

AGENDA ITEM

161 MAY 2017

DATE: April 26, 2017

TO: Members, Stakeholders, Access to Justice, and Appointments Committee
Members, Board of Trustees

FROM: Michael Colantuono, Chair, Stakeholders, Access to Justice and
Appointments Committee
Sharon Ngim, Acting Managing Director, Center on Access to Justice,
Office of Legal Services

SUBJECT: Request Approval for Letter of Support to California Members of Congress
in Support of Funding for the Legal Services Corporation

EXECUTIVE SUMMARY

The proposed FY 2018 Federal budget eliminates funding for the Legal Services Corporation (LSC). A coordinated national effort is underway to voice opposition to the proposal and to support continued funding for LSC. The effects of defunding would be potentially devastating in California. Over the years, the State Bar of California supported the LSC when its funding was inadequate or threatened; the time has come once again for the State Bar to demonstrate its support.

BACKGROUND

LSC was established by Congress in 1974 as a nonprofit corporation and is funded through the appropriations process. It seeks to ensure equal access to justice under the law by distributing grants to 133 legal aid organizations throughout the country that provide civil legal assistance to individuals whose annual income is at or below 125% of the federal poverty guidelines. In 2017 that is \$15,075 for an individual and \$30,750 for a family of four. LSC funding provides critical legal assistance to address basic human needs in every county in the country and the U.S. territories. In many rural areas, the only legal assistance available is from an LSC-funded program.

The current appropriation from Congress for LSC is \$385 million. LSC grants about \$40 million to 11 legal aid organizations in California and is the largest source of funding for legal aid in the state. The California grantees are: Bay Area Legal Aid, California Indian Legal Services, California Rural Legal Assistance, Central California Legal Services, Greater Bakersfield Legal Assistance, Inland Counties Legal Services, Legal Aid Foundation of Los Angeles, Legal Aid Society of Orange County, Legal Aid Society of San Diego, Legal Services of Northern California, and Neighborhood Legal Services of Los Angeles County. Together these 11 organizations serve more than 200,000 individuals annually, most of whom are the most

vulnerable in our communities, including homeless veterans, domestic survivors and their children, and frail seniors. LSC funds represent anywhere from 20% to 70% of the total budget for each of the 11 organizations. About 50% of the funds go to the rural areas of the state. The number of Californians who are eligible for services from an LSC-funded organization or other qualified legal services providers is more than 8 million, or 20% of the state's population. In contrast, there is only one legal aid lawyer for every 7,500 eligible individuals—the disparity is worse in the rural parts of the state.

California already has a significant justice gap, which is the difference between the legal services available for low-income residents and the legal services needed. Most legal services organizations in the state are under-funded even with LSC funding, and have barely recovered from a drastic decline in funding from the Interest on Lawyers' Trust Accounts (IOLTA). Today approximately \$6 million is generated directly from IOLTA in California as compared to \$22.7 million in 2008.

DISCUSSION

Eliminating funding for the Legal Services Corporation will only serve to widen the justice gap in California and the rest of the nation, and the potential impact will be devastating. Loss of LSC funding would likely result in the layoff of up to half or more of the staff in California LSC-funded organizations, closure of offices, and denial of access to justice for literally thousands of low-income communities. The impact in other states will be similar or worse.

A national campaign launched by the American Bar Association is underway to engage constituents around the nation to support continued funding for the Legal Services Corporation. Letters, resolutions and statements supporting LSC have been made by a variety of stakeholders including:

- Conference of Chief Justices and Conference of State Court Administrators
- Washington State Supreme Court
- Leaders from more than 150 major U.S. law firms in all 50 states and the District of Columbia
- General counsels from 185 corporations
- Deans from 160 law schools
- Numerous national, state, minority, specialty and local bar associations

The State Bar of California has a long history of supporting the Legal Services Corporation, and has demonstrated its support for continued and expanded funding in 1989, 1994 and 2010. Six years ago at its meeting on April 8, 2011, the Board authorized the President to join in a letter of support with the American Bar Association and other state bars to continue funding for the Legal Services Corporation in the form that appears as Attachment A.

In light of the serious consequences likely to occur in California if funding for the Legal Services Corporation is eliminated, it is critical for the State Bar of California to send an individual letter of support to each member of the California Congressional Delegation. Please see Attachment B for the draft letter.

FISCAL/PERSONNEL IMPACT

There will be no fiscal or personnel impact as a result of this request.

RULE AMENDMENTS

None.

BOARD BOOK IMPACT

None.

BOARD GOALS & OBJECTIVES

Goal 4a: Support increased funding for legal services.

BOARD COMMITTEE RECOMMENDATIONS

The Stakeholders, Access to Justice, and Appointments Committee recommends that the Board of Trustees approve the following resolution:

RESOLVED, that the Board of Trustees authorize its President to send the attached proposed letter to individual members of the California Congressional Delegation in support of continued funding for the Legal Services Corporation.

ATTACHMENT(S) LIST

- A.** Form of the Joint Letter of Support for the Legal Services Corporation Approved by the Board of Trustees on April 8, 2011
- B.** Proposed 2017 Letter to the Members of the California Congressional Delegation