

AN END RUN ON LEGAL SERVICES ?

The Senate is poised to vote on an appropriations bill for the Legal Services Corporation (LSC) that would give grantees virtual carte blanche to use legal aid money, intended for the poor, for campaigning during this election year. The measure also would block promising low-cost private sector alternatives to legal services attorneys and stifle Corporation attempts to scrutinize illegal activities by grantees.

The House already has passed an appropriations bill that would "zero-fund" the Corporation. This was a technical maneuver by the House leadership to forestall moves to curb political activities by legal services lawyers. The Senate Committee on Appropriations has reported out a measure (H.R. 5712), with a funding level of \$297 million for the Corporation, and the full Senate is due to vote soon.

If passed, the Committee report would sideline Administration attempts to end the use of legal aid money for political campaigning by scrapping duly passed LSC Board regulations on lobbying. These rules were passed in April, after a General Accounting Office (GAO) report recommended more stringent regulations to combat widespread illegal misuse of federal funds by grantees. Legal service funds have been used in many political campaigns in recent years, various reports have disclosed. Money to provide legal aid for the poor was used in California, for instance, to help defeat a referendum to index the state income tax, in Missouri to fund the publication of a lobbying handbook and an alternative budget proposal for "People's Lobbyists," and in Massachusetts for a political guidebook that included tips on "how to use the media in a legislative campaign."

The Senate Appropriations Committee version of the funding bill would not merely block effective restrictions on such activities, but it would make it very difficult for LSC national staff even to uncover such misuses of money. The bill strips away funds for travel by headquarters staff, making oversight and evaluation of the \$300 million program extremely difficult, and it caps the funds available for program administration, further weakening the ability of staff to monitor illegal political activity by grantees.

The Senate Committee version would also halt promising experiments by the LSC national staff to improve legal services to the poor by encouraging private attorneys to bid for LSC work--and thereby compete with legal services lawyers. These private alternatives to LSC grantees have

been found, in many instances, to provide a superior service at lower cost, thus enabling more low-income people to be served. This alternative has proven to be very popular, with private legal clients in approximately 20 cities scheduled to deliver legal assistance this year. The Corporation has received requests from 37 cities, including Atlanta and Buffalo, for the experiment to be extended to their areas in FY 1985. The Senate Committee language would block this experimentation, effectively giving the LSC attorneys a monopoly.

By providing line-item expenditures--unusual in an appropriations bill--the measure also would lock in funding for support centers and regional training centers, despite longstanding questions regarding their usefulness. Moreover, it would tie expenditures for local programs to 1970 census data on poverty, despite significant shifts in population recorded in the 1980 census. Again, the effect is to favor existing grantees rather than the citizens the Corporation was established to help.

If the Senate Committee language, authored by Senator Warren Rudman (R-NH), is accepted by the full Senate, it is unlikely that it will be modified significantly in the House-Senate conference, since the House leadership has opposed Reagan Administration attempts to force legal services lawyers to concentrate their efforts on providing legal aid to the poor--instead of political campaigning.

Rather than trying to hamstring the oversight activities of the LSC headquarters staff, and blocking innovative experiments to provide more economic legal assistance, the Senate should pay close attention to the rampant abuses uncovered by the GAO, and those disclosed in hearings held before the Senate Labor and Human Resources Committee, chaired by Senator Orrin Hatch (R-UT). The appropriations measure would help shield these irregularities from public view, encourage the misuse of legal aid money for political purposes, and restrict attempts by LSC staff to scrutinize the use of public money by grantees. Instead, the Senate should move swiftly to address the question of confirmation of the full slate of nominees to the LSC Board, which was voted out of the Senate Labor and Human Resources Committee in May, so that the Board can examine the activities of LSC grantees in detail. Intruding into the day-to-day working of the LSC, as the appropriations bill would enable Congress to do, would serve neither the poor seeking legal aid nor the American taxpayer.

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For further information:

General Accounting Office, Testimony before the Senate Labor and Human Resources Committee, April 11, 1984.

General Accounting Office, Letter to Senate Orrin Hatch, September 19, 1981, (B-210338/B-202116).

Senate Committee on Labor and Human Resources, Oversight of the Legal Services Corporation, Staff Report, 1983.

"Legal Services Manuals Press Political Advocacy," The Washington Times, July 21, 1983.

"A Little Larceny in Legal Services?" The Wall Street Journal, August 19, 1983.