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SB154

Access to Counsel in Evictions - Funding

House Appropriations Committee

SUPPORT

The Maryland Access to Justice Commission (A2JC) is an independent entity powered by the Maryland State Bar Association (MSBA). We unite leaders to drive reforms and innovations to make the civil justice system accessible, equitable and fair for all Marylanders. Prominent leaders from different segments of the legal community in Maryland, including the deans of the two Maryland law schools, law firm partners, heads of the legal services and social services providers and funders, corporate general counsel, academics, legislators, the state bar and judiciary, comprise the A2JC.

The Executive Director of the Maryland Access to Justice Commission also chairs the Access to Counsel in Evictions Task Force, which is mandated by the Access to Counsel in Evictions law.

A2JC's top priority this year is to ensure full and continuous state funding for the Access to Counsel in Evictions law. Thus, we strongly support SB154 and encourage a favorable committee report.

The Access to Counsel in Evictions Law

During the 2021 legislative session, the Maryland General Assembly passed HB18, making Maryland only the second state in the nation to have a program that provides access to legal representation to all income-qualified persons facing eviction on a statewide basis (the Program). Maryland was part of a larger national movement which saw many state and local jurisdictions using the influx of federal emergency rental assistance (ERA) funds to adopt transformational eviction prevention measures, including a legislatively mandated access to counsel.

The resulting Access to Counsel in Evictions law, which went into effect on October 21, 2021, provides that all Marylanders who income qualify, **shall** have access to legal representation in "a judicial or administrative proceeding to evict

or terminate a tenancy or housing subsidy,” including the most voluminous type of landlord/tenant case, Failure to Pay Rent.

The True Cost of Evictions

The need for the Access to Counsel in Evictions law in Maryland acknowledged the personal and societal costs of evictions, citing the following:

- Evictions are a detriment to public health, especially during the COVID-19 pandemic.
- In addition to the loss of a home, evictions come with collateral consequences that may have generational impact.
- Evictions also cost state and local governments a significant amount of money, including costs associated with shelters, education, transportation for homeless youth, foster care, and health care provided in hospitals rather than community based care.
- Evictions have a disparate impact on Black and Brown households and those led by women.
- Evictions are a high stakes legal process where access to legal representation is markedly uneven between landlords and tenants.

The General Assembly sought to address the myriad of personal and societal challenges posed by evictions by adopting a recognized and cost-effective eviction prevention strategy - *access to legal representation* - that had been proven in other jurisdictions to reduce disruptive displacement of families as well as the attendant social, economic and public health costs to society at large.

The Effectiveness of Legal Counsel in Reducing Eviction

The evaluation of the ACE law conducted by the independent firm, Stout Risius & Ross shows that Maryland's ACE law is delivering results. Eighty eight percent (88%) of those who have received services through ACE have avoided eviction or disruptive displacement.

The Access to Counsel in Evictions Program is also saving the state money. For every \$1 spent on the law, the state sees returns of almost \$5. Most significantly, an ACE attorney costs approximately \$1100 per case compared to the \$9700 that the state would spend to provide homeless services.

Funding for the ACE Law

At the start of the 2022 legislative session, the Program remained unfunded. The Access to Counsel in Evictions Task Force (ACE TF), which was created by HB18 to monitor implementation of the ACE Program, strongly asserted in its inaugural report that funding was the ACE Program's “**most urgent and critical need.**” The Maryland Access to Justice Commission, along with other justice partners, made Program funding its top priority during the 2022 legislative session and succeeded in advocating with the General Assembly and Governor to provide two years of start-up funding for the Program through FY2024. Thereafter, during the 2023 legislative session, the General Assembly passed SB756, which provided 3 years of

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additional funding of the ACE law through the Abandoned Property Fund in the amount of \$14M per year for FY25, FY26 and FY27. SB756 sunsets after FY27.

Subsequent reports of the ACE TF, including the 2025 Report, list the need for a permanent source of funding for the ACE law as the most critical need to ensure continued full implementation of the law that is convincingly proving to keep Marylanders housed as well as save the state money.

Now, during the 2025 legislative session, the General Assembly must act to extend funding for this effective ACE law and make the funding for the ACE law permanent. Successful implementation of the ACE Program is even more urgent now as all federal emergency rental assistance has been depleted and not fully replaced. As the budget remains tight, the ACE Program continues to serve as the strongest bulwark against the destabilizing impact of eviction, its many collateral consequences and the significant attendant costs related to it all.

Stable and Continuous Funding is the Lynchpin to Successful ACE Implementation

If the state wants to continue to stabilize families and communities, stop evictions, keep Marylanders housed and save the state money, it must continue to invest in a Program that is proven to be successful and cost-effective.

Fluctuations from intermittent funding have deleterious impacts on staffing levels, outreach and evaluation efforts, and more. Without sufficient funding on an on-going basis, full implementation of the Program will not be possible, resulting in many low-income Marylanders needing to navigate complex eviction cases on their own, without legal representation.

Stakes are high for vulnerable Marylanders facing eviction and the ACE Program is proving to be game-changing and transformative. The Maryland General Assembly was a leader in establishing a state-wide right to access to counsel in eviction proceedings. It must now act to provide a steady and permanent amount of base level funding to ensure continued implementation of the ACE law.

For the reasons stated, the Maryland Access to Justice Commission requests the House Appropriations Committee to issue a FAVORABLE report on SB154. For more information, please contact Reena K. Shah, Executive Director of the Maryland Access to Justice Commission and Chair of the Access to Counsel in Evictions Task Force, at reena@msba.org.