

FACT SHEET: How a Federal Rule Restricting Privately Funded Legal Aid Harms Veterans

LEGAL AID: A VITAL LIFELINE

Civil legal aid lawyers help low-income veterans with a variety of legal problems, and can be a critical lifeline enabling veterans to fight off unlawful evictions, protect themselves against predatory lenders, and obtain desperately needed disability assistance. The federal Legal Services Corporation (LSC) provides slightly more than half of all funding for legal aid, distributing \$326 million to 143 legal aid programs nationwide in 2006. LSC recipient programs also receive more than \$300 million annually from non-federal donors. Yet these revenues combined meet fewer than one-quarter of the civil legal needs of low-income individuals and families in America.

PROTECTING THE RIGHTS OF VETERANS

LSC recipient programs across the country represent low-income veterans when civil legal problems have destabilized their lives. Every day, legal services programs stand up for the rights of low-income veterans before the US Court of Appeals for Veterans Claims and in civilian courts. The National Veterans Legal Services Program in Washington, DC provides training to LSC programs to ensure that the men and women who fought for our country and its values have high-quality, free legal representation to fight for their legal rights.

HANDS TIED: GOVERNMENT RESTRICTS LEGAL AID

In 1996, the government restricted legal aid programs that receive any LSC funding from engaging in many important activities on behalf of their low-income clients. The government also barred LSC grantees from spending their own, privately-raised money to finance prohibited activities. For example, LSC grantees cannot spend their own funds to inform low-income veterans of their rights as tenants and then offer to represent them in court. They also cannot seek court-ordered attorneys' fees – a crucial tool for encouraging settlement of cases – when representing veterans and others. If LSC grantees want to use their own money for this important work, they have to start a separate organization, with separate offices, staff and

equipment. This wastes already-scarce money that otherwise would go towards serving clients.

RESTRICTION HURTS THOSE WHO HAVE FOUGHT FOR OUR COUNTRY AND OUR VALUES

When legal services programs don't have the freedom to use their privately raised funds as efficiently and as effectively as possible, they aren't able to provide veterans and other low-income people with the legal assistance they urgently need.

COURT VICTORY BRINGS PARTIAL RELIEF

A December 2004 court ruling in *Dobbins v. LSC* provides a solution. The decision allows three New York legal aid programs to use their private, non-federal funds to finance "restricted" activities without the burden of paying for a totally separate office, so long as they set up a legally separate program with separate public areas, and keep close track of time and money spent. The ruling provides needed relief for low-income New Yorkers, but it does not solve the funding crisis for over 100 other LSC grantees nationwide, including those in Florida. The government is still defending its "private money restriction" in an appeal to a higher court. But Congress has the power to step in and fix this wasteful law.

WHAT CAN I DO?

Veterans' groups, committed to protecting the rights of the men and women who have served our country, can help by signing the attached letter. The letter urges the government to stop defending a model that wastes money, controls the private resources of private nonprofit organizations, obstructs the efforts of private donors to direct their own non-federal dollars toward urgently needed legal assistance, and impedes the representation of low-income veterans. Now, perhaps more than ever, America needs an efficient government that honors the service of our nation's veterans.