



## LEGAL SERVICES OF NORTHERN VIRGINIA, INC.

SERVING THE LEGAL NEEDS OF DISADVANTAGED RESIDENTS OF NORTHERN VIRGINIA SINCE 1980

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June 23, 2004

The Honorable Frank R. Wolf  
Chairman  
Subcommittee on Commerce, Justice, State and Judiciary  
Committee on Appropriations  
H-309 United States Capitol  
Washington, DC 20515

Dear Chairman Wolf:

On behalf of the many low income families and elderly residents in Northern Virginia, we would like to thank you for your tremendous leadership in providing \$335 million in funding for the Legal Services Corporation (LSC) in the FY05 Commerce, Justice, State Appropriations (CJS) bill.

We would also like to express our concern about a provision in the CJS bill that unfairly limits both the kinds of legal assistance that nonprofit LSC grantees can provide with private funds (donated by private, state and local sources, including state and local government grants), and the kinds of low income people they can assist with private funds. For example, LSC grantees are prevented from providing critically needed legal assistance to many immigrant residents even if they use non-LSC funds for this activity. In addition, we would like to request an opportunity to meet with you at your earliest convenience to discuss how this provision affects families and individuals in Northern Virginia.

LSC has interpreted this provision in the CJS bill as requiring local nonprofits that receive LSC funds to divert a portion of their private funds to the financing of legally and financially distinct legal aid programs, with physically separate staff, offices and equipment, before they can offer a full range of privately funded legal assistance

according to the wishes of their local donors and the needs of their local communities. *See* 45 C.F.R. § 1610.8.

This forced physical separation has imposed unnecessary costs and undue burdens on financially strapped legal aid programs, prevented many low income individuals and families from receiving necessary legal assistance, and imposed costly government obstacles to private philanthropy.

In Northern Virginia, it has forced civil legal aid programs to finance and operate two physically separate legal aid nonprofits – the Potomac Legal Aid Society and Legal Services of Northern Virginia – in order to satisfy the interest of local governmental entities and private funders, like the United Way, in having their funds be used to provide a full range of legal assistance to all low income residents, including immigrants.

Thus, it has resulted in the compelled diversion of scarce local resources away from helping families in need and towards paying for redundant and duplicative expenses associated with the operation of dual nonprofit programs. The cumulative annual financial costs imposed by this policy are unjustifiable, particularly in light of the significant rise in Virginia's poverty population (49.7% increase in the number of persons in poverty in Northern Virginia between 1990 and 2000), the serious decline in IOLTA revenues in Virginia, and the reductions in LSC funding during the past decade.

Congress can solve this problem of forced physical separation by amending the private money restriction and adopting a new policy that treats legal aid nonprofits equally with other nonprofit federal grantees. In particular, longstanding rules promulgated by OMB for nonprofit grantees of federal agencies and by the IRS for all nonprofit 501(c)(3) and (c)(4) organizations, as well as new rules promulgated by the Bush Administration for faith-based grantees and by NIH for universities engaged in medical research, all authorize nonprofits receiving federal funds to engage in various privately funded activities – like lobbying, praying and controversial stem cell research – without requiring them to do so through physically separate entities with separate staff and equipment.

By amending the private money restriction in this way, Congress can respond to the concerns of local funders, and help local nonprofits save scarce resources that would be better spent providing additional assistance to those families who need help preserving a home against unwarranted eviction, gaining protection against a perpetrator of domestic violence, or securing sufficient food and medical care for a sick child or elderly parent.

Additionally, Congress may also encourage increased charitable donations to the more than 140 privately incorporated legal aid programs funded by LSC that serve the working poor, veterans, the elderly, victims of domestic violence, family farmers and people with disabilities in every county and Congressional District in the nation.

Thank you very much for your support and continued leadership on behalf of our community.

Sincerely,



Charles Greenfield  
Executive Director  
Legal Services of Northern Virginia



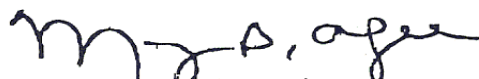
Jorge Figueredo  
Executive Director  
Hispanic Committee of Virginia




Dr. Nguyen Dinh Thang  
Executive Director  
Boat People SOS



Jayne Park  
Executive Director  
Asian Pacific American Legal Resource Center



Mary Agee  
President and CEO  
Northern Virginia Family Services

A handwritten signature in black ink that reads "Bonnie Allen". The signature is written in a cursive style with a large initial 'B' and a long, sweeping tail.

Bonnie Allen  
Executive Director  
Just Neighbors Ministry