

Innovative Fundraising Ideas for Legal Services-2004 Edition

Prepared by
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**Standing Committee on Legal Aid and Indigent Defendants
Project to Expand Resources for Legal Services (PERLS)**



American Bar Association

This manual has not been reviewed by the House of Delegates or the Board of Governors of the American Bar Association and, accordingly, should not be construed as representing policy of the American Bar Association.

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Type: Tried and True
Locale: State & Local

	Low	Medium	High
Revenue		◆	
Time		◆	
Cost	◆		
Staff	◆		
Upkeep	◆		

Project

Bar Dues Add-Ons and Opt-Outs

Definition

A line item on the annual bar association dues statement that provides an opportunity for the member to make a contribution to legal services providers.

Explanation

Through their annual dues statement, bar associations solicit financial support, on behalf of legal services programs, from all their members. There appear to be two different mechanisms being used by bar associations:

Opt-out: A line on the bar dues statement that indicates that a specified amount of the member's dues will go to legal services providers unless otherwise indicated by the member.

Add-on: A line on the bar dues statement that allows the member to add on his or her contribution to legal services. (An amount may be suggested.)

An add-on often does not generate much income and is best when viewed as a supplement to other fundraising efforts. It has greater potential for success in smaller bar associations, especially local ones where more members participate in the decision to enact the provision. Opt-outs almost always will generate more revenue than add-ons. Revenue can be increased by including a letter from a legal community leader, explaining the value of legal aid and urging attorneys to make the contribution. This letter can be used with either an opt-out or add-on.

Some states have taken this concept a step further, increasing the fee that attorneys are required to pay to practice law to fund legal aid. This option generates significantly greater funds than add-on or opt-out choices. See the initiative *Attorney Registration Fee Increase or Dues Assessment*, page 11, for more information. It also is possible for a bar association to decide to use some of its bar dues to support legal services without treating it as a separate dues item. Bar associations considering this option should see the initiative *Bar Funds for Legal Services*, page 29. Bar associations looking to significantly increase funding for legal services through voluntary giving should see the initiative *Lawyer Fund Drive*, page 3.

Pros

- ◆ A dues add-on or opt-out provides a supplemental source of income with little work for legal services or the bar association.
- ◆ It is an opportunity for bar associations to encourage members to fulfill their obligation to provide "equal justice under law."

Cons

- ◆ When an add-on or opt-out is done without much information being furnished about the legal services providers, their clients and the need for assistance, participation is usually low and the size of the gift small. There are more effective methods for generating voluntary financial contributions from lawyers (see the initiative *Lawyer Fund Drive*, page 3).
- ◆ With opt-out, the "contribution" amount is predetermined. This may result in lawyers who are capable of giving larger gifts making smaller contributions due to the absence of a personal request.
- ◆ Bar associations may have more than one item as a dues add-on or opt-out, competing for the bar member's discretionary funds. The more items, the less likelihood that any of them will generate much revenue.
- ◆ When bar members are being asked to pay their bar dues may not be the best time to ask them for another payment to a law related cause.

Examples

The following chart lists the state bars that have dues add-ons or opt-outs for legal aid and the approximate amount received in 2002:

State	Amount Requested/ Raised Per Year	Comments
AK	None/\$3,000	Add-on; for Alaska Legal Services. Paragraph on back of form provides description of ALS.
CO	1. \$25/\$23,000 2. None/\$5,000	1. Opt-out; for pro bono, metro Denver area only. 2. Add-on; for Legal Aid Foundation, which funds CO Legal Services. The back of the dues form provides a very brief description about the various entities (5 total) on the form.
FL	\$25/\$48,000	Add-on; to the FL Bar Foundation, for Children's Legal Services. In 2003, increasing request to \$45; average contribution in past three years has been \$26. A letter from the bar president promoting the cause is included.
GA	\$75/\$132,000	Add-on; part of the overall private bar campaign of GA Legal Services; viewed as follow-up to mail solicitation sent about a month before the dues statement. In 2003, increasing request to \$125.
HI	\$50/\$85,000	Opt-out; for pro bono program.
LA	None/\$13,000	Add-on; to the LA Bar Foundation, which distributes to its grantees; requires writing separate check.
MS	None/\$8,870	Add-on; for statewide pro bono program. Insert about program is included in statement; bar officials & members of court encourage donations in speeches, & bar president may send letter to larger law firms.
NH	\$50/\$8,500	Add-on; part of joint campaign for 3 legal aid providers in state.
NM	None*/\$7,875	Add-on; for statewide legal aid campaign; *On-line form gives 4 choices (range \$50-\$200); printed form has no requested amount.
SC	\$30/\$178,000	Opt-out; for legal services providers; no solicitation activity.
TX	\$65/\$1,200,000	Opt-out; to Texas Equal Access to Justice Foundation, which distributes to its grantees; converting to mandatory bar dues assessment as of 2003 (see initiative, <i>Attorney Registration Fee Increase or Dues Assessment</i> , page 11).
UT	None/\$5,000	Add-on; funds split among 3 legal aid providers.
WY	\$50/\$13,000	Add-on; contributions to WY State Bar Foundation, which distributes to legal aid providers.

