



NEW YORK  
CITY BAR

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March 29, 2010

Hon. David A. Paterson  
New York State Governor  
Executive Chamber  
State Capitol  
Albany, NY 12224

Hon. Sheldon Silver  
Speaker  
New York State Assembly  
Legislative Office Building 932  
Albany, NY 12248

Hon. John L. Sampson  
Democratic Conference Leader  
New York State Senate  
Legislative Office Building 409  
Albany, NY 1224

**Re: Funding for Civil Legal Services**

Dear Governor Paterson, Speaker Silver and Senator Sampson:

I am writing to urge your support for two items of extreme importance to the legal profession: *first*, support for the proposed 2010-11 Judiciary Budget which will, in relevant part, provide an emergency infusion of \$15 million to supplement the reduced revenues being experienced by the Interest on Lawyer Account Fund of the State of New York (IOLA) and, *second*, support for the restoration of funding for civil legal services in the State budget.

IOLA has historically been an important aspect of civil legal services funding statewide, and, two years ago, when former Governor Spitzer enacted comparability rates for IOLA Accounts, the fund briefly enjoyed an appreciable increase. However, with the country and the state still reeling from what's being referred to as The Great Recession, this source of funding is seeing a steep decrease in revenue – in December 2008, IOLA made grants totaling over \$31 million covering a 15-month period (\$24.8 million annualized over 12 months); in December 2009, IOLA was able to award only \$6.5 million in grants for the period covering April to December of 2010. In a press release dated March 11, 2010, the chair of the Fund's Board of Trustees reported that "the Fund's income has decreased nearly 80%."

In addition to IOLA, civil legal service providers have relied on funding provided each year in the State budget since 1993, and the need is even greater this year.

Every day, legal services programs provide for thousands of vulnerable New Yorkers a lifeline for basic survival. And the situation their clients are facing – loss of jobs, foreclosure, eviction – are the grim hallmarks of this current fiscal crisis. The work performed by legal services programs also saves New York State millions of dollars a year and is a proven, tested and wise investment. In 2008, for example:

- millions of public dollars were saved by legal services programs because they were able to preserve homes, avert homelessness for New Yorkers, and keep families together;
- legal services programs garnered nearly \$25 million in retroactive federal disability awards for clients, millions more in federal Earned Income Tax Credits, and still more in other benefits at least partially funded by the federal government; and
- the funds obtained for New York residents were reinvested by them and stimulated the economies of their communities, sustaining jobs and promoting additional economic activity.

In addition, legal services programs represent clients facing housing code violations, wage and hour violations, mental illness, and domestic violence. By ensuring clients' needs are met in a wide variety of situations that might otherwise require state intervention, legal services lawyers have become a vital part of the safety net during this economic recession. Indeed, with the rise in the unemployment rate and increased foreclosure and bankruptcy filings New York State has experienced over the past two years, the work performed by civil legal services programs is critically needed by New York City's poor now more than ever.

Through the legal services initiatives of the New York City Bar and through our work with a variety of legal services organizations, we witness firsthand and on a daily basis the vast unmet legal needs of New York's poor. We also witness firsthand the tremendous impact that these programs can have on the lives of these most vulnerable members of our society. Accordingly, we believe it is imperative that IOLA receive an emergency infusion of \$15 million as proposed in the FY2010-2011 Judiciary Budget; and, if interest rates remain low and IOLA Account transactions remain at reduced levels, that another emergency allocation to IOLA also be considered for FY2011-2012. In addition, we believe it is imperative that funding for civil legal services be provided in the 2010-11 State Budget, as it was last year in the amount of \$13.2 million.

This approach would help to prevent a dramatic loss of funding to New York State's legal services programs which, were that to occur, would result in thousands of New Yorkers unable to receive legal assistance. The cost to households – and to the State – when adequate legal services are denied is reflected in homelessness, broken families, lack of medical care, education and other essential public benefits. Thank you for your consideration.

Sincerely,

  
Patricia M. Hynes

Cc: Robert L. Megna  
Budget Director  
New York State Division of the Budget

Hon. Carl Kruger  
New York State Senate Finance Committee Chair

Hon. John DeFrancisco  
New York State Senate Finance Committee Ranking Member

Hon. Herman Farrell, Jr.  
New York State Assembly Ways & Means Committee Chair

Hon. Jim Hayes  
New York State Assembly Ways & Means Committee Ranking Member

Hon. Helene Weinstein  
New York State Assembly Judiciary Committee Chair