to extend to Texas and New York soon. For more information on the California project or upcoming projects across the country contact John Calvert, Senior Advisor, Office of Invention, US Patent and Trade Mark Office, at john.calvert@uspto.gov or 517/272-4983.



Washington Update

As is now well known, Congressional leaders succeeded in passing a last-minute temporary agreement on the fiscal cliff. For the Legal Services Corporation and other federally funded programs, this means that automatic sequestration cuts have been delayed until March 1. Congress will need to pass another agreement of some type or automatic cuts will go into effect at the beginning of March. If that occurs, they are expected to be about 8%, which would mean a \$28 million reduction in funding for the Legal Services Corporation. Currently, Congress has not acted on its FY13 appropriation, but a Continuing Resolution is in effect through March 27, 2013, that provides \$350 million in funding for LSC.

The American Bar Association remains committed to increasing funding for LSC so that local legal aid programs can continue their vital work of providing free civil legal services to those who have nowhere else to turn. The Association will once again sponsor ABA Day in Washington, DC on April 16-18, 2013. Please mark your calendars now and plan to attend.

For more information, contact Ann Carmichael, Legislative Counsel, ABA Governmental Affairs Office, at Ann.Carmichael@americanbar.org or 202/662-1767.

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 email Bev.Groudine@americanbar.org.