Statement of
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Prepared for the
SUBCOMMITTEE ON COMMERCE, JUSTICE, SCIENCE & RELATED AGENCIES
UNITED STATES SENATE COMMITTEE ON APPROPRIATIONS

Addressing the
LEGAL SERVICES CORPORATION

March 23, 2016

Chairman Shelby, Vice Chairwoman Mikulski, and Subcommittee Members, I am Paulette Brown, President of the American Bar Association (ABA) and a partner at Locke Lord LLP.

REQUEST: I am submitting this statement today on behalf of the ABA, which has over 400,000 members. The ABA recommends funding for the Legal Services Corporation (LSC) at $475 million, the Administration’s Fiscal Year 2017 budget request.

For the implementation of “Equal Justice Under Law,” our government has a true partner in the ABA. We have created an annual ABA Day of Service in October, operate an ABA Center for pro bono, produce an annual award program for pro bono work, established the Commission on the Future of Legal Services, and host, with our colleagues at the National Legal Aid and Defender Association, the annual Equal Justice Conference.

To strengthen legal aid is to strengthen the rule of law. I do not just pay lip service to legal aid and to pro bono work; I am very passionate about these services and try every day to remember and live “to whom much is given, much is required.” In my third year of law school I personally participated in a clinical program which partnered with Essex/Newark Legal Services in New Jersey. Following my graduation and for several years thereafter, I worked pro bono for that same legal services office, successfully representing dozens of tenants in an important landlord/tenant case. Later, as a member of the ABA Litigation Section, I helped train young legal services lawyers and other lawyers who provided pro bono services. Furthermore, I have provided pro bono services to members of our military. However, pro bono services themselves are not sufficient to meet the needs of our vulnerable.

HISTORICAL NEED: First of all, I want to thank the Senate subcommittee for taking the initiative to restore LSC’s budget—5.4%, 2.6%, and 2.6% increases over the past three years.

However, the FY’16 LSC appropriation is still 15.7% lower than it was in 2010 (in FY’16 dollars), while the number of people qualifying for assistance is about 25% higher than it was in 2007. Compare also the FY’16 funding of $385 million to LSC’s average appropriation of $663,944,870 (in FY’16-adjusted dollars) during the 1980s. LSC seriously needs an increase.
Furthermore, robust funding for the LSC is desperately needed because other funding sources have diminished since the country’s economic downturn. All states, save Alabama, Florida, and Idaho now provide state-government funding for legal aid programs. However, as a lingering effect of the recession, in some states state funding is indeed way down due to declines in filing fees supporting legal aid. Revenue from Interest on Lawyers’ Trust Accounts (IOLTA) has also decreased approximately 80% nationally in the past nine years, causing their grants for legal aid programs to diminish by 68%.

Funding for the Legal Services Corporation has been a high priority issue for the ABA for four decades. The ABA has supported the provision of legal services to those who cannot afford them since establishing 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, and the ABA worked closely with many others to achieve this goal, culminating in President Nixon signing LSC into law in 1974.

I commend your efforts for low-income Americans now when the need for legal aid is near an all-time high. Civil legal aid is a constituent service performed in every state and congressional district in the country, complementary to your own constituent services. I believe there is an opportunity for legal aid programs to work more closely with your constituent services staffers to help constituents resolve their legal matters, thus potentially alleviating the need for other federal program funds. In so doing, LSC funding provides long-term benefits.

The local legal aid programs help people at or below 125 percent of federal poverty levels—this year, $11,880 for an individual and $24,300 for a family of four. The most recent data from the U.S. Census Bureau show that over 95.2 million Americans—one in three—qualified for civil legal aid at some point in 2014.

Significantly, studies show that 50-80 percent of all eligible people seeking legal aid services are turned away due to lack of resources. That impediment seriously hampers justice in our legal system. In fact, in 2015 the World Justice Project ranked the United States 65th of 102 countries in its Rule of Law Index for civil justice access, behind Moldova, Zimbabwe, and Venezuela.

Consider a few examples of how funding increases bolster accessibility. LSC’s modest increases over the past three fiscal years allowed Alabama’s program to keep the Anniston office open and Maryland’s program to open an office in Montgomery County and expand the statewide Self-Help Center. Mr. Chairman, LSC is the largest provider of civil legal assistance to low-income Americans, and Alabama is more dependent on LSC funds as part of Legal Services Alabama's overall budget than any other state in the country. LSC grants fund legal aid programs in each of the fifty states, the District of Columbia, Puerto Rico, and American Samoa.

 Areas of Help: Legal aid helps clients with health concerns, consumer and finance matters, family law, obtaining an education, individual rights, income maintenance, juvenile law, tribal law, employment, disability, housing matters like foreclosures and evictions, and more.

