



October 8, 2013

Congressman John Conyers, Jr.

Ranking Member, U. S. House Judiciary Committee

Dear Congressman Conyers,

The National Legal Aid and Defender Association (NLADA) is grateful for the opportunity to provide testimony before a forum examining the impact of the government shutdown and sequestration on access to the civil justice system for Americans living in poverty.

NLADA, founded in 1911, is the oldest and largest membership organization in the nation advocating for equal access to justice for all people, regardless of income. NLADA greatly appreciates your convening this important forum and we are proud to be here today in support of over 6500 attorneys and thousands of other advocates dedicated to ensuring our democratic principle of equal justice under the law. "Establishing justice" holds a preeminent place in the preamble to the Constitution of the United States. My colleagues work every day, often at significant personal sacrifice, to make that principle a reality for low-income families and communities in every corner of the nation.

Our testimony today will focus on the impact of the sequester and the government shutdown on two critical sources of federal support for civil legal aid. The first source of support is the annual appropriation for the **Legal Services Corporation (LSC)**. The other federal component underwriting civil legal assistance for the poor consists of a wide variety of **non-LSC federal programs** investing in our national legal aid infrastructure to take advantage of the skills of lawyers and advocates to tackle the most pressing challenges facing low-income people and their communities.

I. The Legal Services Corporation.

LSC distributes grants to 134 independent local legal aid programs in every congressional district and US territory. These local programs supported by LSC funding provide civil legal services to individuals at or below 125 % of the federal poverty guidelines. In 2012, LSC grantees assisted nearly 2 million Americans with critical legal needs. LSC grantees help active duty military and their families as well as veterans returning from wars. They also provide assistance to domestic violence victims, elderly individuals, families who are in danger of losing their homes, victims of natural disasters, families involved in child custody disputes, as well as individuals who need assistance to preserve their small businesses.

LSC is one of the most successful public-private partnerships in government. Federal funding is only 40% of the operating income of these programs nationwide. Sixty percent on average comes from state funding, support from the private bar, foundation funding, and funds from interest on lawyer's trust accounts (IOLTA). But the economy that is sending more people to the door of legal aid offices than at

any time in history has also devastated those other sources of funding, putting more pressure on the federal budget to ensure a level playing field in the courts and equal justice under law. Private attorneys, working under pro bono programs, play a vital role in providing legal assistance to low-income individuals, but pro bono work cannot replace LSC funding for civil legal services. LSC funding provides a framework for pro bono programs and without adequate LSC resources those programs could not operate effectively.

More than 62 million people, one in five Americans, including almost 20 million children, qualify for civil legal assistance from LSC grantees. To put that into perspective, under today's eligibility guidelines, a family of four must earn less than \$29,438 per year to qualify for LSC supported assistance. Even under current funding, LSC grantees must turn away a staggering 50% of those eligible applicants who seek their assistance. Numerous studies suggest that fewer than 20% of eligible individuals actually receive the legal assistance they need.

LSC grantees closed more than 800,000 cases in 2012. Due to funding cuts over the past 3 years, however, these numbers have seen a steady decline. LSC funding has experienced a precipitous drop of 19% over the last four fiscal years, from \$420 million in FY 2010 to \$340 million in FY 2013. The 2013 sequester resulted in a 5% cut from an already shrinking budget, or over \$16 million in vital support to the locally-run legal aid offices funded by LSC.

The most current data indicates that these cuts have led to the total loss of 1002 personnel in LSC grantee programs across the nation – a 11% loss in just two years. Thirty (30) offices were closed in 2012 as well, making it even more difficult for clients in remote, rural settings to gain access to program services. These losses also forced 72% of LSC offices to reduce client services, which lead to a 10% overall decline in cases closed in 2012, including a 5.5% reduction in the number of domestic violence cases, 10.1% reduction in child custody and visitation cases, 13.5% reduction in child support cases, and 10.7% reduction in landlord/tenant cases that were closed nationwide.

The additional cuts resulting from the 5% sequester in FY 2013 are likely to lead to the loss of hundreds of additional staff and the closing of a significant number of additional branch offices as they are implemented nationwide.

II. Non-LSC Federal Funding.

In addition to the devastating impact of cuts in federal support for LSC, we anticipate a significant shrinkage in the availability of federal funding to support legal advocacy through a wide variety of grant programs administered by federal agencies.

There is a growing awareness among federal agencies throughout government that an investment in legal aid can contribute to positive outcomes that help a family, individual or child escape the shackles of poverty. In fact, such an investment in legal aid can often represent the most effective way to accomplish the goals of a wide range of federal programs focused on empowering low-income people and vastly increasing the health and vitality of the communities in which they live. Just two examples –

- A. An important study by economists at Colgate University and the University of Arkansas found that legal aid is the only service that **reduces domestic violence** over the long term, making the legal assistance components a solid investment in the larger programs to address domestic violence and its consequences. The study found: “While most services provided to

help battered women do not impact the likelihood of abuse, the provision of legal services significantly lowers the incidence of domestic violence.”

<http://www.lanwt.org/pdfs/exdo.pdf>

Legal aid programs are in the forefront in our nation’s efforts to protect those facing family violence and abuse. The number one cause of homelessness for women and children in this country is domestic violence. Legal aid providers address this epidemic by providing critically-needed legal assistance to victims, helping them obtain protection from abuse, as well as on issues involving custody, housing, employment and access to public benefits. Quite simply, without legal aid services, many more thousands of victims of domestic violence, sexual assault and dating violence will be forced to stay in violent homes longer or forced into remaining in abusive environments.

