

Oregon Law Foundation

16037 SW Upper Boones Ferry Rd, Tigard, OR 97224

2009 ANNUAL REPORT

IOLTA INNOVATION IN FUNDING

Interest on Lawyer Trust Accounts (IOLTA) is an important part of sustaining civil legal aid for low income Oregonians without the resources to obtain civil legal services. Since 1989 the Oregon Law Foundation has awarded more than \$24 million in IOLTA dollars to organizations that offer civil legal aid, law related education and work to increase diversity in the Oregon State Bar.

The Oregon Law Foundation is administered by a volunteer board of leading attorneys and bankers in Oregon. The Oregon financial institutions provide the substance of the IOLTA program and continue to be important partners with lawyers and law firms in making the IOLTA program a success. The commitment of financial institutions to the communities they serve is reflected in their participation in IOLTA. The Oregon Law Foundation would like to thank the participating Oregon financial institutions, and in particular the Leadership Banks.

WHERE YOU BANK MATTERS

Interest rates dropped to an unprecedented low at the end of 2008 and remained there through all of 2009 into 2010. The impact was a substantial reduction in IOLTA revenue received by the Oregon Law Foundation. In response the Oregon Law Foundation, understanding the importance of getting funds to our grantees that had seen a huge increase in need since the economic downturn, used its reserves so that grant cuts to legal aid providers during 2009 would be as limited as possible.

In 2009 the OLF worked with Oregon banks to raise and maintain IOLTA rates at 1% or above and many banks have taken a leadership role and are now paying at the 1% rate. These banks are designated as OLF Leadership Banks and can be found outlined to the right and also at www.oregonlawfoundation.org. The OLF has also been working with Oregon lawyers sending the message that "where you banks matters," asking lawyers to put their IOLTA accounts with Leadership Banks to maximize the rate of return that goes to support legal services programs.

2010 LEADERSHIP BANKS

These banks pay at least 1% interest and charge no service fee:

Bank of Eastern Oregon

Bank of the West

Capital Pacific Bank

Century Bank

First Republic Bank

KeyBank

Northwest Bank

Peoples Bank of Commerce

Pioneer Trust Bank

PremierWest Bank

Siuslaw Bank

South Valley Bank and Trust

The Commerce Bank of Oregon

Umpqua Bank

U.S. Bank

Washington Trust Bank

Foundation Mission

The mission of the Oregon Law Foundation is to support access to justice in Oregon by obtaining and distributing funds to provide legal services to persons of lesser means, promote diversity in the legal profession, and educate the public about the law.

President's Report

I am pleased to report that in 2009 the Oregon Law Foundation ("OLF" or the "Foundation") was able to provide grantee organizations with grant funding at relatively stable levels compared to 2008 grants, in spite of the dramatic reduction in IOLTA revenue compared to recent years that resulted from continued record-low interest rates. OLF was able to cushion the blow to grantees as a result of having built up significant reserves in years when interest rates were substantially higher. The OLF disbursed \$2,030,000 in grants in 2009, compared to its 2008 total of \$2,430,000. The highlights and major initiatives undertaken during 2009 are summarized below.

REVENUE

The Foundation received approximately \$1.1 million in revenue in 2009, a \$1.1 million decrease from 2008 revenue of \$2.2 million and a \$2.5 million decrease compared to 2007 revenue of \$3.6 million. The continuing decline in revenue is a result of lower interest rates paid on IOLTA accounts. IOLTA revenue makes up more than 95% of OLF's total revenue. The interest paid on IOLTA accounts is greatly affected by the federal funds rate. As the federal funds rate declined in 2008, IOLTA rates followed. The federal funds rate sank to an unprecedented low of 0.25% in December 2008 and remained at that level throughout 2009.