 Beneficiaries: Several groups in particular are beneficiaries of legal aid services:
   1. Veterans returning from war,
2. Older Americans,  
3. Rural Americans,  
4. Women, constituting nearly 70% of clients, and  
5. Natural-disaster victims.

Returning military veterans and families, such as over 1.6 million US troops who have served in Iraq and Afghanistan since 2001, receive legal aid for consumer issues, employment, family law, homelessness, and benefits for service-related injuries that can take months or years to obtain.

Older Americans often need help as victims of financial fraud. Additionally, seniors commonly have housing issues. Vice Chairwoman Mikulski, Maryland faces one of the nation’s highest foreclosure rates. Housing issues account for 38% of the Maryland Legal Aid Bureau's caseload. Nationally, housing issues account for the second-largest percentage of LSC grantees’ total caseload (28%). This includes landlord-tenant disputes, prevention of foreclosures, renegotiation of home loans and mortgages, and assistance to renters whose landlords are undergoing foreclosures. Last year LSC aided over half a million people with housing issues nationally.

For example, Nicole Perez, an attorney with Legal Aid of Los Angeles, spent a year and a half saving an elderly disabled widow of a Vietnam veteran from foreclosure. The elderly woman’s husband had suffered from the effects of Agent Orange poisoning, but had been denied benefits. Nicole and her colleagues successfully blocked the forced sale of the house and managed to get the $45,000 in retroactive benefits and nearly $1,500 in ongoing monthly payments from the VA, ensuring the elderly widow would be financially secure in her home.

Rural Americans oftentimes have difficulty obtaining needed legal assistance. Mr. Chairman, Legal Services Alabama is working to ensure those rural areas have a means of accessing legal aid. In 46 of Alabama’s 67 counties, more than 50 percent of the population lives in rural areas, making legal aid more difficult to obtain. LSC grantees are sometimes the only means by which low-income citizens living in more remote areas can receive legal aid. This year LSC developed a Rural Summer Legal Corps that will commence in the summer of 2016.

Women often gain assistance with the most frequent type of case: family law issues. More than one third of all cases deal with family law matters such as domestic violence, custody, and guardianship for children without parents.

Disaster victims really see value in the LSC’s work. In my home state of New Jersey, LSC provided storm-related legal assistance for victims of Hurricane Sandy, including help with improper evictions, identity verification, denial or inadequate reimbursement of insurance claims, delays in repairs, and home repair scams. Each year natural disasters throw thousands into poverty, create extensive legal entanglements, and can overwhelm legal aid programs.

**SPECIFIC EMPHASES:** This year’s request emphasizes the improved use of technology with LSC’s Technology Initiative Grants (TIG) program. It has provided efficiencies associated with statewide websites and enhanced case management systems.
LSC is also innovating with its *Pro Bono* Innovation Fund (PBIF), first funded in FY2014. The PBIF supports collaborative projects to develop replicable *pro bono* legal service innovations. The thousands of hours of *pro bono* service private lawyers provide each year in a public-private partnership are critical but totally insufficient to replace federal LSC funding, which provides the framework through which most *pro bono* services are delivered. These projects create partnerships with local law schools, community organizations, rural populations, and corporate attorneys. Having this federal money to leverage more *pro bono* efficacy is critical.

In accordance with its strategic planning, the LSC this past year followed through on its commitment to strong management and accountability for federal funds. Examples include new purchasing and contracting protocols, mandatory training on conflicts of interest and whistleblower policies, and updated records-management policy and retention schedules.

**COST/BENEFIT:** In March 2015 the Tennessee Bar Association published a new report entitled “Economic Impact of Civil Legal Aid Organizations in Tennessee.” The chart at right summarizes the principal economic benefits that civil legal aid programs provide.

The report and chart reveal $11.21 of economic benefit per dollar invested. Eighteen percent of the benefits are attributable to preventing foreclosure, which itself offsets the cost of *all* legal aid, providing a 2-to-1 return. Foreclosure lowers property values, damages consumers’ credit, soaks up the time and resources of lenders, and reduces municipalities’ property tax collections. Preventing foreclosure is a measureable public good.

Likewise, preventing domestic violence saves a victim the trauma and costs of “medical treatment, counseling, police protection, and other support,” valued at over ten thousand dollars per victim per year.

The savings for the communities alone merit the cost. Likewise, do the direct client and family benefits. On top of the community savings and direct client and family benefits, the well-recognized economic multiplier effect guarantees the value of LSC appropriations.

**CONCLUSION:** As the economy revives, LSC funding should also revive. Down 15.7% from 2010 (in FY’16 dollars) and with 25% more people qualified for legal aid, LSC is in serious need of an increase. Certainly no decrease is in order. Given LSC’s excellent benefit/cost ratio and
exemplary management and accountability for federal funds, we encourage you, while still considering the fiscal issues the country faces, to fund this meritorious program at $475 million.