

CRAIN'S Cleveland Business

Originally Published: April 02, 2017 12:01 AM Modified: April 02, 2017 5:33 PM

Cutting legal aid is major concern in NEO

By **Jeremy Nobile**

Eliminating the **Legal Services Corp.**, one of 19 agencies slated for federal defunding in President Donald Trump's 2018 budget proposal, would cut budgets for Northeast Ohio's legal aid groups by about 30% each.

But the financial impact would be even greater than the direct federal funding lost because those dollars are used to attract additional money.

That loss of federal funding could be devastating to these nonprofit groups, who exclusively serve low-income individuals who can't otherwise afford legal representation when they're evicted from their homes, sued by payday lenders or trying to divorce an abusive spouse, among other cases legal aid groups often help with.

"Primarily, this would affect our ability to carry out our mission," said Steven McGarrity, executive director of **Community Legal Aid**, which serves eight counties in central Northeast Ohio, including Portage, Summit and Trumbull. "Everybody deserves justice. But there is no right to counsel in civil law cases. So we are the only way low-income people have access to the court system in many cases."

The LSC, which appropriates funding to legal aid groups across the country, requested \$502 million for the 2017 fiscal year and received \$385 million in appropriations for the prior fiscal year.

Besides donations from a variety of sources, those dollars provide a significant portion of local legal aid group budgets.

Community Legal Aid handled 5,800 cases last year, closing about 5,100 of those, which impacted about 12,300 people. Those resolved cases featured a monetary outcome — an economic benefit metric representing money saved or awarded to clients — of more than \$16.2 million.

Their current budget is \$5.4 million, of which the LSC provided \$1.78 million, or 33% of that.

"So that's one-third of our funding stream, but it's more than that because we use that to leverage other funding sources," McGarrity said.

He referenced specific legal projects that could carry high costs. The local group often matches dollars provided by another supporting group or donor, meaning \$50,000 in LSC funding could effectively double alongside a donor's financial commitment.

"So there's a multiplier effect here," he said. "I think we would be looking at a reduction in our overall budget closer to 40%-45% of funding when you take into account that leveraging effect."

The **Legal Aid Society of Cleveland**, which serves five counties in and around Greater Cleveland, handled 7,400 cases last year, closing more than 6,100 of those and impacting 17,700 people. Its current budget is just over \$7 million, with a little more than \$2 million of that provided by the LSC, or about 28% of the budget.

"Every day I'm trying to figure out more efficient ways to work. But if we have less, we have to do less," said Colleen Cotter, executive director of Cleveland's legal aid group. "And that means, in the end, the low-wage workers trying to provide for their families who are taken advantage of by shady landlords or payday lenders ... they have rights, but won't be able to enforce those rights because they don't have the law by their side."

Legal aid budgets have fluctuated for years, but this is easily one of the larger budget cuts these local nonprofits have been potentially faced with.

Like McGarrity, Cotter also fears the compounding effect of losing federal fiscal support.

"We're able to attract funding from a variety of sources because they see we are a stable organization with excellent attorneys and engaged volunteers who do impactful work in our client communities,"

Cotter said. "Having that sort of reliable federal funding to help service the foundation is critical to us being able to raise these other dollars."

Cotter said her budget is larger today than when she became executive director 12 years ago, but it's been falling in recent years. The budget was about \$10 million in 2008. As the recession sank in, though, and the Fed dropped interest rates to nearly zero, that stymied the flow and buildup of money from lawyer trust accounts — another funding source for legal aid groups. In one year, that slashed Cleveland legal aid's funding by about \$3 million.

The issue: Budgets are already far and away short of what they need to be to serve people who need it, the group's leaders say.

"Even with our current budget, we do not have enough resources to meet the need," Cotter said. "We already turn away more than half of the people who need help because we don't have the resources. There is no money to spare in terms of the need."

Cotter referenced studies that show that preventing homelessness is cheaper than supporting people who are homeless. Helping victims of domestic violence to separate from a spouse is cheaper than emergency room visits stemming from assault.

"If we lose this funding, we'll have to turn other people away," she said, "and that puts pressure on other parts of our system."

According to the LSC itself, an estimated nearly one million people are **turned away** from legal aid nonprofits throughout the country annually, or about 50% of everyone who sought legal assistance. That means for every person served, another is denied.

Numerous groups across the country — from the **American Bar Association** to groups of corporations, law firms and law school deans — have sent letters imploring Congress to continue supporting the LSC because of how it supports local communities and the overall access to justice.

Joseph Morford, managing partner at Cleveland-based Tucker Ellis LLP, is one of some 150 signatories to a **letter** sent directly to the nation's budget director, John Mulvaney, by U.S. law firms. "Eliminating the Legal Services Corporation will not only imperil the ability of civil legal aid organizations to serve Americans in need, it will also vastly diminish the private bar's capacity to help these individuals," the letter reads. "The pro bono activity facilitated by LSC funding is exactly the kind of public-private partnership the government should encourage, not eliminate."

Other similar letters have been signed by Cleveland **law school deans, judges** and **corporate counsel** for local businesses.

"Society overall only works if everyone feels like the law applies equally and fairly and all have access to justice," Morford said. "This defunding of LSC impacts people having such access, and if we don't do something, they will feel even more disenfranchised than they may already feel today — to the benefit of no one."

There's still plenty of time to tweak the budget as Trump's budget is merely a proposal designed to show where the president's priorities lie.

A silver lining to opponents of the cuts is a sentiment by LSC president Jim Sandman that Congress won't go through with eliminating the agency.

"We represent a fundamental American value — equal justice," Sandman **told Bloomberg Law** in mid-March. "That's a value as old as the republic itself. Congress understands that."

Use of editorial content without permission is strictly prohibited. All rights Reserved 2017

www.craainscleveland.com