

Massachusetts Legal Assistance Corporation

**Testimony of Lonnie A. Powers, Executive Director
Massachusetts Legal Assistance Corporation
To the Chairs, Vice Chairs, Assistant Vice Chairs and Members
of the Senate and House Committees on Ways and Means
25 March 2015**

Re: Massachusetts Legal Assistance Corporation Budget Request for FY16

	FY14 Appropriation	FY15 Appropriation*	FY16 MLAC Request	FY16 House 1 Recommendation
Line item 0321-1600: for General Support, Disability Benefits, Medicare Advocacy and Battered Women’s Legal Assistance Projects	\$13,000,000	\$14,731,500	\$25,000,000	\$14,731,500

**The initial appropriation of \$15,000,000 to MLAC was reduced by the 1.79% mid-year cut to the line item.*

Chairwoman Spilka, Chairman Dempsey, Vice Chairs DiDomenico and Kulik, Assistant Vice Chairs Jehlen and Swan and members of the Committees:

Thank you for the continued support of the Senate and House Ways and Means Committees for funding civil legal aid through the Massachusetts Legal Assistance Corporation (MLAC).

Massachusetts faces a growing gap in civil justice and a structural deficit in the FY16 Budget of the Commonwealth. **Providing additional funding for MLAC will help to close both gaps.** Equal access to justice in the Commonwealth cannot be attained without an adequate investment in civil legal aid for the poor, and, at the same time, the work of civil legal aid produces direct economic benefits to the Commonwealth and substantially boosts the state’s economy. For these reasons, MLAC requests a \$25 million appropriation in the FY16 Budget of the Commonwealth.

An Investment in the Future: The Boston Bar Association’s Statewide Task Force to Expand Civil Legal Aid in Massachusetts found that each dollar invested in civil legal aid yields between \$2 and \$5 in returns for the state and its residents. For example, each dollar directed toward housing cases saves \$2.69 that the state would otherwise have to spend on emergency services such as homeless shelters; each dollar directed toward domestic violence cases saves the state \$1 in medical costs it would otherwise bear, as well as an unknown amount in shelter, police and other costs; and each dollar invested in federal benefit cases returns \$5 in immediate, direct benefits to clients and their families.

These conservative estimates show only the short-term economic benefits of civil legal aid. In the long run, benefits to the state include a healthier, more productive workforce; better-educated children with

bright futures ahead of them; and the economic stimulus created when working families are able to reinvest their hard-earned dollars back into their own communities. On the other hand, a failure to invest in civil legal aid is a failure to protect the basic human rights of Massachusetts residents, and can result in increased state costs associated with homelessness; long-term physical, mental, and emotional trauma; interrupted schooling and more families trapped in a cycle of poverty with no opportunities to break out of it. **These consequences cannot be overstated: Massachusetts cannot afford *not* to invest in civil legal aid.**

At a time when the budget crisis calls for smart investments in the future of the Commonwealth, civil legal aid is a proven, cost-effective solution that yields significant economic and social benefits. **The benefits of civil legal aid have been widely recognized and supported by business leaders, the private bar, judicial leaders and the state's most esteemed educators, as well as numerous members of the General Court.**

Widening Justice Gap: The Statewide Task Force graphically detailed the growing justice gap in Massachusetts, finding that 64% of eligible clients who came to civil legal aid providers seeking assistance were turned away due to lack of resources. This stark reality does not include the over 51% of eligible individuals who call seeking assistance but abandon their phone calls after waiting between half an hour and two hours for a response. Nor does it include the large number of low-income people who have serious legal problems but who do not know that civil legal aid is available or do not realize that their critical problems may have legal solutions. Massachusetts residents eligible for civil legal aid are those whose incomes fall below **125% of the federal poverty level, or \$30,313 annually for a family of four. A staggering one million people living in Massachusetts now fall below this line, an increase of 25% in just the past five years.**

Even as the demand for civil legal aid soars, MLAC's funding continues to decline due to the poor performance of Interest on Lawyers' Trust Accounts (IOLTA) caused by sharp drops in interest rates. Prior to the 2008 economic crisis, MLAC received over \$17 million (over \$19.5 million when adjusted for inflation) in funding from IOLTA; in FY14, it received less than \$3.5 million. IOLTA revenues are projected to continue their decline, and MLAC expects to receive only \$2.6 million in IOLTA funding for FY15. **A failure to correct this widening justice gap may result in additional layoffs of numerous full-time attorneys and the loss of hundreds of years of collective experience in advocating for the Commonwealth's most vulnerable residents.**

An additional \$10 million in funding would dramatically enhance legal aid providers' ability to serve more clients and would narrow the justice gap. **Since 2008 MLAC's local programs have lost 63 attorneys (36% of the total number) and 115 staff members over all.** Although IOLTA funding has continued to fall, it exceeded initial projections in FY13 and FY14. In addition to distributing the total amount of the FY15 appropriation, we disbursed \$1 million in one-time, unanticipated IOLTA income that accrued in FY13 and FY14. With the requested \$10 million increase, MLAC will be able to continue the current level of funding and increase grants by \$9 million, allowing programs to begin to rebuild their ability to provide legal assistance to clients by replacing the attorneys and other staff who have been lost since 2008. In FY14, MLAC-funded legal aid providers closed an average of 151 cases per attorney. If the proposed increase to MLAC's line item allows MLAC-funded programs to replace the 63 attorneys that have been lost since 2008, the programs will close an estimated 9,513 more cases each year.