OLF set its Leadership Bank interest rate at 1% for 2009. In doing so the board was cognizant that it is asking banks to pay IOLTA rates that are considerably higher than the federal funds rate at a time when banks are experiencing financial stress. Many of our key banking partners responded positively and raised IOLTA rates to 1% (or maintained IOLTA accounts at that rate), recognizing that the need for services provided by OLF's grantees are greater than ever in this time of severe economic hardship.

GRANTS/RESERVES

The Foundation allocated a total of \$2,030,000 million in funds to grantee organizations in 2009, and in doing so spent approximately \$800,000 of its reserves. The total grant allocation in 2009 represented a decrease of \$400,000 from 2008. The board reviewed five-year projected revenue numbers, and determined that was appropriate to utilize reserves in 2009 to maintain relatively stable grant funding levels during the current economic downturn. In light of the anticipated continuing decrease in IOLTA revenue in 2010, the OLF expects to decrease its total grant awards for 2010 to \$1.8 million, a \$200,000 decrease from 2009.

BANK RECOGNITION

At the CEJ's annual spring luncheon in March 2009, the OLF recognized Leadership Banks were paying rates at the 1% level as of March 2009. Our Leadership Banks as of year-end 2009 included: Albina Community Bank, Bank of Eastern Oregon, Bank of the Cascades, Bank of the West, Capital Pacific Bank, Century Bank, Columbia River Bank, KeyBank, Northwest Bank, Peoples Bank of Commerce, Pioneer Trust Bank, PremierWest Bank, Siuslaw Bank, South Valley Bank and Trust, The Bank of Oswego, The Commerce Bank of Oregon, Umpqua Bank, U.S. Bank, Washington Trust Bank and Wells Fargo.

INVESTING WITH LOCAL BANKS

I am pleased to report that the Foundation took additional steps to cement its relationships with Oregon banks during 2009, by investing in Certificates of Deposit at several Oregon banks that are Leadership Banks.

OREGON JUDGES CHARITABLE FOUNDATION FISCAL SPONSORSHIP

During 2009 the Foundation became the fiscal sponsor for a newly created non-profit organization, the Oregon Judges Charitable Foundation (the "OJCF"), established to provide small emergency grants to employees of the Oregon Judicial Department (who are not judges) who have suffered financial hardship due to mandatory furloughs resulting from budget short-falls within the Department. The Foundation's fiscal sponsorship enabled OJCF to seek tax-deductible donations from Oregon judges. The OJCF has applied for status as a tax-exempt 501(c) (3) organization and expects to obtain that status during early 2010. The Foundation's fiscal sponsorship will end upon the OJCF becoming a 501(c) (3) organization eligible to accept tax-deductible donations, and will be reviewed mid-2010 if the IRS has not ruled on the 501(c) (3) application by that time.

FOUNDATION BOARD AND STAFF

Judith Baker continues to serve as the Executive Director of the Oregon Law Foundation and Dawn Nelson continues to serve as Bookkeeper and Administrative Assistant. On behalf of the board I extend our gratitude and appreciation for the excellent work Judith and Dawn perform, running an efficient and responsive organization. Our operating expenses continue to be approximately 7% of our revenues, an excellent measure for any nonprofit organization. I also extend sincere thanks and appreciation to the members of the board for their dedication and commitment to the OLF mission. Their ongoing leadership and efforts will ensure that OLF weathers the current economic storm and continues its important role in supporting legal aid services and access to justice throughout our great state. It has been an honor and pleasure to serve as the 2009 OLF President.

