**Public Hearing on Mayor Fenty’s Fiscal Year 2010 Budget Request for the Office of the Attorney General**

**Before the Council of the District of Columbia**

**Committee on Public Safety and the Judiciary**

Testimony of Claudia A. Withers

District of Columbia Bar Foundation

April 30, 2010

Good morning, Chairman Mendelson and members of the Committee. My name is Claudia Withers. I am a resident of Ward 3 and I have been the Director of Programs at the D.C. Bar Foundation since 2006. The Foundation is the largest private funder of civil legal services for the District. Since 1977, we have helped lawyers and private firms provide financial support to organizations that assist residents who cannot afford to pay for legal help. We are honored to have these responsibilities.

As one of its functions, the Foundation administers the District’s Access to Justice grant funds, awarding them competitively to non-profit legal services organizations. I am here to address the devastating effect that the Mayor’s proposed cuts would have on our already reeling legal services network and the vulnerable people it serves.

 In our last fiscal year, which ended in June 2009, the Foundation awarded fourteen grants through the Access to Justice Program to D.C.-based service providers that support our most at-risk communities. A full list of projects, as well as a map showing program locations, is attached. They include:

● The community legal interpreter bank, which enables individuals who have limited English proficiency or who are deaf to communicate with their attorneys;

● The Court-Based Legal Services Project, through which four organizations provide same day representation to individuals in landlord-tenant court who are at imminent risk of losing their homes;

● Neighborhood expansion projects which place attorneys in neighborhood offices east of the Anacostia River, where unemployment and need are the highest but, until these grants, few service providers were located;

● Project HELP, through which an attorney makes house calls to homebound elders to help them with urgent legal problems;

● The Health Access Project, which puts attorneys in National Children’s Medical Center clinics to take referrals directly from doctors and help families whose legal problems are jeopardizing their children’s health.

 These programs help thousands of our most vulnerable District residents avoid legal disaster each year. The proposed cuts to this program will drastically undermine the ability of the network to maintain these critical services. The FY 2010 cuts, which are just hitting the network now, have already led to the potential loss of an attorney who works with seniors to forestall eviction from their homes, and will surely result in fewer services being provided in the neighborhoods and to underserved communities.

I would like to emphasize that supporting these programs is not just the right thing to do. It is a sound investment for the District. For example, in 2008 the Court-Based Legal Services “Attorney for the Day” project conservatively saved 200 people from wrongful evictions. When you consider that it costs more than $25,000 to house a family in an apartment-style shelter for a year, the work of these attorneys yielded an estimated savings for the District of more than $5 million in return for a public investment of $575,000. In the first half of FY 2009 alone, the Court-Based Legal Services attorneys have taken on almost 350 cases for low income tenants. A legal services attorney doing this work quickly recoups her salary in cost savings to the District when her client is spared eviction and reliance on more costly public systems.

 The Foundation also runs the District’s poverty lawyer loan repayment assistance program (LRAP) which helps legal services attorneys who are living and working in the District to pay back law school loans. LRAP enables D.C. organizations to hire and retain passionate and talented staff lawyers —lawyers who are facing tremendous educational debt and could be making many times their public service salary in the private sector. In FY 2009, the Foundation was able to support 35 attorneys through the District’s LRAP program. In FY 2010 we are providing LRAPs for 33 attorneys. We know that many of our LRAP recipients can only stay in their current jobs because of the support from this program. Cutting these funds will likely mean losing these valuable attorneys from the network.

 The Mayor’s proposal to cut the funding for the Access to Justice Program could not come at a worse time for the District’s network of legal services providers. If these cuts pass the Council, their impact will be deep and lasting. I know you are aware of the situation, but let me give you a brief overview of what it looks like for organizations operating on the ground in our communities. The recession has caused unemployment and foreclosure rates in the District to soar, and even those families who still have roofs over their heads and jobs now find themselves on an economic—and, frankly, emotional—precipice. They are facing the loss of their jobs, their homes, their children, their safety, their income—losses that could often be prevented or mitigated if they were able to access an attorney to educate them about their rights and help them navigate the legal and administrative systems.

