

Legal services budget slashed

By Kelsey Abbruzzese/Daily News correspondent

The MetroWest Daily News

Posted Nov 13, 2008 @ 10:00 AM

The agency that provides legal services to low-income MetroWest residents could lose 19 percent of its funding.

South Middlesex Legal Services will take a \$260,000 hit in funds to its \$1.7 million budget after falling revenues forced the Massachusetts Legal Assistance Corp. to slash support grants by 40 percent - or \$13.5 million - to legal service agencies around the state.

"It's a daunting outlook," said Betsy Soule, executive director of South Middlesex Legal Services, which provides help each year to 2,200 low-income and elderly people facing civil legal actions. "The real question is what happens next year?"

Lonnie Powers, executive director of Massachusetts Legal Assistance Corp., said the cuts could have been worse. The corporation spent the entirety of its \$3.5 million in reserves to lessen the impact.

Powers said the current economic turmoil has raised demands for aid services. Last year, he said, the corporation served 105,000 Massachusetts residents in housing, domestic violence and unemployment cases. With these cuts, some 20,000 of those people will not be able to receive services, he said.

"Before these cuts, we were serving only about half the people that came to us for help," Powers said.

But even after the use of reserves, various legal aid offices are facing cuts ranging from a 13.5 percent reduction for Greater Boston Legal Services to 29 percent for Neighborhood Legal Services in Lynn and Lawrence.

Since revenues are not expected to recover quickly, many worry what will happen in fiscal 2010, when those reserves are unavailable to the 17 programs that receive general support grants from the corporation.

The cuts were necessary because the corporation's chief source of funding, interest accrued by the Lawyers' Trust account program, will drop by 54 percent this year.

The program requires that lawyers holding clients' funds for a short time deposit those funds into accounts called Interest on Lawyers' Trust accounts. The pooled interest from those accounts is then used to fund legal aid for those who cannot afford a lawyer.

The income from these accounts has dropped with declining interest rates and a drop in the number of real estate transactions. That revenue generates two-thirds of the corporation's budget.

"Right now, it's a perfect storm," said Brianne Miers, spokeswoman for Massachusetts Legal Aid.

The organization also receives state funding, about \$11 million for the current fiscal year. That funding remained untouched during Gov. Deval Patrick's round of budget cuts in October because the program is under the judiciary branch of government. But Miers is worried the money may be trimmed in the next legislative session.

"All we're basically asking for is level funding," Miers said. "We'll see if we even get that."

Soule said since the cuts occurred in the middle of the fiscal year, her organization did not have a chance to prepare. Still, she praised the state's program for using its reserves to cushion the blow.

Soule said she is looking into creative ways to save on administrative costs. She plans to ramp up fundraising by contacting area banks and corporations. She said she does not foresee the need to resort to layoffs in the short term.

"Everybody is just eating, sleeping and breathing budgets, trying to figure out how to save a buck," Soule said.

Rep. Tom Sannicandro, D-Ashland, said he volunteered his legal services with South Middlesex Legal Services before he became a legislator. He applauded what the organization does for the community, and said these cuts come at the worst time for those in need.

"The real problem is that there are going to be a lot of people that won't have access to our legal system now," he said.

Sannicandro agreed that the forecast for 2010 looks grim.

"Potentially," he said, "next year could be disastrous for everyone."