

Department of Legislative Services
 Maryland General Assembly
 2019 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 658 (Senator Washington)
 Judicial Proceedings

Maryland Legal Services Corporation - End-of-Life Legal Services Pilot Program

This bill requires the Maryland Legal Services Corporation (MLSC), in consultation with Civil Justice, Inc., to establish the End-of-Life Legal Services Pilot Program to provide assistance to low- and moderate-income seniors with the preparation of legal documents, civil proceedings, and other matters. Beginning December 1, 2020, and annually thereafter, MLSC must report to the Governor and the General Assembly on the effectiveness of the pilot program, including the number of eligible clients who were served and the types of legal services provided to them. Each year from fiscal 2021 through 2023, the Governor must include a \$150,000 appropriation for the pilot program in the annual budget. **The bill takes effect July 1, 2019, and terminates June 30, 2023.**

Fiscal Summary

State Effect: General fund expenditures increase by \$150,000 annually over a four-year period, beginning in FY 2020, for the pilot program. Future years reflect the mandated appropriation and termination of the pilot program. **This bill establishes a mandated appropriation for FY 2021 through 2023.**

(in dollars)	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	150,000	150,000	150,000	150,000	0
Net Effect	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)	\$0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary:

Eligibility

Generally, the provision of services under the pilot program must be in accordance with the Maryland Legal Services Corporation Title of the Human Services Article. However, notwithstanding the maximum income levels for client eligibility, a client is eligible to participate in the pilot program if the client (1) is age 60 or older and (2) has a family income at or below 400% of federal poverty guidelines.

Pilot Program Requirements

The pilot program must (1) establish an intake method, which may include a referral hotline, to screen clients by eligibility and by legal need; (2) establish an outreach method for matching eligible clients to a grantee nonprofit organization as specified; and (3) provide for the services of at least one full-time attorney to represent eligible clients, particularly in rural communities, when no other attorneys are readily available. MLSC must publicize the pilot program, including in rural communities.

Services Provided

The pilot program must provide eligible clients with legal services concerning – primarily – wills, powers of attorney, living wills, advance health care directives, fraud prevention, and financial literacy education.

Use of Funds

MLSC may also seek funds from any other source to aid in the administration of the pilot program. Funding may be used for the administrative expenses of the pilot program, including paying for a hotline and travel to rural areas.

Current Law/Background: MLSC was established by the General Assembly in 1982 to raise funds and make grants to nonprofit organizations for the provision of civil legal assistance to low-income persons in Maryland. MLSC is governed by a nine-person board of directors appointed by the Governor and confirmed by the Senate. The Maryland Legal Services Corporation Board hires the executive director, who serves *ex officio* on the board and manages the organization. In fiscal 2018, MLSC made \$17.9 million in grants to 35 nonprofit grantees serving low-income individuals in the State. Grantees closed 202,525 cases in fiscal 2018, benefiting 339,729 individuals.

One of MLSC's principal funding sources is the Interest on Lawyer Trust Account (IOLTA) program, also established by State legislation in 1982. Other major funding is from surcharges on court filing fees, which the State legislated in 1998 and increased in 2004 and 2010.

State Expenditures: General fund expenditures increase by \$150,000 in fiscal 2020, which accounts for the bill's July 1, 2019 effective date and funds the pilot program at the same level as the mandated appropriation. Even though funding is discretionary in the first year, this analysis assumes the pilot program must be operational throughout the year in order for MLSC to provide the first required report on December 1, 2020. From fiscal 2021 through 2023, \$150,000 is mandated. No funding is assumed beyond that date as the pilot program terminates at the end of fiscal 2023.

MLSC advises that it does not have the expertise or capacity to establish and fulfill the requirements of the pilot program. As such, MLSC advises that it will seek a nonprofit organization to establish and operate the pilot program as specified. If MLSC must establish and operate the pilot program itself, expenditures likely exceed the mandated appropriation to hire at least one full-time attorney and additional administrative staff, provide travel and other operating expenses, and conduct the required advertising campaign. This analysis assumes the \$150,000 in funding each year is used to award a grant to a nonprofit organization to operate the pilot program.

Additional Comments: The Department of Legislative Services notes that MLSC's budget is controlled by the Judiciary, as MLSC's funding is derived from IOLTA and surcharges on court filing fees, and that the Governor is generally prohibited from mandating the expenditures of another branch of government.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Legal Services Corporation; Maryland Department of Aging; Judiciary (Administrative Office of the Courts); Department of Budget and Management; Department of Legislative Services

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