Darcy Norville

2009 Board of Directors

Darcy Norville (President)	Howard Arnett
Ann Lininger (President-Elect)	Elise Bouneff
Randy Compton (Treasurer)	JoAnn Reynolds
Trinh Tran (Secretary)	Norman Williams
Susan FordMargo	Fowler
Charles Williamson	

Balance Sheet

ASSETS

Cash and cash equivalents	\$ 457,489
Investments	2,272,471
Receivables	<u>106,379</u>
Total Assets	\$ 2,836,339

LIABILITIES AND NET ASSETS

Liabilities	\$ 19,031
Net Assets	
Unrestricted	2,280,860
Permanently restricted	<u>536,448</u>
Total Liabilities and Net Assets	\$ 2,836,339

Oregon Law Foundation 2009 Grantees

THE ASSOCIATION OF OREGON LEGAL SERVICES PROGRAMS.\$ 1,515,724

The Association of Legal Services Programs is the primary source of civil legal assistance available to low income Oregonians. The Association of Oregon Legal Services Programs provides legal services to low income Oregonians through a coordinated statewide system centered on the needs of the client community. The Association provides services through twenty offices located throughout the state to serve Oregonians living in poverty.

ST. ANDREW LEGAL CLINIC.....\$ 168,346

St. Andrew Legal Clinic (SALC) bridges the gap for people who don't qualify for free services and those who can not afford legal representation elsewhere. SALC is a public interest law firm representing clients in family law disputes. SALC has three offices located in Multnomah, Washington and Clackamas Counties.

HOOD RIVER LEGALIZATION PROJECT.....\$ 13,000

Hood River Legalization Project provides consultation on immigration and naturalization matters including application assistance, representation, education, and advocacy to families and individuals residing in the Columbia Gorge region and parts of Central Oregon.

IMMIGRATION COUNSELING SERVICE.....\$ 60,000

Immigration Counseling Service provides representation in immigration-related legal matters to low and moderate income people in Oregon and Southwest Washington. The mission of ICS is to help families apply for reunification, assist people fleeing persecution and violence, and educate people about the citizenship process.

JUVENILE RIGHTS PROJECT, INC.....\$ 47,250

Juvenile Rights Project provides legal services to children and families, without the means to retain counsel, through individual representation in juvenile court and school proceedings, and through class-wide advocacy in the courts, the legislature and public agencies. JRP has the only Help-Line offering legal advice for children and teens in Oregon.

CAMPAIGN FOR EQUAL JUSTICE.....\$ 30,000

The OLF and the Oregon State Bar grant funds in partnership to assist the CEJ in their efforts to support legal service providers.

NORTHWEST WORKERS JUSTICE PROJECT.....\$ 25,000

NWJP provides community education and legal representation to low wage, immigrant and contingent workers with respect to their employment matters.

CATHOLIC CHARITIES IMMIGRATION LEGAL SERVICES.....\$ 27,560

The mission of Catholic Charities Immigration Legal Services (CCILS) is to provide quality immigration legal services to low-income immigrants and refugees in Oregon. CCILS engages in public education, training and community outreach to promote justice for all newcomers and foster conditions for their full participation in American society.

MULTNOMAH VOLUNTEER LAWYER PROJECT.....\$ 28,000

The Multnomah County Office of Legal Aid Services of Oregon has a specialized Pro Bono Unit which operates six pro bono projects serving approximately 1,800 clients annually.

DISABILITY RIGHTS OREGON.....\$ 85,120

The Oregon Advocacy Center provides statewide legal services to Oregonians with disabilities who are victims of abuse or neglect or have problems obtaining health care, special education, housing, employment, public benefits and access to public and private services. Oregonians with disabilities look to OAC to protect and advocate for their rights in courts, with public agencies and with the state legislature.

CLASSROOM LAW PROJECT.....\$ 15,000

The Classroom Law Project promotes public understanding of the law and legal process for 15,000 elementary and secondary students by incorporating the lessons and principles of democracy into the school curriculum. Their programs include:

1. High School Mock Trial Competition
2. Summer Institute training for teachers
3. We the People program on the Constitution and Bill of Rights

OREGON STATE BAR AFFIRMATIVE ACTION PROGRAM.....\$ 15,000

The Oregon State Bar Affirmative Action Program (AAP) has a recruiting and retention strategy to increase ethnic minority diversity of the Oregon State Bar.