

103^D CONGRESS
2^D SESSION

H. R. 4508

To authorize appropriations for the Legal Services Corporation and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 26, 1994

Mr. BRYANT introduced the following bill; which was referred to the Committee on the Judiciary

A BILL

To authorize appropriations for the Legal Services Corporation and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE, REFERENCE, AND TABLE OF**

4 **CONTENTS.**

5 (a) SHORT TITLE.—This Act may be cited as the
6 “Legal Services Reauthorization Act of 1994”.

7 (b) REFERENCE.—Except as otherwise expressly pro-
8 vided, whenever in this Act an amendment or repeal is
9 expressed in terms of an amendment or repeal of a section
10 or other provision, the reference shall be considered to be

1 made to a section or other provision of the Legal Services
2 Corporation Act (42 U.S.C. 2996 and following).

3 (c) TABLE OF CONTENTS.—The table of contents is
4 as follows:

- Sec. 1. Short title, reference, and table of contents.
- Sec. 2. Findings.
- Sec. 3. Authorization of appropriations.
- Sec. 4. Protection against theft and fraud.
- Sec. 5. Prohibitions on lobbying.
- Sec. 6. Enforcement.
- Sec. 7. Monitoring and independent evaluation.
- Sec. 8. Class actions.
- Sec. 9. Negotiation requirement.
- Sec. 10. Restrictions on use of funds for legal assistance to aliens.
- Sec. 11. Governing bodies of recipients.
- Sec. 12. Professional responsibilities.
- Sec. 13. Solicitation.
- Sec. 14. Certain eviction proceedings.
- Sec. 15. Procedural safeguards for litigation.
- Sec. 16. Competition study.
- Sec. 17. Fee-generating case provisions.
- Sec. 18. Miscellaneous restrictions.
- Sec. 19. Recordkeeping and noncorporation funds.
- Sec. 20. Evasion.
- Sec. 21. Attorneys' fees provisions.
- Sec. 22. Corporation Board composition and control over policy.
- Sec. 23. Reprogramming provisions.
- Sec. 24. Grants.
- Sec. 25. Establishment of local priorities.
- Sec. 26. Staff attorneys.
- Sec. 27. Studies.

5 **SEC. 2. FINDINGS.**

6 Section 1001 (42 U.S.C. 2996) is amended to read
7 as follows:

8 "FINDINGS

9 "SEC. 1001. The Congress finds that—

10 "(1) there is a need to provide equal access to
11 the system of justice in our Nation for those who are
12 unable to afford adequate legal counsel to pursue

1 and resolve their grievances and protect their legal
2 rights and interests;

3 “(2) funds made available pursuant to this title
4 have made it possible for millions of individuals, who
5 would otherwise be unable to afford legal counsel, to
6 receive high quality, efficient, and effective legal rep-
7 resentation;

8 “(3) the present legal services program should
9 be maintained and its resources expanded to serve
10 the unmet legal needs of indigent clients;

11 “(4) local control by recipients of assistance
12 under this title over policy, resource allocation, and
13 case selection has enabled the legal services program
14 to meet the priority needs of clients in the commu-
15 nities served;

16 “(5) providing legal assistance to those who
17 face an economic barrier to adequate legal counsel
18 will serve best the ends of justice and assist in im-
19 proving opportunities for low-income persons consist-
20 ent with the purposes of this title;

21 “(6) for many of our citizens, the availability of
22 legal services has reaffirmed faith in our government
23 of laws;

1 “(7) to preserve its strength, the legal services
2 program must be kept free from the influence of or
3 use by it of political pressures; and

4 “(8) attorneys providing legal assistance must
5 have full freedom to protect the best interests of
6 their clients in keeping with the rule of ethics and
7 professional responsibility that apply in the jurisdic-
8 tion where the legal assistance is provided and the
9 highest standards of the legal profession.”.

10 **SEC. 3. AUTHORIZATION OF APPROPRIATIONS.**

11 Section 1010(a) (42 U.S.C. 2996i(a)) is amended by
12 striking the first three sentences and inserting the follow-
13 ing: “There are authorized to be appropriated for the pur-
14 pose of carrying out the activities of the Corporation such
15 sums as may be necessary for each of fiscal years 1995,
16 1996, 1997, 1998, and 1999.”.

17 **SEC. 4. PROTECTION AGAINST THEFT AND FRAUD.**

18 Section 1005 (42 U.S.C. 2996d) is amended by add-
19 ing at the end the following:

20 “(h) For purposes of sections 286, 287, 641, 1001,
21 and 1002 of title 18, United States Code, the Corporation
22 shall be considered to be a department or agency of the
23 United States Government.

24 “(i) For purposes of sections 3729 through 3733 of
25 title 31, United States Code, the term ‘United States Gov-

1 ernment' shall include the Corporation, except that actions
2 that are authorized by section 3730(b) of such title to be
3 brought by persons may not be brought against the Cor-
4 poration or any recipient or employee thereof.

5 “(j) For purposes of section 1516 of title 18, United
6 States Code—

7 “(1) the term ‘Federal auditor’ shall include
8 any auditor employed or retained on a contractual
9 basis by the Corporation,

10 “(2) the term ‘contract’ shall include any grant
11 or contract made by the Corporation, and

12 “(3) the term ‘person’, as used in subsection
13 (a) of such section, shall include any recipient receiv-
14 ing financial assistance under section 1006(a)(1) or
15 1006(a)(3).

16 “(k) Funds provided by the Corporation under sec-
17 tion 1006 shall be deemed to be Federal appropriations
18 for the purpose of all Federal criminal laws when used
19 by a recipient.

20 “(l) For purposes of section 666 of title 18, United
21 States Code, funds provided by the Corporation shall be
22 deemed to be benefits under a Federal program involving
23 a grant or contract.

1 “(m) The Corporation shall make available to the ap-
2 propriate legal authority any evidence of criminal conduct
3 by a recipient or an employee of a recipient.”.

