Statement of

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President

on behalf of the

AMERICAN BAR ASSOCIATION

for the record on the subject of

LEGAL SERVICES CORPORATION

before the

Committee on Appropriations
Subcommittee on Commerce, Justice, Science and Related Agencies

of the

U.S. House of Representatives
Chairman Wolf, Ranking Member Fattah, Members of the Subcommittee, thank you for allowing me to submit these remarks today in support of the Legal Services Corporation. I am Laurel G. Bellows, President of the American Bar Association (ABA) and Principal of the Bellows Law Group in Chicago, Illinois. On behalf of the ABA and its nearly 400,000 members, I am submitting this testimony today to urge the Committee to provide $440 million for the Legal Services Corporation (LSC) for Fiscal Year 2014.

The Legal Services Corporation is the largest provider of civil legal assistance to the poor in the nation. LSC funds grants to 134 programs operating in all fifty states, the District of Columbia, and Puerto Rico. The local programs then offer civil legal assistance to Americans at or below 125 percent of the federal poverty guidelines. LSC grantees assist veterans returning from war, domestic violence victims, individuals undergoing foreclosure or other housing issues, those coping with the after-effects of natural disasters, and families involved in child custody disputes.

LSC was funded at $420 million in 2010, a sum that has been significantly reduced since then. At the same time, the poverty population in the U.S. has grown significantly. The ABA’s $440 million recommendation is a conservative estimate of the 2010 appropriations number indexed for inflation. The ABA understands that federal funding must be carefully apportioned among many worthwhile programs and that the government has serious budgetary limitations. At the same time, the responsibility for providing justice for Americans is an obligation of government, referenced in the Preamble of the U.S. Constitution. The need for increased funding for LSC is paramount; for justice to prevail, access to justice must be universal.

The total number of Americans in poverty is at levels not seen since the early 1960s. This increase in the number of people eligible for legal aid makes it more important than ever that LSC receive adequate funding. Foreclosure and homelessness rates continue to rise, resulting in increased numbers of people seeking legal help with housing issues. Economic conditions continue to foster reductions in the workforce and a high unemployment rate, producing
increased applications for legal help with either employment-related legal issues or general assistance.

LSC has examined the expressed demand for its services and the capacity of its grantee programs to respond to this demand; due to limited resources, grantees are able to respond to less than half the applications for legal assistance by eligible individuals. LSC-funded programs must turn away one-half the eligible people who seek assistance in resolving legal problems that affect their health, housing, employment or other critical areas of life, problems that keep them mired in poverty. Furthermore, the actual level of need is much larger than the current demand for such services would suggest. Many poor people with life-altering legal problems simply do not seek assistance because they are aware that they have at best a 50-50 chance of getting such help.

At this time when LSC cannot respond to existing demand for services, the number of people in poverty, and needing LSC help, continues to grow. Nearly 61 million Americans qualify for federally funded legal assistance through the Legal Services Corporation. The Census Bureau reports that the poverty rate continues to rise; the poverty population has increased in all fifty states. In my home state of Illinois, the poverty population has increased forty-five percent, with the number of people now eligible for legal aid in the state now almost 2.5 million.

Civil legal aid for the poor is a prime example of constituent services provided in every congressional district in the United States. These services lead to greater efficiencies in other government services. People who are unable to resolve basic civil legal problems are more likely to require assistance from public social services programs. LSC-funded programs prevent a long-term reliance on other government programs, many of which have also suffered funding cuts. For example, Mr. Chairman, in your home state of Virginia, the Legal Services Corporation of Virginia commissioned a study in 2011 determining that the state’s legal aid programs produced over $139 million in benefits to Virginia residents in Fiscal Year 2010 alone, and that every dollar invested in Virginia legal aid produced a return of $5.27.