Impact on the Courts: The widening justice gap is detrimental to those denied assistance and, at a systemic level, weakens the efficiency and legitimacy of the judicial system. Nine out of ten judges

surveyed by the BBA Statewide Task Force said that unrepresented litigants in court slow down everyday procedures. Even more alarming, six out of ten judges reported that lack of representation “negatively impacts the court’s ability to ensure equal justice to unrepresented litigants.”

Attorneys and legal aid staff ensure that their clients are prepared for court, that documents are completed and filed correctly and that evidence is presented properly and without delay. This means that courts are more efficient and court staff members spend less time assisting unrepresented litigants. The legitimacy of the courts is sustained only when all litigants—not just those who can afford to pay—have access to meaningful legal representation. Lack of adequate funding for civil legal aid undermines the public’s faith that they will receive justice in the Commonwealth’s courts. Loss of faith that each resident will be treated fairly is corrosive to a democracy.

Life-Changing Services: The appropriation MLAC receives through the Budget of the Commonwealth allows its 14 grantee organizations to provide comprehensive legal assistance to elderly and low-income residents with critical civil legal problems, including domestic violence, child custody, child support, discrimination, foreclosure and eviction and denial of federal benefits. In FY14, MLAC-funded legal services providers handled 34,945 cases for clients throughout the state and closed a total of 24,225. Outcomes of these cases include: preventing family homelessness by averting and overturning evictions; helping disabled veterans get the SSI payments due them; obtaining legal protection for survivors of domestic violence; and winning compensation for consumers who fell victim to predatory lending and fraud. In addition, MLAC programs recruited, trained and provided support for 722 private attorneys to donate 46,577 hours of legal service to low-income clients. These services can literally save the lives of individuals and families struggling to make ends meet on a daily basis. With 2.53 people in the average Massachusetts household, the number of cases closed represents just a fraction of the people actually benefiting from civil legal aid.

Sarah, a young mother of two, is one such person. Sarah endured years of emotional and physical abuse at the hands of her partner. After one particularly violent night, Sarah contacted the police and had her partner arrested. While the police and criminal court system worked to put her abuser behind bars, civil legal aid attorneys helped Sarah secure a permanent restraining order and represented Sarah in the probate court to help her win full custody of her sons with no visitation rights for her abuser. When Sarah received an eviction order because her former partner had stopped paying rent, her legal aid attorney got the back rent paid from the abuser’s pension plan and helped her find affordable housing for the family. Thanks to legal aid, Sarah and her sons can now live a stable life safe from the threat of violence.

Ray, a senior citizen of limited means, is also a civil legal aid beneficiary. Ray discovered that his sister, with whom he was living, and his niece were making illegal withdrawals from his bank account. With minimal resources and nowhere else to turn, Ray found protection in legal aid. A paralegal at the local civil legal aid organization helped him open a new bank account and set up a direct deposit of his Social Security check. She also helped Ray safeguard his pension paperwork and assisted him in finding affordable housing. Ray was housed shortly thereafter, his finances protected from his unscrupulous relatives and he regained a sense of security, thanks to civil legal aid.

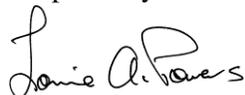
The benefits of civil legal aid are not isolated to any single region or issue area. They are spread throughout each and every House and Senate district, as MLAC distributes the majority of its funds to regional programs based on the number of eligible residents in the region. **Funding civil legal aid will have a direct positive effect on the lives of your constituents and the constituents of all of your colleagues in the General Court.**

Fiscal Responsibility: In light of the civil legal aid funding crisis, MLAC-funded programs have found creative, resourceful strategies to maximize the impact of each dollar they receive. Programs have enacted staff furloughs, voluntary layoffs and severe salary reductions, among other cost-cutting strategies. There are 63 fewer legal aid attorneys today than there were in 2007 and those that remain have taken on heavier caseloads with the support of fewer administrative staff. Numerous legal aid organizations have merged in order to lower overhead and streamline the delivery of services; most recently, in 2014, Neighborhood Legal Services and Merrimack Valley Legal Services joined to form Northeast Legal Aid. Programs like Community Legal Aid, which serves central and western Massachusetts, have launched private fundraising campaigns, increased grant applications and sought support from the private bar. The deepening partnership between the civil legal aid community and the private bar, manifested through the pro bono work of many private attorneys, highlights the strong public-private partnership that legal aid programs have cultivated. **Despite these creative solutions and herculean efforts by attorneys and staff, MLAC-funded programs are unable to keep up with the urgent demand for civil legal aid. Additional funding is absolutely vital to sustain their work.**

Line Item Language: For over 20 years, MLAC has provided dedicated funding for assistance to victims of domestic violence and will continue that funding. The name of this effort, “Battered Women’s Legal Assistance” does not reflect the current understanding that victims of violence include children and people of all genders, not just women. We request, therefore, that the line item language be changed by replacing the phrase “Battered Women’s Legal Assistance” with “Domestic Violence Legal Assistance” in the FY16 budget.

Thank you all for your service to the Commonwealth and for the leadership of the Senate and House Ways and Means Committees in supporting funding for civil legal aid for low-income residents of Massachusetts.

Respectfully Submitted,



Lonnie A. Powers
Executive Director
Massachusetts Legal Assistance Corporation
617.367.1414 (direct)
lpowers@mlac.org

Attachments: MLAC FY16 Fact Sheet
Economic Benefits Fact Sheet