4 **SEC. 5. PROHIBITIONS ON LOBBYING.**

5 Section 1007(a) (42 U.S.C. 2996f(a)) is amended by
6 amending paragraph (5) to read as follows:

7 “(5) ensure that no funds made available by the
8 Corporation to any recipient are used to pay for any
9 personal service, advertisement, telegram, telephone
10 communication, letter, printed or written matter, or
11 other device, or to pay for any publicity or propa-
12 ganda, intended or designed—

13 “(A) to influence any decision by a Fed-
14 eral, State, or local agency, except when legal
15 assistance is provided by an employee of a re-
16 cipient of the Corporation to an eligible client
17 on a particular application, claim, case, or other
18 matter, which directly involves the client’s legal
19 rights or responsibilities, or

20 “(B) to influence any Member of Congress
21 or any other Federal, State, or local elected of-
22 ficial to favor or oppose any Act, bill, resolu-
23 tion, or similar legislation, or any referendum,
24 initiative, constitutional amendment, or any
25 similar procedure of the Congress, any State

1 legislature, any local council, or any similar
2 governing body,

3 except that this paragraph does not preclude funds
4 made available to a recipient from being used in con-
5 nection with—

6 “(i) any communication made in response
7 to any Federal, State, or local agency or elected
8 official,

9 “(ii) any communication to a Federal,
10 State, or local elected or agency official pertain-
11 ing to the authorization or appropriation of
12 funds or any other measure affecting the au-
13 thority, functions, or funding of the recipient or
14 the Corporation or pertaining to oversight
15 measures directly affecting the recipient if the
16 project director (or project director’s designee)
17 has expressly determined that the legislative
18 body involved is considering such authorization,
19 appropriation, or other measure or is conduct-
20 ing oversight of the recipient or the Corpora-
21 tion, or

22 “(iii) any communication on behalf of an
23 eligible client in the course of representation of
24 that client before a legislative body, if the
25 project director or designee of the recipient has

1 expressly approved such representation in ac-
2 cordance with policy established by the govern-
3 ing or policy body of the recipient and such
4 project director or designee has determined, be-
5 fore approving the undertaking of such rep-
6 resentation, that—

7 “(I) the client seeks representation to
8 protect the client’s existing legal rights or
9 interests or is in need of relief which can
10 be provided by the legislative body in-
11 volved, and

12 “(II) documentation specifically au-
13 thORIZING such representation has been se-
14 cured from the eligible client by a recipi-
15 ent,

16 but nothing in this paragraph shall be construed to
17 permit the use of such funds to engage in commu-
18 nication which is intended or designed to encourage
19 the general public to support or oppose legislation
20 pending before the Congress or State or local legisla-
21 tive bodies or any decision by a Federal, State, or
22 local agency or to solicit a client, in violation of pro-
23 fessional responsibilities, for the purpose of making
24 possible any activity permitted by this paragraph;”.

1 **SEC. 6. ENFORCEMENT.**

2 (a) ENFORCEMENT.—Subparagraph (A) of section
3 1006(b)(1) (42 U.S.C. 2996e(b)(1)) is amended to read
4 as follows:

5 “(A)(i) The Corporation shall have the authority to
6 ensure the compliance of recipients and their respective
7 employees with this title. The Corporation may issue rules,
8 regulations, guidelines, and instructions to interpret the
9 provisions of this title, but may not impose, by regulation
10 or otherwise, restrictions or limitations on types of cases
11 or forms of representation of clients unless such restric-
12 tions or limitations are explicitly authorized by this title
13 or other applicable law, and may not impose, by regulation
14 or otherwise, restrictions or requirements on such recipi-
15 ents that are inconsistent with this title and other applica-
16 ble law.

17 “(ii) If the Corporation receives information that a
18 recipient has violated this title or the rules, regulations,
19 guidelines, instructions, grant conditions, or assurances is-
20 sued under this title, the Corporation shall commence an
21 investigation, resolve the allegations without further inves-
22 tigation, or reject the complaint as groundless. Except in
23 cases where it is alleged that a recipient or an employee
24 of a recipient has violated criminal law, the Corporation
25 shall notify the recipient of the allegations and the Cor-
26 poration’s planned action. Such notification shall include

1 a description of the factual allegations, a copy of any writ-
2 ten materials submitted by the person making the allega-
3 tions, and a designation of the provisions of this title or
4 the rules, regulations, guidelines, instructions, grant con-
5 ditions, or assurances issued under this title that are al-
6 leged to have been violated. If the Corporation has deter-
7 mined that an investigation is warranted, the Corporation
8 shall provide the recipient a reasonable opportunity to re-
9 spond in writing to the allegations before commencing a
10 formal investigation. The Corporation shall complete such
11 investigation in a timely manner and shall inform the re-
12 cipient of the final determination with respect to such in-
13 vestigation. Unless required by law, the Corporation shall
14 not make the findings of its investigation public until a
15 final report is issued or unless such disclosure is made
16 with the consent of such recipient. If, at the conclusion
17 of the investigation, the Corporation determines that it
18 will take action under paragraph (5) of this subsection,
19 it shall notify the recipient of its right to request a hear-
20 ing.”.

21 (b) REGULATIONS FOR ENFORCEMENT.—Paragraph
22 (5) of section 1006(b) (42 U.S.C. 2996e(b)) is amended
23 to read as follows:

24 “(5)(A) The Board shall issue regulations to provide
25 for the enforcement of this title. Such regulations may in-

1 clude, among available remedies, provisions for the imme-
2 diate suspension of financial assistance under this title,
3 suspension or termination of an employee of the Corpora-
4 tion or of any employee of a recipient by such recipient,
5 the reduction or termination of such financial assistance,
6 and denial of an application for refunding. Any such em-
7 ployee may be terminated only after consideration of other
8 remedial measures and only after the employee has been
9 afforded reasonable notice and opportunity for a timely,
10 full, and fair hearing. When requested, such hearing shall
11 be conducted by an independent hearing examiner. Unless
12 the Corporation seeks to deny an application for refunding
13 under subparagraph (B), the Corporation may suspend,
14 reduce, or terminate financial assistance under this title
15 or deny an application for refunding under this title
16 only—

17 “(i) when there has been a substantial failure
18 to comply with the provisions of—

19 “(I) this title,

20 “(II) rules, regulations, guidelines, or in-
21 structions issued under this title, or

22 “(III) other laws,

23 which failure continues after notice and an oppor-
24 tunity to correct such failure has been provided to
25 the recipient, or

1 “(ii) when independent evaluations demonstrate
2 that a recipient has consistently failed to use its re-
3 sources to provide economical and effective legal as-
4 sistance of high quality as measured by generally ac-
5 cepted professional standards which failure contin-
6 ues after notice and an opportunity to correct such
7 failure has been provided to such recipient.

8 “(B) The Corporation may deny an application for
9 refunding of a recipient when, based on independent eval-
10 uation, the Corporation has identified an applicant for fi-
11 nancial assistance under this title that is better able to
12 provide high quality, economical, and effective legal assist-
13 ance. Such evaluation shall be based on criteria developed
14 pursuant to section 1007(d)(5).

