

*150 Cong Rec H 5221, **

CONGRESSIONAL RECORD -- *HOUSE*

Wednesday, July 07, 2004

108th Congress, 2nd Session

150 Cong Rec H 5221

REFERENCE: Vol. 150, No. 92

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Mr. SERRANO. Mr. Chairman, I rise in support of the bill providing appropriations for the Commerce, Justice, State, Judiciary and related agencies for fiscal year 2005. . . .

I also would have liked to address a serious problem that the restrictions on the use of non-Federal funds pose for the Legal Services Corporation grantees, which face administrative and financial burdens probably unmatched by any other class of Federal grantees, but that is a discussion for another day.

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*150 Cong Rec H 5260, **

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Mr. PRICE of North Carolina. Mr. Chairman, I move to strike the last word.

I rise to enter into a colloquy with the gentleman from Virginia (Chairman Wolf) and the gentleman from New York (Mr. Serrano).

Before I begin, I would like to thank the chairman and the ranking member for their support of the Legal Services Corporation. Legal Services funds 143 legal aid programs around the Nation to help poor Americans gain access to the judicial system. I appreciate the bipartisan full funding of the LSC program, and I hope we can work together in the

near future to remove some of the few remaining obstacles that are preventing this program from reaching its full potential.

My primary concern is over the "private money restriction" in this bill that applies to any nonprofit legal services organization receiving LSC funding. This 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.

Non-LSC-qualified services include representing many categories of legal immigrants, including battered women and children; representing mothers in prison trying to maintain visitation and custody of their children; filing class actions to stop predatory lenders from preying on elderly homeowners; and educating people about their legal rights and then offering assistance in enforcing those rights. As a result of the private money restriction, most civil legal services providers are forced to stop providing non-LSC-qualified services altogether. Many of the most vulnerable individuals and families find themselves without access to legal services at all.

LSC recognized that this was a problem, but their attempted "fix" of this problem 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 is prohibitively expensive and will result in fewer families being served.

There is a much simpler and more effective way to address the problem. Congress should require LSC grantees to abide by the same longstanding rules promulgated by OMB for nonprofit grantees of Federal agencies, by the IRS for all nonprofit 501(c)(3) and (c)(4) organizations, and by the Bush administration for faith-based groups. All of these rules authorize nonprofits receiving Federal funds to engage in various privately funded activities like lobbying and praying without requiring them to do so through physically separate entities with separate staff and equipment. I am hopeful that future conversations on LSC funding will consider similar rules so that we can remove the physical space requirement, which will make our LSC-funded providers much more effective.