



TESTIMONY IN SUPPORT OF SB 413

Maryland Legal Services Corporation Fund – Abandoned Property

Senate Budget and Taxation Committee

February 2, 2021

Submitted by Stacey Jefferson and Julia Gross, Co-Chairs

Member Agencies:

Advocates for Children and Youth
Baltimore Jewish Council
Behavioral Health System Baltimore
CASH Campaign of Maryland
Catholic Charities
Episcopal Diocese of Maryland
Family League of Baltimore
Fuel Fund of Maryland
Health Care for the Homeless
Homeless Persons
Representation Project
Job Opportunities Task Force
League of Women Voters of Maryland
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Maryland Catholic Conference
Maryland Center on Economic Policy
Maryland Community Action
Partnership
Maryland Family Network
Maryland Hunger Solutions
Paul's Place
Public Justice Center
St. Vincent de Paul of Baltimore
Welfare Advocates

Marylanders Against Poverty

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Marylanders Against Poverty (MAP) strongly supports SB 413, which increases – from \$2,000,000 to \$8,000,000 – the amount that the State Comptroller is required to distribute to the Maryland Legal Services Corporation Fund from certain abandoned property funds. Funds deposited in the Maryland Legal Services Corporation (MLSC) Fund supports civil legal services to clients with low-incomes.

MLSC grantees provide essential civil legal services to low-income

Marylanders. MLSC currently funds 36 nonprofit civil legal organizations across the state who assist clients with access to benefits, eviction assistance, foreclosure, bankruptcy, child custody, immigration, civil rights, and more. It is the clients who would be most at-risk in court that benefit from the services supplied by MLSC grantees, and unfortunately the need is far greater than the resources to assist. In FY 2019 alone, MLSC grants resulted in more than 283,352 individuals receiving needed legal assistance. MLSC funds are a critical part of maintaining Maryland's civil legal services safety-net for those struggling to make ends meet.

Without increasing the amount of money the MLSC fund receives from abandoned property funds, the legal needs of Maryland's most vulnerable will not be met. Two of MLSC's major funding sources – the Interest on Lawyer Trust Accounts (IOLTA) program and court filing fee surcharges – were significantly reduced by the COVID-19 pandemic due to near zero interest rates and a dramatic decrease in the number of court filings. Due to this, MLSC currently projects fiscal year 2022 revenue to come in at least \$6 million lower than pre-pandemic levels. At the same time, demand for civil legal services has skyrocketed during the pandemic. Without additional revenue from places like abandoned property funds, MLSC would have to provide fewer grants – or smaller grants – to the nonprofits they support, which reduces the number of low-income individuals and families who can access needed legal assistance.

It is imperative to create and maintain sustained MLSC funding. Without changes, the loss of revenue for MLSC would be a devastating blow to the ability of low-income constituents to seek legal advice and assistance when their basic needs are at stake. MLSC funding helps Marylanders living in or near poverty navigate the vagaries of the legal system with efficient and effective legal assistance, ultimately creating more justice in our legal systems.

For these reasons, MAP strongly urges a FAVORABLE report on SB 413 and appreciates your consideration.

Marylanders Against Poverty (MAP) is a coalition of service providers, faith communities, and advocacy organizations advancing statewide public policies and programs necessary to alleviate the burdens faced by Marylanders living in or near poverty, and to address the underlying systemic causes of poverty.