15 “(C) Financial assistance under this title may not be
16 terminated or suspended, an application for refunding
17 under this title may not be denied, and the annual level
18 of financial assistance under this title may not be reduced
19 by more than 5 percent or \$20,000, whichever is less, un-
20 less the recipient has been afforded reasonable notice, an
21 adequate opportunity to respond to the allegations con-
22 cerning failures and, if requested by the recipient, a timely
23 and fair hearing before an independent hearing examiner
24 pursuant to regulations issued by the Corporation. Such
25 regulations shall provide for commencement of the hearing

1 before an independent hearing examiner at the earliest ap-
2 propriate date. As soon as practical after the hearing, the
3 independent hearing examiner shall make a recommended
4 decision on the matter. A copy of the recommended deci-
5 sion shall be sent to the Corporation and the recipient.
6 If neither the Corporation nor the recipient requests re-
7 view by the president of the Corporation of that rec-
8 ommended decision, the decision shall become final. If ei-
9 ther party does request a review of a recommended deci-
10 sion, the president of the Corporation shall make a final
11 decision with respect to that recommended decision. In ad-
12 dition to other remedies provided by law, the recipient may
13 appeal the final decision to the Board.”.

14 (c) STATE ADVISORY COUNCILS.—Section 1004 (42
15 U.S.C. 2996c) is amended by striking subsection (f) and
16 redesignating subsections (g) and (h) as subsections (f)
17 and (g), respectively.

18 (d) TECHNICAL AMENDMENTS.—

19 (1) SECTION 1006(b)(2).—Section 1006(b)(2)
20 (42 U.S.C. 2996e(b)(2)) is amended by striking
21 “provisions of section 1011” and inserting “regula-
22 tions issued under paragraph (5) of this subsection”.

23 (2) SECTION 1006(b).—Section 1006(b) (42
24 U.S.C. 2996e(b)) is amended by adding at the end
25 the following:

1 “(7) The Corporation shall ensure that—

2 “(A) no employee of the Corporation or any re-
3 cipient or other grantee or contractor of the Cor-
4 poration (except as permitted by law in connection
5 with such employee’s own employment situation),
6 while carrying out legal assistance activities sup-
7 ported under this title, engages in, or encourages
8 others to engage in, any public demonstration or
9 picketing, boycott, or strike; and

10 “(B) no such employee, at any time, engages in,
11 or encourages others to engage in—

12 “(i) any rioting or civil disturbance,

13 “(ii) any activity which is determined by a
14 court of competent jurisdiction to be in viola-
15 tion of an outstanding injunction,

16 “(iii) any other illegal activity, or

17 “(iv) any intentional identification of the
18 Corporation or any recipient or other grantee or
19 contractor of the Corporation with any political
20 activity prohibited by section 1007(a)(6).”.

21 (3) SECTION 1007.—Section 1007(a)(9) (42
22 U.S.C. 2996f(a)(9)) is amended by striking “1011”
23 and inserting “1006(b)(5)”.

24 (4) SECTION 1011.—Section 1011 (42 U.S.C.
25 2996j) is repealed and sections 1012, 1013, and

1 1014 (42 U.S.C. 2996k, 2996l, 2996nt) are redesignig-
2 nated as sections 1011, 1012, and 1013, respec-
3 tively.

4 **SEC. 7. MONITORING AND INDEPENDENT EVALUATION.**

5 Section 1007(d) (42 U.S.C. 2996f(d)) is amended to
6 read as follows:

7 “(d)(1) The Corporation shall monitor recipients to
8 ensure that the provisions of this title, the rules, regula-
9 tions, guidelines, and instructions issued under this title,
10 and other laws are carried out by such recipients.

11 “(2) The Corporation shall provide for independent
12 evaluations to determine whether such recipients are pro-
13 viding economical and effective legal assistance of high
14 quality to eligible clients and to assist them in providing
15 such assistance. Evaluations shall be carried out primarily
16 by persons who are experienced in the delivery of legal
17 services to the poor and are knowledgeable about the types
18 of matters to which the recipient to be evaluated devotes
19 its resources and shall be carried out primarily by persons
20 who are not employees of the Corporation.

21 “(3) The Corporation shall adopt standards and pro-
22 cedures to implement the provisions of section
23 1006(b)(1)(A) and this subsection as regulations under
24 section 1008(e). The standards and procedures adopted
25 shall—

1 “(A) take into account that each recipient has
2 both the right and the responsibility to manage its
3 day-to-day operations and to assure that its employ-
4 ees comply with all applicable law and deliver high
5 quality legal assistance in an effective and economi-
6 cal manner,

7 “(B) protect the personal privacy of eligible cli-
8 ents,

9 “(C) be consistent with the rules of ethics and
10 professional responsibility that are applicable in the
11 jurisdiction where a recipient delivers legal assist-
12 ance, and

13 “(D) protect matters and documents that are
14 personal or private and related to an individual em-
15 ployee from examination by the Corporation except
16 to the extent that such records can be expected to
17 contain information directly pertinent and necessary
18 to an audit or to an investigation of—

19 “(i) a likely pattern of discrimination,

20 “(ii) lack of compliance with the law, the
21 provisions of this title, or the rules, regulations,
22 guidelines, or instructions issued by the Cor-
23 poration, or

24 “(iii) or poor performance by a recipient,
25 which is indicated by other external evidence.

1 “(4) The Corporation shall ensure that the monitor-
2 ing process is fair and conducted in a manner that does
3 not cause more than a necessary disruption to the provi-
4 sion of legal services provided by the recipient being mon-
5 itored and provides—

6 “(A) sufficient notice before monitoring is con-
7 ducted,

8 “(B) flexibility to negotiate with the Corpora-
9 tion when disagreements arise over the timing and
10 conduct of monitoring,

11 “(C) reasonable opportunity to respond and
12 comment on draft reports on monitoring,

13 “(D) protection from disclosure to third parties
14 of the results of monitoring and the contents of any
15 draft reports on monitoring before a final report on
16 the monitoring is issued, and

17 “(E) protection from disclosure to third parties
18 of any documents obtained during monitoring except
19 to the extent necessary to carry out the monitoring,
20 consistent with the laws and the rules of ethics and
21 professional responsibility applicable to the jurisdic-
22 tion where such documents are maintained, except
23 that the Corporation shall at all times have the au-
24 thority to make evidence of criminal conduct avail-
25 able to the appropriate legal authority.

1 The Corporation shall ensure that the monitoring process
2 is reasonably related to the purposes which the monitoring
3 is intended to accomplish.

4 “(5) The Corporation, in cooperation with recipients
5 and other appropriate groups, shall develop comprehensive
6 criteria for use in evaluating the capability and perform-
7 ance of recipients, including the assessment of—

8 “(A) the extent to which any such recipient pro-
9 vides a comprehensive range of legal assistance to el-
10 igible clients, including, in the case of support enti-
11 ties, a comprehensive range of appropriate support
12 services;

13 “(B) the extent that any such recipient has suc-
14 ceeded in providing effective, economical, and high
15 quality legal services to eligible clients and is able to
16 use and develop additional resources, including pro
17 bono services from the private bar; and

18 “(C) the ability of any such recipient to deter-
19 mine and address the most pressing legal problems
20 and needs of eligible clients.

