United States Senate

WASHINGTON, DC 20510

May 14, 2008

The Honorable Barbara Mikulski
Subcommittee on Commerce, Justice,
Science and Related Agencies
Committee on Appropriations
144 Dirksen Building
Washington, D.C. 20510

The Honorable Richard Shelby
Subcommittee on Commerce, Justice,
Science and Related Agencies
Committee on Appropriations
144 Dirksen Building
Washington, D.C. 20510

Dear Senators Mikulski and Shelby:

As you move forward with the Commerce, Justice and Science Appropriations Bill, we urge you to address the federal legal services restriction that controls state, local, and private money in Oregon. The federal restriction prevents state organizations that receive funds from the Legal Services Corporation ("LSC") from using any of their non-LSC dollars – including private donations, foundation grants, and state and local government funds – for activities that the organization is otherwise barred from doing with its federal LSC dollars.

Unfortunately, this overbroad restriction is problematic and costly. It has resulted in an inefficient bureaucracy with wasteful duplication of costs, deterred private donors from donating to Legal Services Corporation-funded organizations, and interfered with the ability of state justice administrators to create effective statewide delivery systems for civil legal aid. It also reduces the effectiveness of federal funding provided to LSC.

For example, a not-for-profit organization, Lawyers' Campaign for Equal Justice ("CEJ") raises significant funds from private attorneys in Oregon every year to support local efforts to provide the full range of civil legal services to low-income Oregonians. Funds raised by CEJ, however, cannot be used in the most efficient and effective manner without subjecting all of its private donations to existing federal restrictions. LSC-funded organizations may not use their private and state funds to seek attorneys' fees when an abuser flouts court orders in a domestic violence case or to bring a class action when a predatory lender targets an entire neighborhood of elderly homeowners. In order to spend any non-LSC funds on such activities consistent with federal restrictions, these organizations must set up an entirely separate corporation with separate offices, thereby duplicating overhead, personnel, and administrative costs. This costly requirement unnecessarily reduces low-income Oregonians access to the civil justice system.

The private money restriction also makes state planning efforts of providing access to justice for all Oregonians more difficult. The Oregon State Bar Legal Services Program's Standards and Guidelines, adopted by the Oregon State Bar Board of Governors pursuant

to a legislative mandate, calls for a fully integrated statewide delivery system implementing the Mission, Values and Core Capacities set forth in the OSB Civil Legal Services Task Force Final Report. The federal restriction, however, prevents Oregon justice programs from fully implementing the recommendations of the state legal services planning commission appointed by the Oregon State Bar, in consultation with the Chief Justice of the Oregon State Supreme Court. Our state has been forced to run two separate legal aid systems, one that receives LSC funds and one that does not, as a result. This dual system results in duplicate costs of approximately $300,000 each year to maintain physically separate offices throughout much of the state. If the restriction were removed, the money saved by combining offices and reducing duplicate administrative costs would provide enough money to open a new legal aid office in an underserved rural area.

We urge the Commerce, Justice, and Science Subcommittee to remove this burdensome federal restriction in the FY 2009 appropriations bill so that more needy Oregonians will have access to the civil justice system.

Thank you for your consideration of these important issues.

Sincerely,

Ron Wyden

Ron Wyden
United States Senator

Gordon H. Smith
United States Senator