While recognizing the dire financial straits the state is trying to navigate, legal services advocates are reeling from the news that the first budget submitted by Governor David Paterson fails to include any funding for the general delivery of civil legal services to the poor. The Statewide Campaign for Legal Services Funding, of which Legal Services NYC is a member, responds.

STATEWIDE CAMPAIGN FOR LEGAL SERVICES FUNDING

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Advocates Stunned that First Paterson Budget has No Funding for Civil Legal Services

While recognizing the dire financial straits the state is trying to navigate, legal services advocates are reeling from the news that the first budget submitted by Governor David Paterson fails to include any funding for the general delivery of civil legal services to the poor.

“We all know that in times of extreme economic distress, poor and low income New Yorkers are hit hard and fast by the downturn. Their need for legal assistance will skyrocket as they face legally complicated issues around securing unemployment benefits, guarding against increased evictions and dealing with the loss of health benefits,” said Anne Erickson, president and CEO of the Empire Justice Center, speaking on behalf of the Legal Services Funding Alliance, a coalition of the 20 legal services programs outside of New York City. “We know Gov. Paterson is a strong advocate for access to justice and the delivery of legal assistance to those most in need. We urge him to restore at least some of this critical funding,” she added.

The groups were stunned to see an Executive Budget that eliminates all state funding for the general support of civil legal services. Given the Governor’s strong support for programs and services for the poor and disabled, the legal services groups are extremely troubled by this lack of funding for what is the last line of defense against homelessness and complete destitution for those most in need.

In 2007-08 state funding for civil legal services totaled $15.85 million. In 2008-09 it was cut by 55% to just over $8 million. Adding to the pain is the continuing attempt to cut current year funding through the deficit budget which calls for a 44% cut to any unspent funding in the 2008-09 budget.

“We know these are tough times – in fact we see those who are hardest hit by these tough times in our offices everyday across the state – but we also know that legal services are extremely cost effective” said Andrew Scherer, Executive Director and President of Legal Services NYC.

For example:

- **Client Benefits:** In 2006 civil legal services generated $131 million in benefits for their clients, a return of 93 cents on the dollar. The majority of the benefits flow almost immediately into state and local economies resulting in sales tax revenues and business income to state and local businesses.

- **Maximizing Food Stamps:** For every family of three who receives Food Stamps, as much as $5,556 in federal dollars is generated in nutritional support and subsequent expenditure in the local economy.

- **Avoiding the High Cost of Homelessness:** It is estimated that for each family in New York City that avoids eviction as a result of civil legal services representation, $31,215 in savings is generated. Savings around the state will vary, but are still substantial. One study estimates a $4 savings for every $1 invested.

- **Creating Efficiencies in the Courts:** Civil legal services program resolve an estimated two out of three client problems by providing advice or non litigation services. Increasing the availability of legal services will help cut down on the number of cases that wind up before a judge unnecessarily.
The elimination of all state funding for the general delivery of legal services comes at a time when another core source of funding, the Interest on Lawyer Account (IOLA) Fund is rapidly shrinking. Driven by interest rates and economic activity, the Fund’s income is in a nosedive. IOLA, along with state funding and federal funding are the three core funding streams that support the delivery of legal services.

The groups noted that State funding, which reached a high of almost $16 million in 2007, has been available at various levels since 1993, has become essential to the core operating funds that keep programs across the state running.

IOLA Interest Income as of November 30, 2008

"The proposed State cuts for civil legal services will hurt New Yorkers who need legal help in the midst of this severe economic downturn. We are already forced to turn away six out of every seven New Yorkers who seek our help, and now with the new State cuts we'll have to turn away more families and individuals who need legal aid to get unemployment and disability benefits, flee from domestic violence, and prevent evictions, foreclosures, and homelessness which is at record levels in New York City," said Steven Banks, the Attorney-in-Chief the Legal Aid Society in New York City.

"As a policy decision, this is happening against a stark backdrop: as a state, we are already failing to meet some 80% of the civil legal needs of poor and low income families," said Deborah Wright, President of UAW Local 2325 - Association of Legal Aid Attorneys.

"In addition to the complete lack of funding, this constant roller-coaster in state funding also points to the lack of any office within the Executive branch that is responsible for civil legal services," said Christopher Lamb, Executive Director, MFY Legal Services. "We urge the Governor and the Legislature to consider creating an Office of Civil Justice or at least designating one of the Governor’s policy Secretaries to take on this responsibility," he said.

The groups called on the Governor to restore funding for civil legal services during the 21-day amendment period.

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