

# New York Legal Services Funding Alliance

## Legal Services FUNDING ALLIANCE

Chautauqua County Legal Services

— Clyde Card

Erie County Bar Association  
Volunteer Lawyers Project,  
Inc.

— Robert Elardo

Frank H. Hiscock Legal Aid  
Society

— Susan Horn

Legal Aid Society of  
Rockland County

— Alex Burzstein

Legal Aid Society of Mid-  
New York

— Paul Lupia

Legal Aid Society of  
Northeastern New York

— Lillian M. Moy

Legal Aid Society of  
Rochester

— Alan Harris

Legal Aid Bureau of Buffalo

— David Schopp

Legal Assistance of Western  
New York

— Ken Perri

Legal Services of Central  
New York

— Dennis Kaufman

Legal Services of the Hudson  
Valley

— Barbara Finkelstein

Nassau/Suffolk Law Services

— Jeffrey Seigel

Neighborhood Legal Services

— William Hawkes

Volunteer Legal Services  
Project of Monroe County

— Sheila Gaddis

Western New York Law Center

— Joseph Kelemen

## Testimony on the 2013-2014 NYS Public Protection Budget Hearing

Presented by Alex Burzstein

On behalf of

New York Legal Services Funding Alliance

February 6th, 2013

The Legal Services Funding Alliance (LSFA) welcomes this opportunity to testify at the 2013-2014 Executive Budget Hearing concerning essential state funding for legal services for low income residents throughout upstate New York and Long Island. The Legal Services Funding Alliance represents the providers of core comprehensive civil legal services to the poor and needy throughout New York State outside of New York City. Our 15 members are, in each of their communities, the primary providers of such services in a broad variety of areas, all of them designed to meet the essential needs of our clients. The Alliance ensures that our members speak with one voice in advocating for state funding for the providers of core, comprehensive civil legal services.

Alliance programs form the network of free civil legal help for poor and low-income people outside of New York City. Our members include large, multi-county organizations with federal and state funding as well as smaller programs dedicated to representing particular counties. We provide advice, brief service and representation in court and before administrative agencies to prevent mortgage foreclosures and evictions and to ensure income, health care, safety, and stability for our clients. In addition to individual representation, Alliance members provide training and litigation back-up to pro bono attorneys and community groups and preventative educational training for clients, governmental agencies and community groups in areas including domestic violence, housing, consumer, special education, family, disability and consumer law. We also engage in legislative and administrative advocacy on behalf of those impacted by poverty and discrimination.

The Alliance has worked together for many years to support policy initiatives, coordinate direct legal services for low income residents and seek adequate funding to meet our clients' needs. LSFA members serve urban, rural and suburban communities efficiently and effectively. Our network of offices and sophisticated use of technology ensure that our services are accessible to low-income clients throughout the state. Unfortunately, there has never been adequate funding to meet the legal needs of our low income clients.

### The Executive Budget's Approach to Civil Legal Services

The Executive Budget adopts the Judiciary budget so that the Courts can serve those who seek justice. Historically, the provision of Civil Legal Services has been curtailed by inadequate financing to meet an ever growing demand for indigent legal representation. This year, Chief Judge Lippman's Task Force to Expand Access to Civil Legal Services issued its third report with specific information on, among other things, the economic value of civil legal services and the difficulties encountered when individuals are unrepresented in courts or unrepresented in their efforts to gain the federal dollars they are entitled to.

To help address these economic and judicial concerns, Chief Judge Lippman provided in his judiciary budget a significant funding stream (\$40 million) dedicated to civil legal services. The Executive Budget adopts the Judiciary budget and we are here today to ask you to include the proposed Executive Judiciary Budget in its entirety in the final 2012-13 State Budget.

LSFA advocates change and improve their clients' lives. They are instrumental in bringing substantial economic benefits to New York State. The Alliance asks that you ensure access to justice by passing the Judiciary budget in its entirety.

### **The LSFA Client Community**

Almost 1.2 million people live below the federal poverty guidelines in upstate and suburban New York State, which is \$23,550 for a family of four. Almost 2.8 million live at incomes which are 200% of poverty or less, \$47,100 for a family of four. Each year, LSFA members close about 60,000 individual civil matters.

More than 2/3 of legal services clients are women, many mothers with young children. Others are elderly, disabled and marginalized. The issues they need legal representation for involve their essential needs for shelter, food, safety and health. The current economic crisis has intensified the need for legal assistance. LSFA members throughout the State cannot keep up with the calls, emails and walk-in clients pleading for legal representation to save homes, gain safety and access benefits and health care.

