



Press Release

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Portland, OR

As Oregonians continue to face daunting challenges from the economic crisis, legal aid programs that help Oregon's low-income people with civil law matters such as safety from domestic violence and issues relating to unemployment benefits, housing, and foreclosure matters, are facing staffing reductions. On Saturday, Oregon legal aid's two largest programs announced that, due to 15% revenue shortfalls, they are keeping frozen positions empty, implementing other cost saving measures, and laying off staff. Even before the recession, studies showed that Oregon's programs had funding to meet less than 20% of the legal needs of the poor.

Oregon's two largest statewide programs, Legal Aid Services of Oregon (LASO) and Oregon Law Center (OLC) saw the cuts coming last fall due to the sharp and steady decline in interest rates that are used to fund legal aid through interest on lawyer trust accounts. The confluence of a number of events has resulted in a dramatic shortfall: low interest rates, reductions in federal funding, a loss of state general fund revenue, and loss of foundation support due to the economic downturn. According to Board Chair Michael Mason, "Losing advocates is a tragic loss to Oregonians in need, especially in this economic crisis. Our top priority is keeping the basic structure of Legal Aid intact statewide. Our hiring freeze last year and closing our satellite office in Independence were not enough in the face of revenue cuts. The long-term downturn has caught up with us and forced us to the last resort, layoffs."

According to Steve Pucci, President of the Oregon State Bar, "The funding cuts are a blow to vulnerable Oregonians who need help with housing, unemployment, and safety from domestic violence. It is also a blow to our legal system, which at its core requires fairness and equal access. Oregon lawyers have been generous in supporting legal aid by contributing over \$1 million each year and by donating their time through legal aid's pro bono efforts. But, we need these other sources of funding to help meet the tremendous and growing unmet legal needs of the poor."

About 25,000 clients received direct assistance from legal aid last year. The programs helped many more low-income Oregonians through self help materials, including websites and pro bono projects. Legal aid programs assist clients in all 36 Oregon counties and have offices in 18 communities. About 40% of legal aid's services are devoted to helping victims of domestic violence obtain restraining orders and deal with custody and child support. Offices throughout the state will remain open despite the layoffs.

Oregon's legal aid programs balance over 80 sources of funding, with the largest source from state court filing fees. Although the structure changed somewhat, the programs were able to retain their filing fee funding when the legislature adjourned this summer. However, revenue generated by the interest on lawyers trust accounts has dropped 75% since the start of the recession, with interest rates expected to remain low for at least another two years. Things got worse earlier this year when Congress decreased funding for the national Legal Services Corporation (LSC), a portion of which goes to fund LASO. Congress will take up the issue of LSC funding for 2012 after the summer recess.

For further information contact Sandra Hansberger, Campaign for Equal Justice: sandy@cej-oregon.org; 503.295.8442; 503.754.1119; or Michael Mason: 503.799.5225. The Campaign for Equal Justice was founded in 1991 by Oregon lawyers to help fund Oregon's legal aid programs.