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Senate Ways and Means Recommends Slashing Civil Legal Aid Budget by 46 Percent

Grants to local programs already down 43 percent, while calls for help up 30 percent

BOSTON, May 14 – Yesterday, the Senate Ways and Means Committee recommended a 46 percent - or \$5 million - reduction for Massachusetts Legal Assistance Corporation (MLAC), the largest funding source for civil legal aid in the Commonwealth, in its FY10 budget (line item 0321-1600).

Last month, the House recommended level funding - \$11,070,424 - for MLAC in its FY10 budget, recognizing “the potential for increased need for civil legal aid during a recession,” as stated in the executive summary.

MLAC has been requesting level funding for its line item, as it already has reduced its general support grants to the 17 legal aid programs it funds by 43 percent this fiscal year, from \$22 million in FY08 to \$12.5 million in FY09 (which ends June 30, 2009). It also has exhausted all of its reserves to prevent deeper cuts.

If all the Senate cuts are adopted in the FY10 budget, MLAC’s general support grants for FY10 will be 85 percent less than those awarded in FY08.

MLAC’s sole sources of revenue are the line item and two-thirds of the income from the Interest on Lawyers’ Trust Accounts (IOLTA) program. IOLTA revenue is projected to plummet 63 percent this fiscal year, due to reduced interest rates at banks and the drop in real estate transactions.

The vulnerability of MLAC’s funding sources has intensified as the economic crisis has created a sharp increase in demand: calls to some legal aid programs are up 30 percent as residents lose their jobs, homes and benefits.

Local legal aid programs, which dedicate the vast majority of their budgets to providing direct client service, have already responded by laying off attorneys and paralegals, instituting furloughs and leaving positions unfilled. The reductions range from 17 percent for Greater Boston Legal Services to 30 percent for Neighborhood Legal Services of Lynn and Lawrence, and Western Massachusetts Legal Services, which has offices in Greenfield, North Adams, Northampton, Pittsfield, and Springfield.

MLAC anticipates the reduction will result in a drop of at least 20 percent in client services statewide. That means approximately 20,000 low-income individuals and family members will be left without the legal help they need – including tenants losing their homes to landlord foreclosures, parents wrongly denied health coverage for their children and elders facing bankruptcy.

ABOUT MLAC

The Massachusetts Legal Assistance Corporation was established by the state legislature in 1983 to ensure that low-income people with critical, non-criminal legal problems would have access to legal information, advice and representation. It is the largest funding source for civil legal aid programs in Massachusetts. www.mlac.org.