LSC-funded programs help low-income Americans who qualify for and need legal assistance. The most frequent cases involve family law issues; more than a third of all cases closed by local LSC grantees deal with some type of family law matter. LSC grantees assist victims of domestic violence with protective and restraining orders, help parents obtain and retain custody of their children, assist family members in acquiring guardianship for children without parents, and provide other family law legal counseling.

LSC grantees also assist returning military veterans and their families. Veterans who served in combat zones often face serious legal problems upon returning to civilian life. Issues such as child custody, employment, and homelessness commonly arise. An unusually large number of people have served our nation in the prolonged military conflicts over the past 10 years, and have often returned to confront serious legal issues. Over 1.6 million U.S. troops have served in Iraq and Afghanistan since 2001. As these servicemembers continue to transition at high numbers from active-duty to veteran status, they encounter a bleak job market and an array of civil legal issues incidental to their service in the areas of employment, consumer, and family law, among others. Recovering Veterans Administration benefits for service-connected injuries is especially
challenging; these cases are complicated and frustrating and may drag on for years before results are achieved.

Another area where LSC programs provide assistance is disaster relief. When natural or national disasters occur, LSC grantees assist with many different issues, including identity verification, housing matters, and family law issues. September 11th families, flood victims, and hurricane evacuees are all examples of those who have received assistance from LSC-funded programs. Natural disasters have occurred with surprising frequency, throwing thousands into poverty and creating legal problems of unprecedented scope. Each disaster places new, unplanned burdens on already-overextended legal aid programs.

Housing and foreclosure cases also account for over 25% of legal aid cases. The many different issues addressed include resolution of landlord-tenant disputes, prevention of foreclosure, renegotiation of home loans and mortgages, and assistance to renters whose landlords are being foreclosed on, among others.

Robust funding for LSC is desperately needed because other funding sources have diminished due to the country’s economic downturn; pro bono efforts, while critical, are insufficient to completely replace federal legal aid funding. Federal funding available through LSC provides the foundation for the nation’s civil legal aid delivery system, and LSC funding catalyzes the development of other, additional, funding sources. Most states now provide government funding for legal aid programs; however, as a result of the recession, state appropriations and legislatively approved court fees and fines supporting legal aid declined in 2011 for the first time since the ABA began tracking these funding sources in the late 1990s. Revenue from Interest on Lawyers’ Trust Accounts (IOLTAs) has also decreased sharply in the past five years due to continued historically low interest rates; since 2007, IOLTA income has decreased 74 percent nationwide.

With respect to pro bono, LSC funding provides an important framework for pro bono efforts, and reducing funding for LSC could not only harm the LSC programs themselves, but also diminish pro bono efforts due to lack of necessary infrastructure. The ABA, and the organized bar as a whole, will continue vigorous efforts to stimulate an even greater outpouring of generosity by private lawyers in donating service to address the legal needs of the poor. However, private bar pro bono efforts cannot replace government support for civil legal services and are in fact dependent on governmental support. LSC constitutes the foundation and essential catalyst for the national pro bono network. LSC grantees devote 12.5% of their funding to private attorney involvement, with most of that funding going to support pro bono programs. For pro bono to thrive and increase, the financial resources that the LSC provides to support the infrastructure for pro bono delivery systems must not be reduced. Any reduction in funding for the LSC will impede efforts to expand pro bono contributions.

The American Bar Association has supported the effort to provide legal services to the poor since the establishment of the Standing Committee on Legal Aid and Indigent Defendants (SCLAID) in 1920. Supreme Court Justice Lewis F. Powell, while serving as ABA President in 1964, called for a major expansion of the nation’s legal services for the poor, and the ABA worked closely with many others to achieve this goal, resulting in the creation of the Legal
Services Corporation in 1974. We have consistently advocated for funding for this vital institution. No matter what number Congress chooses, the need for legal aid will likely continue to far exceed the available resources. Therefore, we encourage the Committee, while still considering the fiscal and budgetary issues the country faces, to fund LSC at $440 million to address the growing need for civil legal assistance for low-income Americans.