

## **Senate Bill 413**

### **Maryland Legal Services Corporation Funding – Abandoned Property Senate Judicial Proceedings Committee SUPPORT**

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**Reena K. Shah**  
Executive Director

The Maryland Access to Justice Commission (A2JC) is an independent entity supported by the Maryland State Bar Association (MSBA) that unites leaders to drive reforms and innovations to make the civil justice system accessible, fair and equitable for all Marylanders. Prominent leaders from different segments of the legal community in Maryland – including the deans of the two law schools, the attorney general, law firm partners, heads of the legal services providers and funders, corporate counsel, academics, legislators, the state bar and judiciary comprise the A2JC. During the course of the COVID-19 pandemic, A2JC served as the lead partner in the Maryland Attorney General's COVID-19 Access to Justice Task Force, with its executive director serving as the A2J Task Force's vice chair.

SB413 is supported by the recommendations of the Attorney General's Task Force Report entitled, [Confronting the COVID-19 Access to Justice Crisis](#).

The mission of the Task Force is to ensure that as Marylanders struggle to survive and overcome the pandemic, they are housed, fed, safe, secure and connected to justice. We highlighted that pandemic-related hardships have created heightened levels of conflict and difficulties related to health, food, employment, housing, debt, estate planning, and family issues that only the civil justice system can resolve. The result is a crisis in access to justice of unprecedented scale and magnitude. The impact of this crisis, as with that of the pandemic itself, has also fallen disproportionately on Maryland's Black and Latinx communities and other vulnerable groups, including persons with disabilities.

Yet crisis-level barriers to civil justice for low-income Marylanders are not new. Because the State does not provide a right to counsel in civil legal cases, all Marylanders who cannot afford a lawyer must either go without one or seek assistance from civil legal aid organizations, some of which are funded by MLSC and others of which must rely on other funding sources. Long before the pandemic, these organizations fell far short of having the funding and resources necessary to meet the demand. The civil legal aid community was serving only 20% of Marylanders who needed help.

Civil justice is a right, not a privilege. It helps preserve the rule of law and ensure

fairness and equity for all. A robust civil legal justice system capable of meeting the needs of all Marylanders is essential for maintaining public health and economic vitality. In the wake of COVID-19's devastation, it is also critical to our recovery.

Yet, we are constantly confronted with a chronic, structural funding deficit in the civil legal aid community's capacity to meet demand. Historically, the primary source of MLSC's funding has been the IOLTA program, or "Interest on Lawyers Trust Accounts." As this pandemic has made painfully clear, however, this funding stream is not only variable, but it is also inversely proportional to the fluctuating levels of need for civil legal aid. IOLTA funding decreases sharply in times of economic crisis when interest rates plummet, and yet it is exactly during these economic crises when we see spikes in civil legal aid demand. During the pandemic, the second source for MLSC funding - filing fees - also sharply declined due to changes in court operations.

However, the one steady source of revenue that did not fluctuate or decline was the amount provided to MLSC through the Abandoned Property Fund. We need to bolster this stream of funding to inoculate MLSC from the unpredictability tied to its other funding streams.

Comparatively, other states, recognizing the vital role of legal aid in the civil justice system, have ensured a dedicated, line-item, budget appropriation to support their civil legal aid organizations. Such line-item appropriations provide a critical bulwark against the inherent fluctuations of other funding sources, like IOLTA and court filing fees.

Increasing the Abandoned Property Fund contribution from \$2M to \$8M will provide necessary public investment needed for a healthier and more stable civil justice system in Maryland. As such, the Maryland Access to Justice Commission requests the Senate Judicial Proceedings Committee to deliver a FAVORABLE report to SB413. Please contact Reena Shah - [reena@msba.org](mailto:reena@msba.org) - with any questions.