

### Lane Senate Committee Testimony 3/5/03

Many problems referred to by Court representatives in their testimony are found in Legal Aid as well:  
Skyrocketing health insurance costs (MMLA: 80% in 5 years, despite benefit cutbacks, co-pay increases)  
Challenges of mushrooming population of non-English-speakers w/ interpreter needs  
Both challenges and opportunities of a more complex technological environment.

But in one major respect we are in a situation different from almost all the agencies you will hear from: one of our strengths has become a vulnerability. We are proud of the fact that we are not solely dependent on the legislature for funding. We leverage about \$14 million in other public and private funds: federal, IOLTA, local governments, United Ways, foundations, private lawyers. The one time that strength becomes a point of vulnerability is when everything goes downhill simultaneously. Federal funding is going down in Minnesota. The Supreme Court's IOLTA program, which depends on bank interest rates, has lost over half its revenue. United Ways' revenues are down. Foundation assets are down. The result of that is the charts you've been given, reflecting the staffing and therefore service losses to Legal Aid and its clients:

Positions already gone **before unallotment** due to higher costs, lower revenues: **19%**

Cumulative losses by '04 when the impact of unallotment is added: **32%**

Cumulative losses by '04 if the proposed 10% additional cut is made: **37%**

Newspapers like to play up regional rivalries and differences: urban vs. rural, cities vs. suburbs. There are no regional difference on this issue. Those cut charts show losses everywhere, from Duluth to Worthington, from Moorhead to Winona. We serve every district in the state.

Many state funding recipients are asking not to be cut. If you're weighing the relative merits of such requests, you might want to ask others for concrete cut charts like these.

The yellow sheet translates the cut charts into who is hurt: battered women, children, disabled persons, people trying to make the welfare-to-work transition, people trying to avoid homelessness and family instability, vulnerable senior citizens. These are people with little or no safety net. They're not going to be able to go somewhere else for legal help. Legal Aid and state funding support the volunteer lawyer programs in the state, which are not cost-free. A state funding cut will reduce the volunteer capacity also. **Over 13,000 more families will be turned away from Legal Aid each year because of these cuts.**

And those are just the direct-harm impacts. There is another whole level of harmful impact:  
The taxpayers -

- Tax-subsidized shelter costs will go up. Legal Aid work saved about \$3.9 million in such costs last year. Fewer clients served equals more homelessness.
- Judicial system costs will go up. Last year Legal Aid settled or screened out of the system over 3,000 cases that would have consumed \$5.1 million in court time and costs.
- Legal Aid services lead to over \$4 million a year in new child support orders, most going to reimburse the taxpayers for public assistance.
- Legal Aid gets over \$5 million worth of disability benefit awards for clients annually. And in addition to getting disabled people off of state-funded benefits, that money has a multiplier effect. It is new money being brought into the MN economy. And it is not going into a savings account. It is being spent in local communities on food, clothing, medical care, personal need,

shelter. Standard economic analysis says that there is about a 2.9 multiplier effect. So that \$5 million has almost a \$15 million impact on the state's economy.

Other users of the court system will be hurt. Any judge will testify that *pro se* litigants are molasses in the gears of justice. That is especially true of the unsophisticated people who are Legal Aid clients. And you can add another multiplier effect in a bad way for the growing number of non-English-speakers Legal Aid will turn away, to navigate the courts alone.

The schools will be hurt. Any school superintendent will tell you that if they can keep a child in school, they can almost always educate the child successfully. But unstable families moving around, sometimes more than once during a single school year, because of housing problems present an enormous challenge to the schools.

The next generation of taxpayers will be hurt. They'll be paying for the domestic violence shelters, the homeless shelters, the juvenile justice systems and the prison beds occupied by the children of today whose families couldn't get the help they needed from Legal Aid.

- The next generation of both perpetrators and victims of domestic violence are children in abusive families. A just-completed national analysis of DOJ statistics regarding the reduction of domestic violence in the 1990s found that

**“The availability of legal services in the county of residence has a significant, negative impact on the likelihood that an individual woman is battered. . . . Because legal services help women with practical matters such as protective orders, custody and child support, they appear to actually present women with real, long-term alternatives”.**

- Children from unstable families are more likely to fail in school. Failure in school translates pretty directly into failure in life. The juvenile justice and adult prison systems are occupied primarily by school failures.

This committee has posed to agencies the question of whether the private sector can carry out a function cheaper and better than the state. Regarding Legal Aid the short answer is no. In addition to having lawyers with experience in many of the specialized areas of the law like public housing, medical assistance and other problems which affect primarily the poor, Legal Aid is an incredible bargain for the taxpayers. The white sheet in your materials is a chart of salaries comparing Legal Aid to public lawyers. We lose. Legal Aid starts at 77% of judicial law clerks, 67% of public defenders and it goes down from there. We don't even bother any more to compare to the private sector; because it's too depressing.

One final thought. I talked about the losses in other areas of our funding, losses which aren't going to be reversed in the next couple of years. Those are a done deal. Any loss in state funding now will come on top of those losses. Legal Aid was low-paid and administratively lean before the latest cuts. The reductions in service are coming out of critical legal needs like safety, food, shelter, medical care. Any cut in the state appropriation will come after we've already reduced services drastically. So the clients who will be turned away because of those cuts are in that much greater need.