B. Project CHALENG for Veterans, a VA program designed to raise awareness of homeless Veterans' needs and to help communities plan to meet those needs, removes any ambiguity around the importance of legal aid in meeting the **needs of veterans**. A survey of social service providers and veterans found that three of the 10 top-ranked unmet needs involved legal assistance:

- Eviction/foreclosure prevention. Legal aid can assist veterans facing eviction or foreclosure in their legal proceedings.¹ Even if an eviction can only be delayed, veterans can use that time to apply for benefits or find subsidized housing to prevent them from becoming homeless.
- Child support issues. Negotiated resolution of fair support orders can increase the reliability of payments for children, and support healthy co-parenting relationships and responsible fatherhood.
- Outstanding warrants/fines. Many states and localities impose fines at sentencing and fees for court costs, subsequent penalties for failure to pay those fees and fines, and sometimes compounding other financial obligations such as child support, victim restitution payments and civil fines. Legal help can navigate conflicting civil and criminal obligations, improve manageability and efficiency of collections, and where possible, prioritize child support and restitution.

Other reported top 10 unmet needs also often have a legal component. For example:

- Family reconciliation assistance. Veterans may need legal help securing a divorce or child custody arrangements.
- Credit counseling. Legal help may involve legal resolution of Fair Credit Reporting Act problems.
- Veterans’ benefits. Attorneys can help veterans apply for a wide array of benefits for which they are eligible, making sure applications are filled out correctly and records of service are compiled accurately. If a veteran’s benefits are erroneously cut off, legal aid attorneys can help reinstate the benefits by working with the agency or representing the veteran in administrative proceedings.

Legal aid programs provide vital services to victims of domestic violence and veterans primarily through the support of two programs: the **Legal Assistance to Victims** grant through the Office on Violence

Against Women in the Department of Justice and the **Supportive Services to Veteran Families** grant through the Veterans Administration. Legal aid programs are integral partners with a wide range of domestic violence support services and veterans' assistance groups in the administration of both of these programs.

Overall, legal aid providers in the United States received over **\$132.6 million** of non-LSC federal funding in 2012. With this support, in addition to serving the needs of domestic violence victims and veterans, lawyers for the poor made a crucial difference in achieving the goals of a variety of shelter and homelessness programs addressing such areas as affordable housing, the high rates of foreclosure, predatory lending, eviction, fair housing and developing equitable and effective community development projects.

Likewise, many programs of the Department of Health and Human Services reap significant benefits from the involvement of legal aid programs. Legal interventions have proved critically important for low-income and needy elderly individuals who are struggling to maintain access to basic necessities or to receive a fair hearing from governmental or judicial bodies. Persons with disabilities or in need of health care often find the availability of legal assistance to be the key factor in obtaining necessary assistance.

Another example is found within the Department of Labor which has successfully employed legal aid lawyers in its "Face Forward" program designed to improve long-term labor market prospects for youth involved in the juvenile justice system. Other programs help small farmers obtain necessary resources, low-income taxpayers meet legal challenges and Native Americans to enforce their rights.

The impact of sequestration and the government shutdown cannot be described fully at this point in time. The Legal Assistance to Victims grant program in the Office on Violence Against Women was reduced from **\$41 million in FY 2012 to \$38.22 million in FY 2013**. Information on the impact on a variety of other federal grant programs is not yet available.

Obviously a 7% sequester would cut the funding available for civil legal assistance significantly among the agencies of government, though various federal agencies have some discretion in determining how to apply the cuts to individual programs. Much of the current funding for these programs comes from previous years' appropriations, so the full impact of the sequester has yet to be felt among the low-income clients in need of the services provided by these federal programs.

As for the government shutdown, much confusion exists in the field as to the administration of the federal grant programs supporting civil legal aid. The Office of Violence Against Women has indicated that it will be forced to consider the cessation of operations **today** if the shutdown continues. Many directives have gone out from such agencies as the Departments of Health and Human Services, Housing and Urban Development and the Internal Revenue Service regarding their inability to provide service and advice on the many grant programs they administer.

NLADA members have reported a number of hurdles related to either the budget cuts or the government shutdown, including:

- **Low Income Taxpayer Clinics (LITC).** LITC grants are made from current year appropriations. Grant award letters provide that the amount is subject to the new fiscal year's appropriations. However, it appears that IRS liens previously established are still being enforced, as our member program has a client who has an IRS lien. An agreement had been reached with the IRS concerning the lien. However, the most recent communication to the client from IRS does not reflect that agreement. There is no one at IRS that the legal aid program can contact about the issue now due to employees not being at IRS. The client is very concerned.
- **VISTA .** A legal aid provider has 2 employees funded through the VISTA program to work on Veteran's issues. They have been told that the VISTA employees must keep working but without pay (\$900/month) during the period when there is no federal budget. Under the VISTA program, the employer may not pay them a salary. The lack of payment for the VISTA employees is creating great hardship for them.
- **Veterans Administration .** A veteran's law conference was just cancelled due to lack of 2014 budget. The conference had been set up by the VA for law school clinics and others providing legal services to veterans..

These are just a few of the examples we are beginning to hear about the impact of cutbacks and the government shutdown on the delivery of civil legal services to the poor. We will be happy to provide further examples to the forum as they become available.

Again, Congressman Conyers, NLADA appreciates this opportunity to discuss the vital work provided every day by the legal aid programs across the United States.

Sincerely ,



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