21 “(6) Notwithstanding the preceding provisions of this
22 subsection, the Inspector General of the Corporation shall
23 not, in carrying out the Inspector General’s functions, be
24 subject to any restriction that—

1 “(A) is contained in the standards and proce-
2 dures adopted by the Corporation under this sub-
3 section; and

4 “(B) limits access by the Corporation to docu-
5 ments or other information.”.

6 **SEC. 8. CLASS ACTIONS.**

7 Section 1006(d)(5) (42 U.S.C. 2996e(d)(5)) is
8 amended—

9 (1) by striking “No” and inserting “(A) Subject
10 to subparagraph (B), no”; and

11 (2) by adding at the end the following:

12 “(B) No recipient or employee of any such recipient
13 may bring a class action suit against the Federal Govern-
14 ment or any State or local government unless—

15 “(i) the project director of the recipient has ex-
16 pressly approved the filing of such an action in ac-
17 cordance with policies established by the governing
18 or policy body of the recipient;

19 “(ii) the class relief which is the subject of such
20 an action would significantly benefit individuals who
21 are eligible for legal assistance under this title; and

22 “(iii) before filing such an action, the project
23 director of the recipient determines that the govern-
24 ment entity is not likely to change the policy or
25 practice in question, that the policy or practice will

1 continue to adversely affect eligible clients, that the
2 recipient has given notice of its intention to seek
3 class relief, and that responsible efforts to resolve
4 without litigation the adverse effects of the policy or
5 practice have not been successful or would be ad-
6 verse to the interest of the clients.”.

7 **SEC. 9. NEGOTIATION REQUIREMENT.**

8 Section 1007(a) (42 U.S.C. 2996f(a)) is amended—

9 (1) in paragraph (9) by striking “and” after
10 the semicolon; and by striking the period at the end
11 of paragraph (10) and inserting “; and”; and

12 (2) by adding at the end the following:

13 “(11) require recipients to adopt policies, con-
14 sistent with the rules of ethics and professional re-
15 sponsibility that apply in the jurisdiction in which
16 legal assistance is to be provided, which encourage
17 employees of the recipients to attempt to negotiate
18 settlements and to use alternative dispute resolution
19 mechanisms, where appropriate and available, before
20 filing suit, except that nothing in this paragraph
21 shall be construed to permit the Corporation—

22 “(A) to require policies which restrict rep-
23 resentation of clients to matters where the cli-
24 ents agree to such negotiation or use of alter-
25 native dispute resolution mechanisms; or

1 “(B) to preclude an attorney from filing
2 suit where the attorney’s professional respon-
3 sibility to the client requires that litigation be
4 commenced without notice to or negotiations
5 with the opposing parties.”.

6 **SEC. 10. RESTRICTIONS ON USE OF FUNDS FOR LEGAL AS-**
7 **SISTANCE TO ALIENS.**

8 Section 1007 (42 U.S.C. 2996f) is amended by add-
9 ing at the end the following:

10 “(i) No funds appropriated to the Corporation may
11 be used to provide legal assistance for or on behalf of any
12 alien unless the alien is present in the United States and
13 is—

14 “(1) an alien lawfully admitted for permanent
15 residence as defined in section 101(a)(20) of the Im-
16 migration and Nationality Act (8 U.S.C.
17 1101(a)(20)), including aliens who acquire the sta-
18 tus of lawful permanent resident aliens under the
19 provisions of section 216 or 245A of that Act (8
20 U.S.C. 1186a, 1255a);

21 “(2) an alien who is either married to a United
22 States citizen or is a parent or an unmarried child
23 under 21 years of age of such citizen and who has
24 filed an application to adjust status to lawful perma-
25 nent resident under the Immigration and Nationality

1 Act, and such application has not been finally adju-
2 dicated;

3 “(3)(A) an alien who is lawfully present in the
4 United States pursuant to an admission under sec-
5 tion 207 of the Immigration and Nationality Act (8
6 U.S.C. 1157), who has been granted suspension of
7 deportation under section 244 of the Immigration
8 and Nationality Act, or who has been granted asy-
9 lum by the Attorney General under such Act; or

10 “(B) an alien who is lawfully present in the
11 United States as a result of being granted condi-
12 tional entry pursuant to section 203(a)(7) of the Im-
13 migration and Nationality Act before April 1, 1980,
14 because of persecution or fear of persecution on ac-
15 count of race, religion, or political opinion or be-
16 cause of being uprooted by catastrophic natural ca-
17 lamity;

18 “(4) an alien who is lawfully present in the
19 United States as a result of the Attorney General’s
20 withholding of deportation pursuant to section
21 243(h) of the Immigration and Nationality Act (8
22 U.S.C. 1253(h));

23 “(5) an alien who is authorized to work in the
24 United States by the Immigration and Naturaliza-
25 tion Service;

1 “(6) an alien who has been provided a record
2 of permanent residence under section 249 of the Im-
3 migration and Nationality Act;

4 “(7) an alien who is an eligible immigrant (as
5 defined in section 301(b)(1) of the Immigration Act
6 of 1990), was physically present in the United
7 States on May 5, 1988, and is seeking admission as
8 an immediate relative under the Immigration and
9 Nationality Act or under section 203(a)(2) of such
10 Act (including under section 112 of the Immigration
11 Act of 1990) or is seeking (or is being provided)
12 benefits under section 301(a) of the Immigration
13 Act of 1990; or

14 “(8) an alien who is eligible for medical assist-
15 ance under title XIX of the Social Security Act, if
16 the legal assistance to be provided is needed in order
17 to help obtain such medical assistance.”.

18 **SEC. 11. GOVERNING BODIES OF RECIPIENTS.**

19 Subsection (c) of section 1007 (42 U.S.C. 2996f) is
20 amended to read as follows:

21 “(c)(1) In making grants or entering into contracts
22 for legal assistance, the Corporation shall ensure that—

23 “(A) any recipient (other than a recipient de-
24 fined in section 1002(6)(B)) which has as one of its

1 purposes the provision of legal assistance to eligible
2 clients is governed by a body—

3 “(i) the majority of which is comprised of
4 attorneys who are appointed by the governing
5 bodies of State, county, or local bar associations
6 the memberships of which together represent a
7 majority of the attorneys practicing law in the
8 locality or localities in which the recipient is to
9 provide legal assistance or, in the case of pro-
10 grams providing service in more than one State,
11 in the State or locality in which the principal
12 office of the recipient is located;

13 “(ii) at least 60 percent of which consists
14 of attorneys who are members of the bar of a
15 State in which the legal assistance is to be pro-
16 vided; and

17 “(iii) at least one-third of which consists of
18 persons who are, when selected, eligible clients
19 who may also be representatives of associations
20 or organizations of eligible clients; and

21 “(B) any other recipient is governed by a body
22 that meets the requirements of subparagraph (A) or
23 has established a policy body, whose membership is
24 selected consistent with such requirements, to estab-

1 lish policy with respect to the administration of any
2 grant or contract under this title.