These more in depth examples should provide useful guidance:

- ◆ **Opt-out:** The South Carolina Bar, a unified bar with approximately 8,200 members, instituted an opt-out in 1996. An additional fee of \$30 is added to each member's bar dues to fund civil legal services for the indigent. The member may deduct the additional fee. Basic bar dues (excluding the additional fee) for the most senior category of attorney at the time the opt-out was instituted were \$170; they have since risen to \$190.

The idea for the additional fee originated in the bar's Service to the Indigent Committee, which recommended that the fee be mandatory. Supporters of the proposal contacted individual members of the Board of Governors and House of Delegates to explain the proposal and the need for additional funding for legal services. The Board of Governors agreed to approve the recommendation if it was changed to opt-out. The opt-out proposal then was approved by the House of Delegates. Finally, the bar asked the South Carolina Supreme Court for approval, but the Court responded that this was a bar matter and that it did not need to act. Approximately 68 percent of the bar paid the additional fee in 2002, generating over \$178,000. LSC-funded legal services offices received 80 percent of the proceeds and the South Carolina Applesseed Foundation received 20 percent.

- ◆ **Add-on:** The Wyoming State Bar is a mandatory bar association with 1,900 members. In 2002, the Wyoming State Bar Foundation (WSBF), which administers the IOLTA program, was facing a severe reduction in funding because of the drop in interest rates. The state bar president, a strong supporter of legal aid, asked the governing body of the bar to approve the addition of an add-on to the bar dues statement, with contributions being paid to WSBF to support civil legal aid to the poor. The Board of Officers and Commissioners approved the proposal, which encourages a \$50 donation. Because the proposal was approved only a month before the dues statement went to press, there was no time for promotion. However, a brightly colored flyer was included with the dues statement, urging lawyers to make a contribution, and approximately 300 members contributed \$14,000. The WSBF is formulating plans to promote the check-off more extensively in 2003 to increase participation and revenue.

There also is an add-on for dues to the WSBF, which had been on the bar dues form in previous years. There was concern that the new add-on would cause attorneys to choose only one of the two to support. Instead, both were supported, with the number of attorneys electing to pay dues to the WSBF increasing from the previous year. (Each add-on is described in a sentence or two on the back of the form.)

What the Bar Can Do

Only a bar association can implement and maintain a dues add-on or opt-out program. The bar might do the following to implement this initiative and ensure its long-term success:

- ◆ Talk with legal services providers and offer to add an add-on or opt-out to supplement their funding. Coordinate to avoid conflict with any lawyer fund drives for legal services.
- ◆ Prepare the case for the need for increased attorney support for legal services. Educate bar members through mailings, the printing of articles in bar publications and presentations at bar meetings.
- ◆ Develop an on-going effort to remind bar members of the need to support legal services so they will continue to support the add-on or opt-out each year.

Budget

Item	Expense	No Expense	Need for Expense Varies
Lobbying Costs		✓	
Staff			✓
Printed Materials			✓
Filing Petitions		✓	

- ◆ An advantage of this initiative is the lack of time and expense of implementation. The materials that may be necessary to educate bar members about the needs of legal services and its clients need not be expensive or extensive.

Considerations

- ◆ Bar associations must take into consideration economic factors in their area. The contribution amount must be at a level that lawyers find reasonable, but it should not be so low that the effort fails to generate the maximum amount of funds for legal services providers.
- ◆ A dues add-on or opt-out program and a lawyer fund drive can conflict with each other as they ask the same group of people to support the same or similar organizations. Therefore, coordination between the bar association and legal services program(s) is a must very early in the discussion of a dues add-on or opt-out project. In many states and communities, dues add-ons or opt-outs and lawyer fund drives compliment each other rather than compete. See also the initiative *Lawyer Fund Drive*, page 3.
- ◆ In some bar associations, issues have been raised about how many and which organizations, if any, should have access to the bar's dues statement as a means of raising money. Bar associations may alleviate problems by working with the various organizations to determine which can really benefit from placement on the bar dues form and to assist others in identifying alternative ways to get their fundraising message out to members of the bar.

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