### **The Justice Gap in New York State**

The Chief Judge's Task Force to Expand Access to Civil Legal Services recently issued its third report on Access to Justice in New York (November 2011). A legal needs study commissioned for the Task Force in 2010 found that 47% of low income New Yorkers experienced at least one legal problem in the past year and many experienced more than one legal problem. Applying the survey results to the low income New Yorkers outside of New York City, almost 1.3 million people experienced one or more legal problem in the last year.

Coupled with the limited resources of LSFA members, and the economic recession, Alliance members find that the Justice Gap – the gap between legal needs and available resources – continues to grow. In 2009, Legal Services Funding Alliance members counted the number of eligible clients they had to turn away at the door due to lack of sufficient staff resources. We estimate that in the year 2009, we turned away approximately 74,383 clients. In the same year, we closed 58,287 cases. Due to lack of resources, LSFA members had to turn away more clients than we were able to serve. In 2012, most LSFA members again reported that the number of people they had to turn away had increased from the prior year.

### **Impact on Access to Justice**

The Chief Judge's Task Force Report continues to show that the inability to obtain representation places a devastating burden on the courts. The number of unrepresented litigants continues to soar, causing delayed proceedings and bad results. Many judges testified about the challenge of remaining neutral while vulnerable low income litigants get less favorable settlements simply because of lack of representation. The Task Force reports also note the adverse impact on other litigants, even those who are themselves represented. The Attorney General testified that all benefit when free legal services are available. Significant judicial resources, especially time from both judges and court personnel, are required to serve the many unrepresented parties. These scarce judicial resources could be better used if more legal services were available to serve the unrepresented.

### **Legal Services Benefit New York's Economy**

The Chief Judge's Task Force's reports for the past three years, and specifically the report issued in November 2012, conclusively demonstrate that providing civil legal services to low income New Yorkers increases federal benefit payments for low income New Yorkers, and reduces the need for state and local government assistance payments.

- The Chief Judge's Task Force's 2012 Report shows that in cases closed by LSFA members in 2011, more than \$26 million dollars was obtained in retroactive SSI/SSD benefits and more than 2.6 million dollars in monthly benefits for claimants whose cases were initially denied by the Social Security Administration. As SSI/SSD disability benefits are likely to continue for slightly less than a decade for SSD and slightly more than a decade for SSI prior to the claimants reaching the age of 65, the prospective value of the monthly benefits exceeds 31 million dollars. Furthermore, when the annualized value of the benefits obtained by LSFA members in 2007-10 is added, the total value of monthly benefits realized in 2011 exceeds \$173 million.
- Significant federal unemployment compensation benefits, in the amount exceeding 1.7 million dollars for retroactive awards and \$4.7 in monthly benefits was also obtained by LSFA members in cases in which unemployment benefits were initially denied by the Department of Labor.
- The Chief Judge's Report determined that the economic impact of civil legal services in New York in terms of benefits won and costs saved is much greater than previously estimated. The total "flow of funds" brought into New York State in 2011 alone was \$378 million. Adding the "value created" from expected future benefits (which range from \$528 million for a five-year projection to \$682 million for a 10-year projection) to this \$378 million, the total value of civil legal services provided in recent years would range from \$906 million to over \$1 billion.
- The Chief Judge's Task Force's Report estimates that more than \$378 million in federal benefits for clients brought into New York generated an additional more than \$561 million in direct economic activity, providing an estimated 5,600 jobs for local businesses.
- Hearings by the Task Force to Expand Access to Civil Legal Services in New York have developed evidence documenting that the provision of civil legal services brings federal dollars back to New York in the form of direct federal benefit payments to clients and saves State and local governments millions of dollars each year.

Weighing the federal benefits legal services providers also bring to New York and their impact on the local economy and the savings in avoiding publicly funded emergency shelter costs, the Task Force concluded that **New York recoups nearly \$6 for every \$1 spent to support civil legal services organizations.**

### **The Legal Services Funding Alliance's Request**

We ask for your support in ensuring that civil legal services are available to low income residents of New York throughout the state. The Legal Services Funding Alliance strongly supports the Chief Judge's budget in its entirety, and urges your Committees to adopt it without change. The Chief Judge's budget is based on documented need and the crisis our justice system currently faces due to the lack of civil legal services. In addition, given the substantial economic benefit from providing civil legal services, this funding is easily justified.

We urge you to ensure access to justice for every New Yorker. These funds are necessary to ensure justice to all, regardless of one's economic circumstances.

Thank you for your support. The Legal Services Funding Alliance looks forward to meeting with you individually and working together through this difficult fiscal period. Thank you for the opportunity to testify before you today.