3 Any attorney serving on a governing body or policy body
4 of a recipient described in this paragraph may not, while
5 so serving, receive compensation from the recipient on
6 whose board the attorney sits. Subparagraph (A)(i) shall
7 not be construed to prevent the governing body of a bar
8 association from appointing members of the governing or
9 policy bodies of more than one recipient.

10 “(2) The Corporation—

11 “(A) shall, upon application, grant waivers of
12 the requirements of clauses (i) and (ii) of paragraph
13 (1)(A) for a legal services program, supported under
14 section 222(a)(3) of the Economic Opportunity Act
15 of 1964, which on the date of the enactment of this
16 title has a majority of persons who are not attorneys
17 on its policymaking board;

18 “(B) may grant, pursuant to regulations issued
19 by the Corporation, a waiver of the requirements of
20 clauses (i) and (ii) of paragraph (1)(A) for recipients
21 which, because of the nature or size of the popu-
22 lation, legal community, or area they serve, are un-
23 able to comply with such requirements; and

24 “(C) may, upon application, grant waivers of
25 clause (iii) of paragraph (1)(A) for a recipient which

1 the Corporation has determined does not have as a
2 primary purpose the provision of legal assistance to
3 clients eligible for assistance under this title.

4 As a condition for a grant of a waiver under subparagraph
5 (C), the Corporation may require the recipient to establish
6 a policy body whose membership is selected consistent with
7 the requirements of subparagraph (A) of paragraph (1)
8 with respect to the administration of any grant or contract
9 under this title.

10 “(3) Consistent with the provisions of this title, the
11 rules, regulations, guidelines, and instructions issued
12 under this title, and any other laws, each recipient, pursu-
13 ant to the direction and control of its governing or policy
14 body, and not the Corporation, shall determine all broad
15 policies concerning its provision of legal assistance and
16 other activities of the recipient, including—

17 “(A) financial eligibility criteria of clients rep-
18 resented, consistent with the guidelines established
19 pursuant to section 1007(a)(2)(B);

20 “(B) the services that the recipient will make
21 available;

22 “(C) the policies that will govern the fiscal, ad-
23 ministrative, and representational activities of the
24 recipient in compliance with the provisions of this
25 title and regulations issued under this title, other

1 applicable law, or requirements imposed by grantors
2 of resources to the recipient;

3 “(D) subject to the prohibitions and require-
4 ments contained in this title, the priorities of the re-
5 cipient for the use of all available resources, includ-
6 ing the policies regarding the types of cases or mat-
7 ters attorneys, paralegal staff, and other staff may
8 undertake using such resources; and

9 “(E) subject to regulations on private attorney
10 involvement promulgated by the Corporation under
11 section 1008(e), significant policy decisions concern-
12 ing the use of staff attorneys and other available
13 and appropriate staff and nonstaff resources, includ-
14 ing private attorneys and others, to provide legal as-
15 sistance to eligible clients and to carry out activities
16 relating to the delivery of legal assistance.

17 “(4) The governing or policy body of a recipient
18 shall—

19 “(A) not interfere with the lawyer-client rela-
20 tionship in the representation of specific clients by
21 the recipient;

22 “(B) comply with the legal and ethical require-
23 ments on conflicts of interest that apply in the juris-
24 diction where the recipient is located;

1 “(C) not act on a case-by-case basis in setting
2 priorities, except that the governing or policy body
3 may reconsider priorities at any time for future ap-
4 plications for services in light of changing legal
5 needs of clients or in light of an emergency; and

6 “(D) ensure that activities under this title are
7 carried out in a manner consistent with attorneys’
8 professional responsibilities to a client as established
9 in the rules of ethics and professional responsibility
10 that apply in the jurisdiction where the legal assist-
11 ance is provided.

12 “(5) The Corporation shall not—

13 “(A) interfere with the governing or policy bod-
14 ies described in paragraph (1) in their determina-
15 tions of the broad policy matters described in para-
16 graph (2);

17 “(B) impose requirements or limitations on the
18 types of cases or representation of clients unless
19 those requirements or limitations are explicitly au-
20 thorized by this title or other applicable law; or

21 “(C) impose requirements or limitations on the
22 governing or policy bodies of recipients that are ad-
23 ditional to, or more restrictive than, the provisions
24 of this subsection.”.

1 **SEC. 12. PROFESSIONAL RESPONSIBILITIES.**

2 (a) RESPONSIBILITIES OF THE CORPORATION.—

3 Paragraph (3) of section 1006(b) (42 U.S.C. 2996e(b))
4 is amended to read as follows:

5 “(3) The Corporation shall not, under any provision
6 of this title, interfere with any attorney in carrying out
7 the attorney’s ethical or professional responsibilities to a
8 client as established in the rules of ethics and professional
9 responsibility that apply in the jurisdiction where the legal
10 assistance is provided or abrogate as to attorneys in pro-
11 grams assisted under this title the authority of a State
12 or other jurisdiction to enforce the standards of profes-
13 sional responsibility generally applicable to attorneys in
14 such jurisdiction.”.

15 (b) GRANTS AND CONTRACTS.—Paragraph (10) of
16 section 1007(a) (42 U.S.C. 2996f(a)) is amended to read
17 as follows:

18 “(10) ensure that all attorneys employed by re-
19 cipients supported, in whole or in part, by the Cor-
20 poration, while engaged in legal assistance activities,
21 refrain from the persistent incitement of litigation
22 and any other activity prohibited by the rules of eth-
23 ics or professional responsibility that apply in the ju-
24 risdiction where the legal assistance is provided, and
25 ensure that such attorneys refrain from personal
26 representation for a private fee from the client in

1 any cases in which they were involved while engaged
2 in such legal assistance activities; and”.

3 (c) ACCESS TO RECORDS.—Section 1009(d) (42
4 U.S.C. 2996h(d)) is amended by inserting before the pe-
5 riod at the end the following: “or protected from disclosure
6 by the laws or the rules of ethics or professional respon-
7 sibility that apply in the jurisdiction where such reports
8 or records are maintained”.

9 **SEC. 13. SOLICITATION.**

10 Section 1007 (42 U.S.C. 2996f) (as amended by sec-
11 tion 10) is amended by adding at the end the following:

12 “(j) A recipient and any employee of any such recipi-
13 ent shall not solicit professional employment from a pro-
14 spective client if—

15 “(1) the prospective client has made known to
16 the recipient or employee of such recipient a desire
17 not to be solicited by the recipient or employee of
18 such recipient;

19 “(2) the solicitation involves coercion, duress, or
20 harassment; or

21 “(3) the solicitation is made in order to urge
22 the client to initiate litigation without a proper fac-
23 tual basis for the complaint.”.

