

Legal Services Funding Alliance Testimony

Joint Legislative Hearing on 2014-15 Executive Budget Proposal on Public Protection

The Legal Services Funding Alliance (LSFA) welcomes this opportunity to submit testimony at the 2014-2015 joint legislative hearing for the Executive Budget Proposal on Public Protection. LSFA represents the providers of core comprehensive civil legal services to the poor and needy throughout New York State (outside of New York City). Our 14 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 LSFA members are listed on our letterhead and a map of our service areas is also attached. Our website is <http://nylsfa.org>.

LSFA programs form a 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 leverage significant amounts of pro bono volunteer service as well as provide back-up services to local human services and legal providers. We provide advice, brief service and representation in court and before administrative agencies to ensure income, health care, safety, stability and housing. In addition to individual representation, LSFA members provide training and litigation back-up to pro bono attorneys throughout the state, preventative educational training for clients and community groups in areas including domestic violence, special education, workplace safety, human trafficking, housing and consumer, and 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 to 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 ensures that our services are physically accessible; our sophisticated use of technology ensures that we are virtually available throughout the state. Nevertheless, there has never been adequate funding to meet the legal needs of our low-income clients.

On behalf of the Alliance we want to thank the Assembly and Senate for taking the time to hold this hearing. We also want to thank the Assembly for always taking a statewide approach to funding civil legal services to ensure that poor and low-income people around the state have access to representation. The Alliance ensures that our members speak with one voice in advocating for state funding for the providers of core, comprehensive civil legal services.

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 fourth report with specific information on the economic value of civil legal services; when individuals are left to fend for themselves they clog the courts and often fail to gain the federal dollars that they are entitled to.

To help address these economic and judicial concerns, Chief Judge Lippman provided in his judiciary budget a significant funding stream (\$70 million) dedicated to civil legal services. We are submitting testimony today to ask you to include the Judiciary Budget in its entirety in the final 2014-15 State Budget.

LSFA advocates change and improve our clients' lives. We also estimate that legal representation by LSFA members generated more than \$191,391,830 in economic impact for New York in 2010, from obtaining federal benefits, preventing domestic violence and eviction prevention. The Alliance asks that you ensure access to justice by passing the Judiciary budget in its entirety and ensuring adequate Solutions to End Homelessness funding.

The LSFA Client Community

Over 1.2 million people live below the federal poverty guidelines in upstate and suburban New York State, which is \$23,850 for a family of four. About twice as many live at incomes, which are 200% of poverty or less, \$47,700 for a family of four. In 2010, LSFA members closed more than 58,287 individual civil matters for low income New Yorkers.

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 fourth report on Access to Justice in New York (November 2013). 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 approximately two million low income New Yorkers outside of New York City, about 940,000 – almost one 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. Legal Services Funding Alliance members continue to turn away many low-income people with legal problems.

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, causing delayed proceedings and bad results. Trial court judges testified about the challenge of remaining neutral while vulnerable low-income litigants get less favorable settlements simply because of lack of representation. 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.

The Task Force report also notes the adverse impact on other litigants, even those who are represented. Prominent business and government leaders from upstate New York and Long Island testified that their workforce and customers benefit when free legal services are available. Testimony also addressed the critical role that legal services played in the Super Storm Sandy relief effort.

Legal Services Benefit New York's Economy

The Chief Judge's Task Force report also conclusively demonstrates 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. As described below, LSFA members provide substantial support for the New York economy.

The Chief Judge's Report exhaustively examined the data from the IOLA Fund on the economic benefits of providing civil legal services. This year's Task Force report also includes pro bono expert analysis detailing the savings in representation in child support proceedings and in giving life-changing advice to low income people. Weighing the federal benefits legal services providers 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 LSFA Produces Substantial Economic Benefits for New York

- **Homelessness Prevention** – LSFA members prevent homelessness in communities throughout the state by representing families to prevent evictions or to provide time to attain alternative housing. In the counties served by LSFA members, based on the Cornerstone study data, the Alliance estimates that in 2010, legal services providers in suburban, urban and rural New York outside of

New York City saved about \$44,735,958 in shelter costs by preventing or delaying evictions and mortgage foreclosures. The number of evictions prevented by 11 of the 15 members of the Alliance is 4695. The economic impact is determined by the county shelter costs avoided when a lawyer helps a family avoid homelessness and shelter.

- LSFA brings federal benefits to New York. Like other civil legal services providers throughout the state, LSFA members also help bring federal benefits into New York. Alliance members won Supplemental Security Income (SSI) and Social Security Disability Income (SSDI) benefits for thousands of low income New Yorkers who are too disabled to work. In 2010, LSFA members generated about \$59,049,715 in retroactive benefit awards and monthly benefits.

As the Chief Judge's Report notes, the United States Department of Commerce estimates that every federal dollar brought into the New York economy generates a multiplier effect of 1.48 as low income families and individuals use the money received to purchase necessities such as rent, food and clothing which support, in turn, local businesses. Although LSFA members also generated federal Medicare dollars, federal Earned Income Tax Credits and millions of dollars in additional federal benefits such as veterans' benefits and Medicaid, taking only the SSI and SSD benefits for the moment, and using the same methodology the IOLA Fund used, the \$15,189,019 in SSI/SSDI benefits LSFA members brought in for their clients, generated a total economic stimulus effect of \$87,606,157.

- Savings in Costs Related to Domestic Violence. Finally, many LSFA members represent low-income victims of domestic violence. We assist victims of domestic violence in gaining orders of protection, custody orders, orders for child support, or divorces from batterers. In addition to a client's safety and stability, communities also enjoy cost savings from keeping a survivor safe and independent. Wages are saved, medical costs and counseling for children avoided and there are savings in police resources. The IOLA Fund's projected savings for domestic violence victims found that statewide about \$85 million in medical costs would be avoided thanks to legal services representation. About 43% or \$36.5 million is likely to be saved outside of New York City.

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. Given the substantial economic benefit from providing civil legal services, this funding is easily justified, especially during the fiscal crisis New York faces.

We urge you to ensure access to justice for every New Yorker. These funds are necessary to allow the Courts and New York to ensure justice to all, no matter where you live or where you're from.

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 submit our testimony.

Legal Services FUNDING ALLIANCE

Providing quality legal services to rural, urban and suburban communities across all 57 non-New York City counties.