 Legal services providers estimate that the demand for their help rose by approximately 20% in the course of 2009 alone. But even as the demand rose by 20%, the resources that kept the civil legal network funded declined by 25%. Every key source of funding for legal services decreased dramatically in 2009, even as client demand for help skyrocketed. Since 1985, the Foundation has run the District’s IOLTA program, which is the largest private source of funding for civil legal services in our communities. The precipitous decline in interest rates last year led to a 60% decrease—more than a million dollars—in IOLTA funds between 2008 and 2009. The Foundation was forced to take money from its reserves to cover this unprecedented shortfall. Continued record-low interest rates have decimated IOLTA: receipts are down by over 40% between 2009 and 2010. As is documented in *Rationing Justice: the Effect of the Recession on Access to Justice in the District of Columbia*, a joint report of the D.C. Access to Justice Commission and the D.C. Consortium of Legal Services Providers, other funding sources – law firm and individual giving, foundation grants, government support – dropped dramatically as well.

 This has left the legal services network to contend with a 25% -- or $4.5 million – loss in funding in the face of growing and increasingly urgent client need. And—this is key—that decline was measured even as the Access to Justice funding held relatively constant at $3.56 million for FY 2009. It was measured before the $700,000, or 20%, cut made last summer to FY 2010 funding hit the network. The Mayor’s proposed $1.8 million cut to the Access to Justice Program represents a FIFTY PERCENT cut from the FY 2009 level, and it would strip marrow from programs already cut to the bone.

 The network cannot sustain another hit like this. Even before last summer’s 20% cut hits the network next month, legal services providers in 2009 were forced to lay off 12% of their attorneys and nearly 40% of their non-legal staff. The proposed cut in public funding for FY 2011 would have a devastating effect on the legal services provider network, likely eliminating 18 - 20 staff attorneys. To put that in concrete terms, if each lawyer can handle 50 matters in litigation and 100 matters for assistance short of representation each year, approximately 3000 District residents will not get necessary legal help that would have been available, but for the proposed cut in funding. That is on top of the thousands of residents already deprived of assistance because of the recession-based losses.

 Unfortunately, there is no sign that any of the other sources of funding are coming back in the near future. The Foundation Center, for example, reports that foundations cut their grantmaking activities by nearly $4 billion dollars -- 8.4% -- in 2009, the largest drop in foundation given that it has ever recorded. It forecasts that we will not see an increase in grants awarded in 2010. Worse, the Washington Regional Association of Grantmakers has said that its participating organizations expect to give even fewer grants in 2010 than 2009.

 At the same time, the continued low interest rates give us little hope that our IOLTA funds will rebound soon. And while many members of the D.C. legal community continue to be generous with their time and money, the hit on the private legal market has reduced the capacity of lawyers and law firms to donate money. As you will hear from Kim Keenan, the loss of staff at the legal aid organizations will also make it harder to facilitate the thousands of pro bono hours that law firms provide.

 As D.C. Bar Foundation Executive Director Katherine Garrett told the Committee of the Whole last summer, right now, the ability of organizations to provide essential legal services to our vulnerable communities is at extraordinary and unprecedented risk. The funding streams for these services are broadly diverse, but the economy right now has all but dried them up. If we let these organizations die for lack of funding this year, they are not going to just spring back up in two or three years. They will be gone. The network of legal services will be critically hurt. And the most vulnerable people in our neighborhoods -- who are already reeling with the combined effects of poverty and deep recession -- are the ones who will struggle with the consequences.

 The other sources of funding may recover in the coming years; we certainly hope they do. But our most vulnerable communities are at a crisis point now. They need legal services this year. They need the help that poverty lawyers can bring them this year. Without this funding, core parts of the network will crumble and these services will go away. And we will all be worse for it.

 I will be pleased to answer any questions you may have.