

**Testimony in Support HB 4143
Before the Senate Judiciary Committee**

February 20, 2014

Dear Chair Prozanski and members of the committee:

My name is Travis Prestwich. I have a litigation practice here in Salem. In addition, I am a member of the Oregon State Bar's Board of Governors and am here today on behalf of the bar. Thank you for the opportunity to testify in support of HB 4143.

The Oregon State Bar's highest priority is access to justice. This includes not only ensuring adequate court funding, but also ensuring adequate funding for low-income legal services, both criminal and civil. HB 4143 is one more tool we can use to help address civil legal services for low-income Oregonians.

Under the statutory and regulatory structures still in place today and developed under the leadership of Senator Neil Bryant, who was then Chair of the Senate Committee on Judiciary, the Oregon State Bar was assigned by statute to provide standards, guidelines, evaluation, oversight, and enforcement for legal aid services. State funding is sent to the Oregon State Bar and distributed to the nonprofit corporations that provide service to clients. The Bar, an independent/regulatory agency, was assigned this responsibility because it understands the regulation of lawyers engaged in the practice of law.

Legal aid plays an integral part in keeping Oregon's courts running efficiently. A legal aid attorney's advocacy can help a family stay in their home, a domestic violence victim obtain a restraining order, and a taxpayer negotiate a settlement agreement faster and with fewer missteps. This not only ensures our court system runs smoothly, it also provides an economic benefit for Oregon. Employees who have the opportunity to utilize legal aid services can address and quickly rectify what can be daunting legal challenges, allowing them to get back to their families, their jobs, and their communities.

Prior to 2011, legal aid services received state funding via a dedicated surcharge on specific civil court filing fees. With the passage of HB 2710 in 2011, the state funding process was modified and legal aid services now receives \$11.9 million a biennium or \$5.95 million annually as a direct distribution from a general fund account in the judicial department. This accounts for approximately 40% of legal aid's annual funding with the remaining financial support coming primarily from federal funds, interest from the Lawyer Trust Accounts (IOLTA), and private donations through the Campaign for Equal Justice. There are approximately 80 different sources of funding. The total budget for legal aid services in 2013 was close to \$15 million.

Due to a variety of economic and political pressures, including the aftereffects of 2008 economic crisis, current funding from non-legislative sources has suffered. For example,

- Federal funds decreased by \$800,000 between 2011 and 2012.

- Interest from the lawyer trust accounts have dropped from a high of \$3.6 million in 2007 to approximately \$1,000,000 in 2013 with an additional decrease of \$160,000 anticipated in 2014.

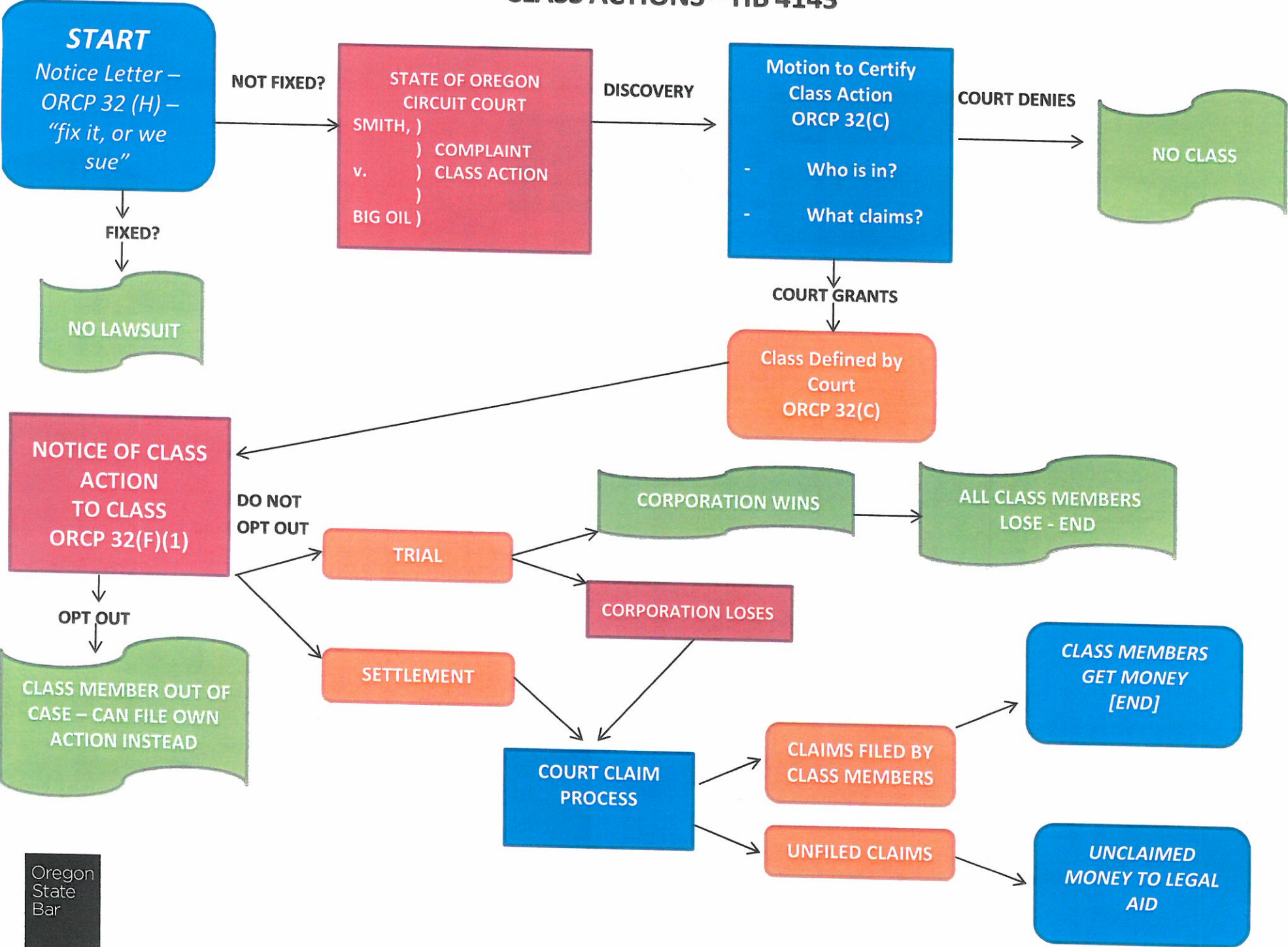
Further, while funding decreased, the number of Oregonians eligible for legal aid services increased. Between 2000 and 2011, Oregon's legal aid eligible population increased 61.5%.

National standards define minimally adequate legal aid services as two legal aid lawyers per 10,000 low-income citizens. Currently, Oregon is meeting half of that need. 850,000 Oregonians meet the income qualifications for legal aid assistance. The current legal aid budget supports approximately 90 legal aid lawyers working throughout Oregon or one legal aid attorney per 9,444 low-income Oregonians. It is estimated that the current level of funding meets only 15% of the civil legal needs of qualifying Oregonians.

The bar is working with representatives from all three branches of government, legal aid programs, the Campaign for Equal Justice, the Oregon Law Foundation, and Oregon foundations and corporations through the Task Force on Legal Aid Funding to identify and capitalize on new funding whenever possible. HB 4143 represents one of these unique opportunities to move legal aid funding in the right direction.

Thank you for your consideration. I'm happy to answer any questions.

CLASS ACTIONS – HB 4143



CLASS ACTIONS – CURRENT LAW

