

Access to Counsel Program Needs Sustainable Funding to Be Effective for Maryland Families

Position Statement Supporting Senate Bill 279

Given before the Judicial Proceedings Committee

Maryland took a major positive step last year when the General Assembly passed legislation guaranteeing access to counsel in eviction cases. However, programs that don't have secure funding cannot live up to their goals. **The Maryland Center on Economic Policy supports Senate Bill 279 as part of a larger plan to fully fund implementation of the Access to Counsel in Evictions legislation.**

SB 279 would require that any monetary recovery from certain Consumer Protection Act litigation brought by the Attorney General be deposited into the Access to Counsel in Evictions Special Fund. SB 279 is not sufficient by itself to provide a consistent source of funding for implementation of the Access to Counsel in Evictions legislation, but it would be an important part of a comprehensive plan.

Passed in 2021, the Access to Counsel in Evictions legislation mandates that all limited-income tenants in eviction cases “*shall have access to legal representation as provided under this subtitle.*” Governor Hogan and the General Assembly should allocate \$11.8M to fund Access to Counsel implementation in FY 23. With 105,000 Maryland households behind in rent and facing eviction in the wake of Covid-19, 74% of whom are persons of color and 51% being families with children, we cannot afford to waitⁱ

An allocation of \$11.8 million in FY 23 would help 9,762 Maryland families avoid disruptive displacement in eviction actions. The Access to Counsel in Evictions Task Force issued a report laying out a framework for equitable, effective implementation.ⁱⁱ The Task Force called on the State to allocate \$11.8 million in FY 23, with full implementation by 2025. The General Assembly's Spending Affordability Committee recommended \$14 million for FY 23 for implementation.ⁱⁱⁱ Relying on court data and analysis from Stout Risius Ross, the Maryland Legal Services Corp. (MLSC) estimates that there are 29,683 limited-income residents who have an unmet need for legal representation in eviction cases. MLSC estimates that with an additional allocation of \$11.8 million for FY 23, the State can meet approximately 1/3 of that need.

The \$5.4 million proposed by Governor Hogan for counsel in eviction cases is insufficient because Maryland residents are slated to lose approximately \$4.4 million in one-time, mostly federal funding for eviction representation that is running out. The State and local jurisdictions have used mostly federal money to expand access to counsel in the last two budget years. This funding will mostly be spent by the time the current budget year ends in June and tenants will lose current levels of representation if access to counsel is not fully funded.

Legal services are unable to meet current demand. Legal services providers such as Community Legal Services of Prince George’s County and Public Justice Center report that in the last 6 months of 2021, they have only been able to provide representation to approximately one-third of renter clients due to limited capacity. Similarly, for same-day in-court services, Pro Bono Resource Center of Maryland estimates that – due to limited capacity - it has reached less than one-third of renters who need legal representation in Baltimore County.

Representation balances the scales and saves the state money. Over 90% of landlords are represented by an attorney or specialized agent while over 90% of tenants are not. Counsel is 92% effective in preventing disruptive displacement in evictions according to a study of one jurisdiction in Maryland.^{iv} By implementing Access to Counsel, the state can help level the scales and save an estimated \$62 million in reduced emergency room, shelter, and foster care costs. It is much less expensive to keep people housed than provide services when they are homeless.

For these reasons, the Maryland Center on Economic Policy respectfully requests that the Judicial Proceedings Committee give a favorable report to Senate Bill 279.

Equity Impact Analysis: Senate Bill 279

Bill summary

SB 279 would require that any monetary recovery from certain Consumer Protection Act litigation brought by the Attorney General be deposited into the Access to Counsel in Evictions Special Fund.

Background

Passed in 2021, the Access to Counsel in Evictions legislation mandates that all limited-income tenants in eviction cases “shall have access to legal representation as provided under this subtitle.” An allocation of \$11.8 million in the fiscal year 2023 budget would help 9,762 Maryland families avoid disruptive displacement in eviction actions. The Access to Counsel in Evictions Task Force issued a report laying out a framework for equitable, effective implementation.^v The Task Force called on the State to allocate \$11.8 million in the next budget, with full implementation by 2025. The General Assembly’s Spending Affordability Committee recommended \$14 million for FY 23 for implementation.^{vi} Relying on court data and analysis from Stout Risius Ross, the MD Legal Services Corp. (MLSC) estimates that there are 29,683 limited-income residents who have an unmet need for legal representation in eviction cases. MLSC estimates that with an additional allocation of \$11.8 million for next budget year, the state can meet approximately 1/3 of that need.

Equity Implications

With 105,000 Maryland households behind in rent and facing eviction in the wake of Covid-19, 74% of whom are persons of color and 51% being families with children, we cannot afford to wait. Over 90% of landlords are represented by an attorney or specialized agent while over 90% of tenants are not. Counsel is 92% effective in preventing disruptive displacement in evictions according to a study of one jurisdiction in Maryland. By implementing Access to Counsel, the State can help level the scales and save an estimated \$62 million in reduced emergency room, shelter, and foster care costs. It is much less expensive to keep people housed than provide services when they are homeless.

Impact

Senate Bill 279 would likely **improve racial and economic equity** in Maryland.

ⁱ National Equity Atlas (2022). *Rent Debt in America* <https://nationalequityatlas.org/rent-debt>

ⁱⁱ Maryland Attorney General Office (2022) *Report of the Access to Counsel in Evictions Task Force* https://www.marylandattorneygeneral.gov/A2C_Docs/ATC_Task_Force_Report.pdf

ⁱⁱⁱ Spending Affordability Committee (2021) <https://mgaleg.maryland.gov/Pubs/BudgetFiscal/Spending-Affordability-Committee-2021-Interim-Report.pdf>

^{iv} The Public Justice Center (2020) *The Economic Impact of an Eviction Right to Counsel in Baltimore City* <https://bmorerentersunited.org/rte/stoutreport/>

^v Maryland Attorney General Office (2022) *Report of the Access to Counsel in Evictions Task Force* https://www.marylandattorneygeneral.gov/A2C_Docs/ATC_Task_Force_Report.pdf

^{vi} Spending Affordability Committee (2021) <https://mgaleg.maryland.gov/Pubs/BudgetFiscal/Spending-Affordability-Committee-2021-Interim-Report.pdf>