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***S11740** (THE CONFERENCE REPORT IS PRINTED IN THE HOUSE PROCEEDINGS
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Mr. Corzine.

Mr. President, I want to address a troubling provision in the Criminal-Justice-State, CJS, Appropriations bill, contained in the omnibus, that applies to any nonprofit legal services organization receiving funding from the Legal Services Commission, (LSC). This "private money restriction" precludes these nonprofits from using any of their private funds-including individual donations, foundation grants, and State and local government funds-for any non-LSC-qualified services.

The private money restriction places an unfair and costly burden on private and other non-Federal funds dedicated to helping families in need. As a result of the private money restriction, most ***S11747** civil legal services providers are forced to stop providing non-LSC-qualified services altogether. Many of the most vulnerable individuals and families-such as certain legal immigrants, including some battered women and children, mothers in prison trying to maintain visitation and custody of their children, and elderly homeowners seeking to file class actions to protect themselves from predatory lenders-find themselves without access to legal services at all.

LSC has attempted a "fix" for this problem by allowing organizations to use their own private funds for non-LSC-qualified services only if they create physically separate nonprofits with separate staff, offices and equipment. Wasting scarce private resources on duplicate staff and offices adds significant costs and results in fewer families being served.

Congress can provide a real "fix" for this problem by amending the CJS Appropriations bill to treat the privately funded activities of legal aid nonprofits equally with the privately funded activities of other nonprofits. In particular, we can require LSC grantees to abide by the same longstanding rules promulgated by the Office of Management and Budget 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 groups. These rules authorize nonprofits receiving Federal funds to engage in various privately funded activities without requiring them to maintain physically separate entities with separate staff and equipment.

Under this alternative approach, the restrictions on Federal LSC funds would still apply, whether one agrees with them or not, but they would allow local providers and donors to use private money to serve their communities as they see fit. I hope that in future discussions about the CJS Appropriations bill, we can consider this alternative approach to the problems that this bill will create for America's families and service providers.