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**2018 Joint Legislative Hearing
Public Hearing on Public Protection**

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Presented by:

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Thank you for the opportunity to testify at the 2018-2019 Public Protection hearing.

My name is Maha Syed and I am the Executive Director of the New York Legal Services Coalition. The New York Legal Services Coalition, formed in 2014, is a 501(c)3 nonprofit organization that consists of 50 civil legal services organizations serving every county in New York State. Passionate about ensuring access to civil legal assistance, our member organizations range from large multi-service, multi-county or citywide organizations, to pro bono programs, to neighborhood based organizations meeting the needs of specific populations. Collectively, our members provide high quality civil legal services to hundreds of thousands of low income New Yorkers in matters relating to the essentials of life. The Coalition works to ensure fairness in the judicial system, advocates on legal issues affecting low-income communities, identifies and promotes best practices in the civil legal aid profession, and provides technical assistance and capacity building resources for its members.

The Coalition's testimony today will focus on two key budgetary issues:

Support for the budget of the United Court System and the funding proposed for the Judiciary Civil Legal Services (JCLS); and

Restoration of funding for Civil Legal Services through the Legal Services Assistance Fund (LSAF) which the Executive Budget has eliminated.

The Importance of Civil Legal Services

Civil legal aid essentially serves as the last line of defense for victims of domestic violence seeking safety and stability, families facing eviction or foreclosure, elderly victims of financial abuse seeking restitution, and parents seeking health care for their children. Redress, protection, security and stability is often available – if one can navigate daunting legal systems against overwhelming odds. Few of us would attempt to resolve legal issues that put the roof over our head, our safety, or our children's health at risk without the benefit of counsel and yet everyday across our state thousands of poor and low income families are doing just that.

Indeed, according to the Office of Court Administration as reported by the Permanent Commission on Access to Justice, an estimated 1.8 million litigants come into civil courts across New York each year without representation. And those are the individuals and families that actually make it to court. Thousands more undoubtedly give up before they ever get to the courthouse door.

New York's Investment in Access to Justice

Starting in 1992-93, the Legislature, through the leadership in the Assembly, has allocated funding for civil legal services in the state budget. This funding was later supported through the Legal Services Assistance Fund (LSAF) through the Division of Criminal Justice Services (DCJS) and supported by a share of the revenue raised through payments for criminal records searches.

Through the joint efforts of the Assembly and Senate, these funds are now allocated each year for a variety of purposes, including Civil Legal Services and legal assistance for veterans and victims of domestic violence.

The LSAF is proposed in this year's Executive Budget at \$14,194,000 – the same level as last year.

However, the Executive proposal eliminates the allocation of \$4,389,000 including:

- \$ 2,830,000 for civil legal services
- \$ 950,000 for services for veterans and victims of domestic violence
- \$ 609,000 for legal assistance for victims of domestic violence

We urge that these allocations be fully restored.

In 2010, then Chief Judge Jonathan Lippman launched an effort to providing stable funding for civil legal services through an annual appropriation in the state's Unified Court System's (UCS) budget. Incrementally increasing this Judiciary Civil Legal Services Fund, the allocation now stands at \$100 million, a level that remains constant in this year's proposed Judiciary Budget.

We urge full support for the investment in the JCLS.

Impact of the Investment

New York has made significant investments in closing the Justice Gap -- the gap between those who need legal aid and the number of those who can be helped by our legal aid providers. For decades, that gap remained at a heartbreaking 80%. Legal aid providers in New York State, and indeed across the country, were able to meet a bare 20% of the civil legal needs of those living at or below 200% of the federal poverty line.

With the ongoing support of the legislative funding, the grant-making of the IOLA fund and the stable and significant funding from the judiciary, civil legal aid providers have been able to reduce New York's justice gap to an estimated 63% -- meaning we are now meeting approximately 37% of the civil legal needs of low and moderate income households.

The impact on the courts has also been significant, reducing the number of unrepresented litigants in civil cases from 2.3 million in 2009 to an estimated 1.8 million in 2017.

The number of cases handled by legal services providers has increased steadily, rising from 384,974 in 2013 to 469,875 in 2017.

Legal services organizations are also major employers in the state, employing more than 3,400 attorneys, paralegals, and other administrative and support staff according to IOLA's 2017 report. As a community, legal services organizations facilitated close to 480,000 volunteer attorney hours in providing legal assistance to those in need in 2017.

Investing in civil legal services saves New York State money. For every \$1 New York State spends on civil legal aid, \$10 in economic benefit is generated. This benefit is realized through decreased court and social services costs. Increased representation also ensures efficient and smooth function of the courts and reduces court time in assisting pro se litigants.

A Positive Economic Impact

Civil legal services funding also provides a positive economic impact on low income New Yorkers. The economic value to clients and their families of federal benefits secured as a result of legal representation in 2017 is estimated to be \$1.01 billion. This comes to New York in the form of Medicare and Medicaid benefits, Supplemental Security Income (SSI), Social Security Disability (SSD) awards, and other federal benefits. These benefits for clients, in turn, help the state's economy and create thousands of jobs.

