

PPW Press Release

# Welfare Press Office

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DPW SUES PENNSYLVANIA LEGAL SERVICES CENTER

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HARRISBURG (July 9)--The Pennsylvania Department of Public Welfare has filed a suit in Commonwealth Court against the Pennsylvania Legal Services Center (PLSC). The suit seeks to ensure the State Legislature's right to limit the amount of state funds available for legal services statewide, and to enforce past DPW contracts limiting the right of legal service agencies to collect attorneys' fees against the Commonwealth.

For the past nine years, DPW has contracted with PLSC, a non-profit corporation, to provide legal services to low-income Pennsylvanians through subcontracts with local legal service providers.

Secretary of Public Welfare Helen B. O'Bannon explained today that "Since 1978, DPW contracts with PLSC have contained provisions which prohibited them from requesting attorneys' fees in any cases brought against the Commonwealth or Commonwealth employees. In the event such attorneys' fees are awarded to PLSC or its subcontractor agencies, language in the contract provides that DPW will deduct the amount of the fees from our payments to them.

"Despite the mutually agreed on contract stipulations," noted O'Bannon, "Legal service agencies, particularly Community Legal Services in Philadelphia, continue to seek and be awarded attorneys' fees. Approximately \$350,000 in fees have been awarded by federal courts since 1978, with most of these fees still in dispute."



In 1981, the Pennsylvania State Legislature reacted to these high fee awards in its General Appropriations Act (Act No. 81-5A) by reinforcing the contract provisions with a stipulation limiting the state share of DPW's appropriations for "legal services" to \$1,250,000, "provided any award of attorneys' fees from any Commonwealth agency or official to a legal service provider supported in whole or in part directly or by contract under this appropriation shall be paid exclusively from this appropriation." (The Federal Title XX program matches state dollars three for one.)

According to O'Bannon, the current suit is aimed at "assuring that legislative direction be strictly followed and that legal services be held to a fixed and predictable budget.

"The federal courts have failed to address this issue adequately after being given ample opportunity to do so," she added, "and we had no alternative but to take this matter to state court. Our lawyers will move to get this matter listed, argued and decided at the earliest possible court session."

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