1 **SEC. 14. CERTAIN EVICTION PROCEEDINGS.**

2 Section 1007 (42 U.S.C. 2996f) (as amended by sec-
3 tion 13) is amended by adding at the end the following:

4 “(k)(1) No funds made available by the Corporation
5 may be used for initiating the defense of a person in a
6 proceeding to evict that person from a public housing
7 project if the person has been convicted of the illegal sale
8 or distribution of a controlled substance and if the eviction
9 proceeding is brought by a public housing agency because
10 the illegal drug activity of that person threatens the health
11 or safety of other tenants residing in the public housing
12 project or employees of the public housing agency.

13 “(2) As used in this subsection—

14 “(A) the term ‘controlled substance’ has the
15 meaning given that term in section 102 of the Con-
16 trolled Substances Act (21 U.S.C. 802); and

17 “(B) the terms ‘public housing project’ and
18 ‘public housing agency’ have the meanings given
19 those terms in section 3 of the United States Hous-
20 ing Act of 1937 (42 U.S.C. 1437a).”.

21 **SEC. 15. PROCEDURAL SAFEGUARDS FOR LITIGATION.**

22 Section 1007 (42 U.S.C. 2996f) (as amended by sec-
23 tion 14) is amended by adding at the end the following:

24 “(l) Except when necessary to respond to an emer-
25 gency situation, no recipient or employee of such recipient
26 may with respect to a claim or controversy engage in

1 precomplaint settlement negotiations, file a complaint, or
2 otherwise pursue litigation against a defendant unless a
3 written retainer agreement which enumerates the particu-
4 lar facts on which the claim or controversy is initially
5 based has been signed by the plaintiff (including named
6 plaintiffs in a class action). Such retainer agreement shall
7 be executed when representation commences or as soon
8 thereafter as is practicable. Such retainer agreement—

9 “(1) shall be kept on file by the recipient in a
10 manner that prevents disclosure of information pro-
11 tected by the attorney-client privilege or by the rules
12 of ethics or professional responsibility that apply in
13 the jurisdiction in which the legal assistance is pro-
14 vided; and

15 “(2) shall be made available—

16 “(A) to any Federal department or agency
17 that is auditing the activities of the Corporation
18 or of any such recipient; and

19 “(B) to any auditor receiving Federal
20 funds to conduct such auditing, including any
21 auditor or monitor of the Corporation.

22 Other parties shall have access to such agreement only
23 through the applicable rules of discovery after litigation
24 has begun. The recipient is not required to execute a writ-
25 ten retainer agreement under this subsection when the

1 only service to be provided is a brief service, advice, or
2 consultation that does not obligate the recipient to provide
3 additional service or undertake continued representation.
4 Unless authorized by a court of competent jurisdiction, no
5 recipient or employee of such recipient may file a com-
6 plaint or petition in a court until all plaintiffs known to
7 plaintiff's counsel at the time have been specifically identi-
8 fied in the complaint or petition.”.

9 **SEC. 16. COMPETITION STUDY.**

10 Section 1007 (42 U.S.C. 2996f) (as amended by sec-
11 tion 15) is amended by adding at the end the following:

12 “(m)(1) The Corporation shall study the feasibility
13 of a system of competition in the delivery of legal assist-
14 ance and related activities under subsections (a)(1) and
15 (a)(3) of section 1006 and shall report its conclusions to
16 the Congress not later than 3 years after the date of the
17 enactment of the Legal Services Reauthorization Act of
18 1994. Such study shall be conducted in conjunction with
19 an advisory committee which includes project directors, at-
20 torneys providing legal assistance, the organized bar, and
21 eligible clients, who are selected by appropriate represent-
22 atives of these groups.

23 “(2) The study under paragraph (1) shall examine
24 how a system of competition would—

1 “(A) ensure access to, and the continued provi-
2 sion of, high-quality, economical, and effective legal
3 services;

4 “(B) take into account—

5 “(i) the ongoing ethical and professional
6 responsibilities of recipients and their attorneys
7 for existing cases;

8 “(ii) the potential for disruption in the de-
9 livery of services to clients, including *pro bono*
10 services or the loss or reduction of funding or
11 other resources from sources other than the
12 Corporation if an existing recipient were re-
13 placed;

14 “(iii) whether competition would harm the
15 ability of existing recipients to recruit and re-
16 tain qualified staff; and

17 “(iv) whether the Corporation could re-
18 quire a new recipient, as a condition of a com-
19 petitive grant, to assume collective bargaining
20 agreements or to hire non-management or other
21 staff from the previous provider in order to
22 minimize the loss of experienced staff.

23 “(3) If the Corporation decides to adopt a competitive
24 model for the award of some or all grants for the delivery
25 of legal assistance to eligible clients, it may do so only

1 in accordance with regulations promulgated pursuant to
2 section 1008(e) and the other requirements of this title.”.

3 **SEC. 17. FEE-GENERATING CASE PROVISIONS.**

4 Subsection (b)(1) of section 1007 (42 U.S.C.
5 2996f(b)(1)) is amended by striking “(which guidelines”
6 and all that follows through the end of the paragraph and
7 inserting the following: “, except that—

8 “(A) such guidelines shall not preclude the
9 provision of legal assistance in cases in which a
10 client seeks only statutory benefits and appro-
11 priate private representation is not available
12 and the recipient does not seek or accept any
13 fee that is deducted directly from the individual
14 client’s recovery; and

15 “(B) the Corporation may not—

16 “(i) prevent recipients from seeking,
17 receiving, or retaining attorneys’ fees
18 awarded or approved by a court or admin-
19 istrative body or included in a settlement
20 in any matter that may be appropriately
21 undertaken under the guidelines promul-
22 gated under this paragraph, or

23 “(ii) offset attorneys’ fees against
24 grant amounts or take into account the
25 amount of any such attorneys’ fees in es-

1 tablishing funding levels, fund balances, or
2 distributing funds appropriated under this
3 title;”.

4 **SEC. 18. MISCELLANEOUS RESTRICTIONS.**

5 (a) RESTRICTED ACTIVITIES.—Section 1007(b)(6)
6 (42 U.S.C. 2996f(b)(6)) is amended to read as follows:

7 “(6) to support or conduct training programs
8 for the purpose of advocating particular public poli-
9 cies or encouraging political activities, labor or
10 antilabor activities, boycotts, picketing, strikes, or
11 demonstrations, except that this subsection shall not
12 be construed to prohibit the training of attorneys or
13 paralegal personnel necessary to prepare them to
14 provide adequate legal assistance to eligible clients,
15 to advise any eligible client as to the nature of the
16 legislative process, or to inform any eligible client of
17 the client’s rights under any statute, order, or regu-
18 lation;”.

