

# The Heritage Foundation **Backgrounder**

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## THE LEGAL SERVICES CORPORATION: TURNING BACK THE CLOCK

(Updating Backgrounder No. 496, "New Ways to Provide Legal Services to the Poor," March 19, 1986.)

Nearly buried beneath the important legislation that must be considered by the Congress before it adjourns next month is a bill providing funds to the Legal Services Corporation for the next fiscal year. Contained in H.R. 5161 as reported last month by the Senate Appropriations Committee, this legislation provides \$305 million for the LSC next year (the same amount allocated for this year), but strips the LSC of much of its ability to monitor how that money is used. This will impede the LSC from ensuring that its funds are not used for political purposes. Worse, the legislation would severely restrict the LSC's ability to develop better ways of providing legal services to those who cannot otherwise afford them. The only winners under this legislation would be the agencies now profiting from LSC grants. The losers would include the poor and America's taxpayers.

The appropriations bill now pending before the Senate would:

- o Cut funding for "program development" activities to \$1.3 million, down from last year's \$1.9 million. The LSC had planned to spend \$4 million on these activities next year. Over the past few years, under its Reagan-appointed directors, the LSC has explored and tested new ways of delivering legal services to the poor. It has launched pilot programs involving the contracting out of legal services to private law firms and the use of legal service "vouchers," and has explored the feasibility of "judicare" systems for legal services. Particularly successful have been law school clinic programs in which law students are allowed to represent clients in simple cases. These innovative programs are threatened by the funding limitation proposed by the Senate committee. This cut would not even save the taxpayers money--the funds simply would be transferred to existing field programs. Worse, taxpayers would lose in the long run, as they lose the benefits of more efficient delivery methods.

o Require the LSC to spend over \$15 million to continue funding national and state support centers. These centers provide research support for LSC-funded legal service agencies. This support, however, is very often of little value to attorneys in the field. Worse, the centers often have been used for political advocacy. The LSC currently plans to stop funding these centers directly. Funds rather would be given to local legal service grantees, allowing them to decide how much to give to the centers. This way the centers would not be abolished, but would be forced to be more responsive to the needs of the local agencies. The Senate proposal would halt this sensible reform in its tracks.

o Prohibit the LSC from issuing regulations on lobbying. Hoping to end the advocacy abuses which had plagued and almost destroyed the LSC, Congress beginning in 1979 strictly limited lobbying activities by LSC funded lawyers. Because the statutory language was unclear, the LSC issued regulations regarding these limits, which were revised this year. The Senate bill, however, would force the Corporation to try to enforce the anti-lobbying restrictions "without regulation." This is a silly proposal. If the LSC misinterprets a statute, Congress can always correct it. But to forbid it to issue regulations altogether ensures continuation of the present uncertainties, thus making the ban against lobbying virtually unenforceable. LSC-funded lawyers once again would have a blank check to play politics at the expense their clients--and the taxpayers.

o Cut the LSC budget for management and administration from the present \$10.7 million to \$5.7 million, transferring the funds to other LSC activities. The result would be that the LSC would have to restrict sharply--or even eliminate--its monitoring of grant recipients, giving them a free hand to spend, or waste, their funds without oversight. Backers of the bill maintain that no real cutback in monitoring would be necessary, as the LSC can employ unspent funds carried over from FY 1986. LSC officials deny this. The Senate must determine the facts of this situation before approving such a potentially disastrous cutback.

The bill pending in the Senate hinders LSC efforts to stop lobbying, halts useful research into LSC alternatives, forces funding of research centers at the expense of local agencies, and possibly stops vital monitoring functions. It would be harmful to taxpayers and legal service clients and must be given closer examination by lawmakers.

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