In looking at the economic impact of investing in legal services, the New York State Permanent Commission on Access to Justice has engaged the help of leading research and accounting firms to undertake targeted analysis. For the past three years, Stout Risius Ross, LLC (Stout), a global financial advisory firm, reviewed and updated key data points. In 2017, the firm's researcher, Neil Steinkamp, analyzed data on the benefits received by low-income New Yorkers due to the provision of civil legal services.

The following review of these economic impacts is taken from the 2017 Permanent Commission of Access to Justice report which can be found at

<https://www.nycourts.gov/accesstojusticecommission/PDF/2017-ATJ-Commission-Report.pdf>

- **Additional Economic Benefit from Child and Spousal Support Payments to Recipients of Those Benefits and Their Families Was Estimated to Be \$33.3 Million in 2016:** For 2016, IOLA data indicates retroactive awards of child and spousal support at approximately \$1.74 million and monthly payment awards at nearly \$450,700. The net present value of the monthly payments, based on a payment stream of nine years, is approximately \$48.7 million. Thus, the total value of the child and spousal support awards for 2016 is approximately \$50.4 million. After deducting the estimated value of support payments not actually received, the

estimated value of actual child and spousal support payments is approximately \$33.3 million.

- **Total Estimated Cost Savings from the Avoidance of Emergency Shelter Increased to \$397.5 Million:** In 2013, using state and local data from 2012 on the cost of providing shelter in New York State as well as IOLA data on eviction prevention cases, Cornerstone Consulting concluded that anti-eviction legal services programs that receive IOLA funding saved the government approximately \$116 million annually in averted shelter costs. In 2014, IOLA analyzed updated data and estimated such annual savings had increased to more than \$220 million. In 2015, annual savings had increased to more than \$345 million. In 2016, based on cost savings from brief representation cases (an estimated \$59.3 million) and extended representation cases (an estimated \$338.2 million), Mr. Steinkamp estimated cost savings to the government increased in aggregate to \$397.5 million, corresponding to shelter avoidance for approximately 32,865 individuals.
- **Civil Legal Services Provided a Positive Economic Impact on the New York State Economy Owing to the Long-Term Financial Impact from Federal Benefits Obtained:** In 2016, civil legal services for low-income New Yorkers provided substantial economic value to families in need, as well as to state and local economies and governments. As a result of legal representation in 2016, the economic value to clients and their families of federal benefits secured, including Supplemental Security Income (SSI) and Social Security Disability (SSD) awards, Medicare and Medicaid benefits and other federal benefits, was estimated to be approximately \$1.01 billion. These federal benefits also provide a significant overall stimulus to the New York State economy and create thousands of jobs. The overall impact when also considering the “multiplier effect”—that savings generate further economic activity by, for example, allowing clients to spend such savings in their community—amounted to \$1.37 billion and resulted in the creation of approximately 9,425 jobs.
- **Civil Legal Services Providers Obtained Benefits for Their Clients and Families Resulting in an Estimated Total Economic Impact of Nearly \$3.0 Billion:** Mr. Steinkamp calculated federal award benefits to be \$1.01 billion in 2016 for programs such as SSI, SSD, Medicaid, the Earned Income Tax Credit and other federal benefits which, owing to the “multiplier effect,” generates an additional \$1.37 billion (as well as approximately 9,425 jobs). When added together with civil awards of \$61.4 million and indirect benefits and cost savings to the community of \$552.9 million from shelter avoidance, foreclosure property value decline avoidance, domestic violence avoidance, and increased wages due to work authorization, the total economic impact is estimated to be nearly \$3 billion.

Continued Unmet Need

Clearly the funding made available through the Judiciary Civil Legal Services has had a significant impact on access to justice in New York State with the number of unrepresented litigants in civil matters dropping from 2.3 million in 2009 to 1.8 in the most recent estimates. OCA estimates that 63% of the civil legal needs of low-income New Yorkers still remain unmet. According to the American Census Bureau, an estimated 5.9 million New Yorkers, or almost one third of the State's population, were living below 200% of the federal poverty level in 2016.

Chief Judge Janet DiFiore expressed her concern during the 2017 public hearing on Access to Justice:

“[W]e know that the progress we have made is far from complete and that we still face some very daunting challenges. Legal service providers are still turning away far more people than they can serve and, down in our nation’s capital, the Legal Services Corporation, the largest source of federal funding for civil legal service providers across the country, faces the threat of budget cuts that would force our local providers to reduce services.”

The Coalition is proud of the long-standing collaboration of member organizations. Current priorities of the organization include protecting funding so that civil legal services for the poor are not jeopardized. We urge full restoration of funding through the Legal Services Assistance Fund and on-going support for the OCA budget including full funding for the Judiciary Civil Legal Services funding so that we can continue to make strides toward access to justice for all New Yorkers.