

WITHOUT REFORMS, THE LEGAL SERVICES CORPORATION BILL DESERVES A VETO

After eight years of trying, the Reagan Administration is close to accomplishing one of its original objectives: reforming the Legal Services Corporation (LSC). More than 180 members of the House of Representatives, including 29 Democrats, have written Ronald Reagan declaring their opposition to the Commerce, State, Justice appropriations bill unless it is modified in House-Senate conference to include the Administration's LSC reform proposals. If the reforms are not included, the 180 lawmakers say that they will back the President if he vetoes the appropriations bill. So far, the President's senior advisors recommend a veto unless the reforms are included. They are right to do so.

For two good reasons, the LSC has been targeted for elimination by every Reagan budget: 1) it is an ineffective means of delivering legal services to the poor, and 2) it supports highly politicized "legal action projects" devoted to advancing a liberal, anti-Reagan social agenda. The Administration's proposed reforms for LSC would inject accountability and competition into awarding LSC grants, and end funding for the "national support centers" and other LSC activities that in effect have been serving as think tanks for radical groups.

Lobbying for Legislation. The LSC was created in 1974 to provide "high quality legal assistance to those would be otherwise unable to afford adequate legal counsel" (PL 93-355, as amended; 42 USC 2996). From the very beginning, however, LSC grantees became involved in much broader advocacy activities, including lobbying for legislation. Beginning in 1977, Congress has passed numerous restrictions on use of funds for lobbying, legislative advocacy, providing training for boycotts and strikes, and other political activity — all in response to specific complaints about LSC activities in these areas. Even as it passed these restrictions, however, Congress has made other changes that have the opposite effect.

In 1977, for example, Congress changed its mind about LSC funding of "backup centers" — now known as "National Support Centers." These centers ostensibly were to provide research and litigation support to LSC grantees. As critics predicted, however, the National Support Centers have become think tanks for the radical left, working actively for such causes as the "sanctuary movement," child custody rights for homosexuals, and expanding minors' rights to abortions without parental consent. To the extent these activities violate congressional restrictions, the grantees simply argue, usually without convincing evidence, that they were conducted with funds from other sources.

Through appropriations riders, meanwhile, Congress has prohibited the LSC from spending money to enforce many of the restrictions Congress earlier imposed. And Congress has crippled LSC's ability to investigate such abuses by placing restrictions on reporting and monitoring of LSC grantees. These grantees are exempt from the reporting requirements that apply to virtually all other recipients of federal funds. They also need not compete for grants. There is even an explicit "grandfather" provision that guarantees funding for past recipients, no matter how inefficient or ineffective they may be. Theoretically, LSC still has authority to defund grantees that explicitly violate the law, but the process is so cumbersome that it takes months and costs hundreds of thousands of dollars to defund even the most flagrant violators.

The result of these restrictions is, predictably, a process run amok. Radical lawyers use taxpayer money to propound extremist social theories, while such everyday legal needs of the poor as landlord-tenant disputes, spouse abuse, wills, and so forth go unmet. Indeed LSC grantees often turn away those eligible for LSC help and refer them instead to private attorneys.

The Reagan Proposal. The first seven budgets that Reagan submitted to Congress proposed to eliminate the Legal Services Corporation altogether. Senate hearings in 1982 confirmed the worst fears of LSC's critics. Yet the proposal to abolish LSC went nowhere. The Administration's fiscal 1989 budget accepts LSC, but tries to ensure that it will function as intended — to serve the poor, not as a radical lobby. The Administration proposes to fund LSC at \$250 million, down \$45 million from fiscal 1988. More important than this cost cutting are the proposed reforms of LSC including:

◆◆ **Eliminating funding for National Support Centers and related activities.** LSC grant recipients still could use LSC funds to purchase needed services like research and litigation support, and grant recipients could purchase them from the existing support centers.

◆◆ **Improving accountability by permitting LSC to promulgate and enforce necessary regulations and recordkeeping requirements.**

◆◆ **Permitting competition for LSC grants.** The U.S government required competition for more than 500 grants in fiscal 1988, totaling more than \$15 billion. The President's proposal would permit the LSC to require grantees to compete for LSC funds on the basis of which programs best serve the legal needs of the poor.

◆◆ **Channeling 96 percent of LSC's funds into direct services.** By eliminating funding for the National Support Centers, the President's proposal channels nearly all of the LSC's funding into providing legal services for those who need them.

The LSC funding is part of a huge \$15 billion 1989 appropriations bill for the Departments of Commerce, State, and Justice. This bill is now awaiting action by a House-Senate conference committee. Under the procedural rules of Congress, the conferees can agree to the Administration's proposed reforms. If they do not, Reagan should veto the bill. With the letter from the 180 lawmakers, it is near certain that the veto would be sustained. The White House then should work with Congress to pass a revised bill that restores the Legal Services Corporation to its original mission.

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