19 (b) RECOMMENDATIONS REGARDING HIRING OF
20 STAFF ATTORNEYS.—Paragraph (8) of section 1007(a)
21 (42 U.S.C. 2996f(a)) is repealed and paragraphs (9), (10),
22 and (11) are redesignated as paragraphs (8), (9) and (10),
23 respectively.

1 (c) LABOR LAW VIOLATIONS.—Section 1006 (42
2 U.S.C. 2996e) is amended by adding at the end the follow-
3 ing:

4 “(g) No recipient may engage in activity that, with
5 respect to the recipient, is determined to be a violation
6 of applicable labor laws by the National Labor Relations
7 Board or a court or other State or local agency.”.

8 (d) RECIPIENT DEFINED.—Section 1002(6) (42
9 U.S.C. 2996a(6)) is amended to read as follows:

10 “(6) ‘recipient’ means—

11 “(A) any grantee, contractor, or recipient
12 of financial assistance described in subpara-
13 graph (A) of section 1006(a)(1); or

14 “(B) any subrecipient, subgrantee, or sub-
15 contractor of any recipient described in sub-
16 paragraph (A) or any grantee or contractor re-
17 ceiving funds from the Corporation under sub-
18 paragraph (B) of section 1006(a)(1) or under
19 section 1006(a)(3), but only with respect to the
20 provision of legal assistance to eligible clients
21 that are supported with funds provided under
22 this title;”.

23 (e) LIMITATION ON USE AMENDMENT.—Section
24 1007(b) (42 U.S.C. 2996f(b)) is amended by inserting

1 “and” at the end of paragraph (7) and by striking para-
2 graphs (9) and (10).

3 **SEC. 19. RECORDKEEPING AND NONCORPORATION FUNDS.**

4 (a) NON-CORPORATION FUNDS.—Subsection (c) of
5 section 1010 (42 U.S.C. 2996i) is amended to read as fol-
6 lows:

7 “(c)(1) Funds received by a recipient from sources
8 other than the Corporation shall be accounted for and re-
9 ported as receipts and disbursements separate and distinct
10 from Corporation funds, pursuant to generally accepted
11 accounting principles. A recipient shall maintain a system
12 of recordkeeping which discloses the activities supported
13 by Corporation and non-Corporation funds and allocates
14 costs appropriately to such activities. The recipient shall
15 adopt procedures providing for the design and implemen-
16 tation of such a recordkeeping system. The specific record-
17 keeping system to be employed shall be determined by the
18 recipient in a manner that meets the requirements estab-
19 lished by the Office of Management and Budget and pub-
20 lished as Circular A-122 (Cost Principles for Nonprofit
21 Organizations).

22 “(2) Private funds received by a recipient or other
23 grantee or contractor of the Corporation for the provision
24 of legal assistance shall not be used to engage in activities
25 prohibited by paragraph (2), (3), (4), (6), or (7) of section

1 1007(b) or by section 1007(k). This subsection shall not
2 be construed to prevent recipients or other grantees or
3 contractors of the Corporation from receiving tribal funds
4 (including foundation funds benefiting Indians or Indian
5 Tribes) and expending them in accordance with the pur-
6 poses for which they are provided or to prevent contracting
7 or making other arrangements with private attorneys, pri-
8 vate law firms, or other State or local entities of attorneys
9 or with legal aid societies having separate public defender
10 programs for the provision of legal assistance to eligible
11 clients under this title.”.

12 (b) ANNUAL FINANCIAL AUDIT.—Paragraph (1) of
13 section 1009(c) (42 U.S.C. 2996h(c)) is amended to read
14 as follows:

15 “(1) The Corporation shall require each recipient to
16 provide for an annual financial audit but the Corporation
17 may not select the auditor employed for such audit by such
18 recipient. The Corporation may conduct its own financial
19 audits of recipients and may use funds appropriated to
20 the Corporation to retain independent auditors to conduct
21 financial audits of any recipient. The report of each audit
22 shall be maintained for a period of at least 5 years at the
23 principal office of the Corporation.”.

1 **SEC. 20. EVASION.**

2 The Legal Services Corporation Act (as amended by
3 section 6(d)(4)) is amended by inserting after section
4 1013 the following new section:

5 “EVASION

6 “SEC. 1014. The use of ‘alternative corporations’ to
7 avoid or otherwise evade the provisions of this title or the
8 Legal Services Reauthorization Act of 1994 is prohibited.
9 The term ‘alternative corporation’ means any corporation,
10 law firm, business association, group, entity, or enterprise
11 which, through control over workload or interlocking
12 boards of directors, has a single identity of interest with
13 a recipient. Any recipient which shares employees with any
14 other corporation, law firm, business association, group,
15 entity, or enterprise shall specify with particularity the use
16 of any funds by such employees in accordance with the
17 recordkeeping requirements established under section
18 1010(c).”.

19 **SEC. 21. ATTORNEYS’ FEES PROVISIONS.**

20 Subsection (f) of section 1006 (42 U.S.C. 2996e) is
21 amended to read as follows:

22 “(f) If any court finds, based on substantial evidence,
23 that a recipient commenced an action for the purpose of
24 harassment or retaliation or maliciously abused legal proc-
25 ess, or that the plaintiff’s action was frivolous or without
26 foundation and not warranted by existing law or by a non-

1 frivolous argument for the extension, modification, or re-
2 versal of existing law or the establishment of new law, the
3 court may award reasonable costs and attorneys' fees in-
4 curred by the defendant in defending the action. Any such
5 costs and fees shall be paid directly by the Corporation.
6 The Corporation may recover the amount of any costs and
7 fees paid by the Corporation from the recipient against
8 whom the award was made by offsetting that amount
9 against future grant awards made by the Corporation to
10 such recipient. Unless otherwise agreed by the Corporation
11 and the recipient the Corporation, in any one grant year,
12 may not deduct more than 5 percent of a grant for pur-
13 poses of recoupment of such costs and fees.''.
14

14 **SEC. 22. CORPORATION BOARD COMPOSITION AND CON-**
15 **TROL OVER POLICY.**

16 (a) TERM OF OFFICE.—Subsection (b) of section
17 1004 (42 U.S.C. 2996c) is amended to read as follows:

18 “(b) The term of office of each member of the Board
19 shall be 3 years, except that a member of the Board shall
20 continue to serve after the end of the member’s term of
21 office until the successor to such member has been ap-
22 pointed and qualified. The term of each member shall be
23 computed from the date of termination of the preceding
24 term. Any member appointed to fill a vacancy arising as
25 a result of a prior member’s resignation, death, or removal

1 pursuant to subsection (e) occurring before the expiration
2 of the term for which such member's predecessor was ap-
3 pointed shall be appointed for the remainder of such term.
4 No member shall be reappointed to more than 2 consecu-
5 tive terms immediately following such member's initial
6 term unless the initial term served by that member was
7 less than one year in duration.”.

