

SUPPORT

House Bill 1226 – Economic Development – Nonprofit Sustainability Fund – Establishment

Testimony of
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Thursday, March 9, 2023
House Appropriations Committee

Good afternoon, Chair and Members of the Committee; the Homeless Persons Representation Project, Inc. (HPRP) supports establishing the Nonprofit Sustainability Fund in the Department of Commerce to provide continuing funding for much-needed services throughout Maryland.

HPRP is a nonprofit legal services organization providing free legal representation to people who are housing insecure on legal issues that will lead to an end to homelessness. HPRP advocates assist families and individuals in approximately 15 community-based legal clinics in shelters, soup kitchens, US Department of Veterans Affairs Medical Centers, and other locations. We handle more than 1,000 cases yearly to help persons obtain stable housing and critical public benefits like food stamps, veterans' benefits, health care, and more. While many legal services organizations focus on providing brief advice to large numbers of clients, HPRP works alongside clients throughout their cases, which can last days, months, or even years.

Civil Legal Services Removes Economic and Social Barriers

Effective service delivery should include provisions that address past harms, disparate impact, and economic barriers. The advocacy and services offered by legal services organizations address past injustice and can move Maryland toward the economic and social equity so often championed by Maryland's policymakers. Yet organizations such as HPRP must have the resources to strengthen our organizational health to have maximum impact on the communities we serve. Additionally, we must have the financial stability to sustain our initiatives and programs. For example, the recent legal reforms, such as cannabis legalization and Access to Counsel in Evictions, pose new opportunities for civil legal service organizations to assist individuals and families in gaining greater economic and housing stability. But nonprofits require a lasting financial investment to carry out these initiatives effectively.

The Challenges of Uncertain Funding for Nonprofit Legal Services Organizations

The number of individuals that need assistance and qualify for legal services has grown substantially in the last several years. A recent study by the Legal Services Corporation found that most low-income households in the United States faced one or more civil legal issues in 2021. The report found that an estimated 74% of low-income families experienced at least one civil legal problem in the past year – with many households dealing with multiple problems. Legal issues concerning housing, employment, income maintenance, and family safety are just a few.¹ This increased need has heightened the need for well-resourced, well-trained, dedicated legal advocates. Yet, lack of resources and uncertain funding has been an ongoing barrier to assisting those seeking services.

Many service organizations lack the resources to recruit and retain service providers and legal advocates. Competitive compensation is critical to the sustained health of the legal organizations tasked with providing legal services. Qualified applicants seek positions that afford competitive compensation, professional development, and meaningful work. Persistent open positions are a detriment to morale, increase the work burden for remaining staff, disadvantage clients, and undercut our mission. Legal service organizations such as HPRP must have guaranteed resources to strengthen our organizational health. Without this investment, our impact on the communities we serve will be limited. This includes offering equitable compensation to our employees, bolstering operations with excellent administrative support, and securing financial stability for our programs and services.

The Financial Security of Nonprofits Organizations is an Imperative of Justice

Access to services is not charity but an essential investment in human rights and dignity. Moreover, investment in civil legal services stimulates significant economic benefits for communities, state and local governments, and individuals. For example, studies in several states illustrate that civil legal aid positively affects the housing market, increases workforce and wage potential, and removes barriers to economic stability. With secure funding from Nonprofit Sustainability Fund, the Homeless Persons Representation Project and its partners can continue to build on the success of our collaboration, ensuring coordinated coverage and a smooth process for those Marylanders in need of assistance.

HPRP strongly urges the Committee to issue a favorable report on HB1226. Please contact Kirsten Gettys Downs (kgettysdowns@hprplaw.org) with questions or for additional information.