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New Study Urges Congress to Remove Federal Restrictions on Legal Aid
Paper Coincides with Obama's Recent Call to Correct Harmful Policy

NEW YORK-- Federal funding restrictions on legal aid for the poor are wasting money and undercutting the ability of families to fend off foreclosure and other legal problems amid the economic crisis, according to a white paper released today by the Brennan Center for Justice at NYU School of Law.

A Call to End Restrictions on Legal Services for the Poor urges Congress to eliminate several of these restrictions as an important, cost-free way to expand access to legal aid. This white paper coincides with the Obama Administration's recent and similar call for remedying this federal policy in its fiscal year 2010 budget.

In developments this week, the President reiterated his call for correction of this federal restrictions policy following the failure of the House of Representatives to take sufficient action. The Senate will consider its own appropriations bill next week.

"The president's proposal takes a huge step toward closing the justice gap and would restore essential legal tools and help stabilize our court system," said Rebekah Diller, a co-author of the white paper and Deputy Director of the Justice Program at the Brennan Center for Justice.

In 1996, Congress imposed a set of restrictions on nonprofit organizations that receive funding from the nation's Legal Services Corporation (LSC) to provide representation to the poor in civil cases. Two of the most problematic restrictions limit the legal tools families can rely on -- barring claims for attorneys' fees and barring participation in class actions. Inevitably these restrictions put families on an unequal footing in court with lenders, landlords, employers, abusive spouses and others and prevent them from receiving their full measure of justice.

Most troubling, the Congress imposed a uniquely harsh "poison pill restriction," which restricts all the activities of legal services nonprofits once they accept their first dollar of federal LSC funds. Nationally, this poison pill restriction ties up \$490 million in state, local, private and other non-LSC funds possessed by the nonprofits -- interfering with families'

efforts to obtain needed representation from LSC nonprofits even when that representation is funded entirely by non-LSC revenue.

A Call to End Restrictions on Legal Services for the Poor explains how this unprecedented extension of federal power wastes precious funds, prevents legal aid programs from generating their own revenue, defies the will of state and local government, and is out of step with virtually all modern models for running public-private partnerships.

For more information, please contact Jeanine Plant-Chirlin at 212-998-6289 or at jeanine.plant-chirlin@nyu.edu or Rebekah Diller at 212-992-8635 or 347-330-7464. To access the report, go to: http://www.brennancenter.org/content/resource/a_call_to_end_federal_restrictions_on_legal_aid_for_the_poor/.

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