8 (b) CHAIRMAN.—Subsection (d) of section 1004 (42
9 U.S.C. 2996c) is amended to read as follows:

10 “(d) The Board shall annually elect a chairman from
11 among its voting members.”.

12 (c) PROCEDURE.—Section 1006 (42 U.S.C. 2996e),
13 as amended by section 18(c), is amended by adding at the
14 end the following:

15 “(h) All rules, regulations, guidelines, instructions,
16 and grant conditions under this title, and all policies or
17 changes in policy directly affecting recipients shall be
18 adopted by the Board after notice and comment. For pur-
19 poses of this subsection, policies or changes in policies in-
20 clude increasing or decreasing funding to, imposing new
21 terms and conditions on, or making changes in, the classes
22 of recipients which provide and support the delivery of
23 legal assistance. This subsection shall not preclude the
24 staff of the Corporation from imposing, without notice and
25 comment, specific conditions on a grant or contract to an

1 individual recipient which are not applicable to other such
2 recipients if the conditions relate specifically to a prior de-
3 termination that the recipient has not complied with the
4 provisions of this title or the rules, regulations, guidelines,
5 or instructions issued under this title or has failed to pro-
6 vide high quality, effective, and economical legal assist-
7 ance.”.

8 (d) COMPENSATION OF OFFICERS AND EMPLOY-
9 EES.—Section 1005(d) (42 U.S.C. 2996(d)) is amended
10 by striking “level V” and inserting “level III”.

11 **SEC. 23. REPROGRAMMING PROVISIONS.**

12 Section 1008 (42 U.S.C. 2996g) is amended by add-
13 ing at the end the following:

14 “(f) The Corporation may not promulgate rules, reg-
15 ulations, guidelines, or instructions under this title unless
16 the Corporation has so notified the Committee on Appro-
17 priations and the Committee on the Judiciary of the
18 House of Representatives and the Committee on Appro-
19 priations and the Committee on Labor and Human Re-
20 sources of the Senate at least 15 days before final publica-
21 tion of the rules, regulations, guidelines, or instructions,
22 and has given such committees an opportunity to comment
23 on such rules, regulations, guidelines, or instructions.”.

1 **SEC. 24. GRANTS.**

2 (a) 12-MONTH GRANTS REQUIRED.—Section 1010
3 (42 U.S.C. 2996i) is amended by adding to the end the
4 following:

5 “(e) All grants and contracts made pursuant to sec-
6 tions 1006(a)(1) and (3) for calendar years 1995, 1996,
7 1997, 1998, and 1999 shall be made for a period of at
8 least 12 months, except for any grant to a new program
9 commencing operations after the beginning of the applica-
10 ble calendar year.”.

11 (b) AUTHORITY FOR GRANTS TO STATES AND LOCAL
12 GOVERNMENTS REPEALED.—Section 1006(a)(1) (42
13 U.S.C. 2996e(a)(1)) is amended to read as follows:

14 “(1)(A) to provide financial assistance to quali-
15 fied programs furnishing legal assistance to eligible
16 clients and to make grants and contracts with indi-
17 viduals, partnerships, firms, corporations, and non-
18 profit organizations for the purposes of providing
19 legal assistance to eligible clients under this title,
20 and (B) to make such other grants and contracts as
21 are necessary to carry out the purposes and provi-
22 sions of this title;”.

23 **SEC. 25. ESTABLISHMENT OF LOCAL PRIORITIES.**

24 Section 1007(a) (42 U.S.C. 2996f(a)) is amended—

25 (1) in paragraph (2)(C)(i) by striking “goals es-
26 tablished by the Corporation” and inserting “the

1 principles of section 1001 of this title and any goals
2 established by this title”; and

3 (2) by adding after paragraph (10) (as redesignig-
4 nated by section 18(b) of this Act) the following:

5 “The procedures adopted pursuant to paragraph (2)(C)(i)
6 shall require the governing or policy bodies of recipients
7 to review annually the priorities that are adopted in ac-
8 cordance with such procedures, and periodically analyze
9 the legal needs of clients in the area served by each such
10 recipient to take into account new or changing cir-
11 cumstances of such clients. As part of such analysis, each
12 such recipient shall seek comments and information from
13 clients, the organized bar, and program staff and from
14 other parties with relevant information concerning client
15 needs.”.

16 **SEC. 26. STAFF ATTORNEYS.**

17 Paragraph (7) of section 1002 (42 U.S.C. 2996a) is
18 amended to read as follows:

19 “(7) ‘staff attorney’ means an attorney who—

20 “(A) is employed by a recipient that pro-
21 vides legal assistance to eligible clients under
22 this title; and

23 “(B) a significant part of such attorney’s
24 annual professional salary is derived from the

1 proceeds of a grant or contract from the Cor-
2 poration to such recipient; and”.

3 **SEC. 27. STUDIES.**

4 (a) STUDY ON LEGAL ASSISTANCE TO OLDER AMER-
5 ICANS.—Section 1007 (42 U.S.C. 2996f) (as amended by
6 section 16) is amended by adding at the end the following:

7 “(n) The Corporation shall conduct a study to deter-
8 mine the extent and effectiveness of legal assistance pro-
9 vided by recipients to older Americans. The Corporation
10 shall submit to the Congress, not later than 6 months
11 after the date of the enactment of the Legal Services Re-
12 authorization Act of 1994, a report on the study, together
13 with any recommendations that the Corporation has on
14 ways to improve the provision of such legal assistance to
15 older Americans.”.

16 (b) STUDY ON RECRUITMENT AND RETENTION.—
17 Section 1007 (42 U.S.C. 2996f) (as amended by sub-
18 section (a)) is amended by adding at the end the following:

19 “(o) Within 6 months after the date of the enactment
20 of the Legal Services Reauthorization Act of 1994, the
21 Corporation shall undertake a study of factors that affect
22 the recruitment and retention by recipients of legal serv-
23 ices attorneys and other personnel, including loan forgive-
24 ness programs and the need for and availability of retire-
25 ment benefits. The Corporation shall submit to the Con-

1 gress a report on such study, together with recommenda-
2 tions on how to improve recruitment of a highly qualified
3 and diverse workforce and increase retention of experi-
4 enced personnel. Such study shall be conducted with an
5 advisory committee which includes project directors, attor-
6 neys and paralegals providing legal assistance and eligible
7 clients, all of whom shall be selected by appropriate rep-
8 resentatives of such groups.”.

9 (c) OTHER STUDIES.—Section 1007 (42 U.S.C.
10 2996f) is amended—

11 (1) by striking subsections (g) and (h), and

12 (2) by redesignating subsections (i) through (o)

13 as subsections (g) through (m), respectively.

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