

## Massachusetts Legal Assistance Corporation

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### **Senate Ways & Means Committee Recommends \$12 Million for Civil Legal Aid in Fiscal Year 2014, \$1 million Less than House Recommendation**

BOSTON (May 15, 2013) – The Senate Ways and Means Committee today announced its fiscal year 2014 budget recommendation, which includes funding of \$12 million for the Massachusetts Legal Assistance Corporation (MLAC) to provide civil legal assistance to low-income residents. This amount is \$1 million less than the House recommended in April.

MLAC has requested \$15.5 million in state appropriations for FY14, a \$3.5 million increase over its current funding level. The increase is needed to make up for some of the losses sustained in recent years from MLAC's other principal source of funding, the Interest on Lawyers Trust Accounts (IOLTA) program.

Senator Katherine Clark (D-Melrose) will file an amendment to increase the Senate's final recommendation to \$15.5 million. The full Senate will vote on amendments and issue their final budget next week.

"Civil legal aid services are critical to ensuring that low-income families have the representation they need to protect their rights," said Senator Clark. "I am pleased to offer this amendment in support of the effective and efficient work that legal aid attorneys provide and the return on investment they generate with taxpayer dollars."

"The Senate Ways & Means Committee's recommendation does not go far enough to stabilize the critical services that our programs offer to low-income people facing foreclosures, job loss and many other issues," said Lonnie Powers, MLAC's executive director. "We commend Senator Clark for recognizing the importance of civil legal aid to Massachusetts, and we are grateful for her amendment to increase our appropriation."

Increased legal aid funding from the Commonwealth is more critical than ever. MLAC's share of IOLTA revenue has declined 78 percent since over the past five years due in large part to plummeting interest rates in the wake of the 2008 financial crisis. As a result, MLAC-funded programs were forced to lay off 35 percent of their attorneys. These positions remain unfilled while the number of Massachusetts residents eligible for legal aid continues to grow.

Despite the vulnerability of MLAC's funding sources, Massachusetts has continued to enjoy enormous returns on its investment in civil legal aid. An MLAC report released earlier this year found that legal aid programs generated an estimated \$48 million—four times greater than MLAC's \$12 million appropriation—in new federal revenue and cost savings for the

Commonwealth in FY12. These benefits have declined from a peak of \$78 million in FY10, due in part to MLAC's reduced revenue. If adopted, Sen. Clark's amendment will help MLAC-funded programs to reverse this decline, bringing additional federal dollars and cost savings to Massachusetts.

#### **ABOUT MLAC**

The Massachusetts Legal Assistance Corporation (MLAC) was established by the legislature in 1983 to ensure that low-income people with critical, non-criminal legal problems would have access to legal information, advice and representation. MLAC is the largest source of funding for civil legal aid in the Commonwealth. For more information, visit [www.mlac.org](http://www.mlac.org).

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