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NEWS RELEASE

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FOR IMMEDIATE RELEASE

May 19, 2010

LEGAL SERVICES ANNOUNCES OPEN REPORT ON HUMAN CONSEQUENCES OF FUNDING CRISIS FOR CIVIL LEGAL SERVICES, FURTHER STAFF REDUCTIONS

EDISON – Legal Services of New Jersey (LSNJ) today releases an Open Report to residents of New Jersey, detailing the deepening funding crisis for civil legal assistance to the poor, and announces sharp new reductions in staff and service capacity.

Melville D. Miller, Jr., LSNJ president, observed: “This report comes as one of our six regional programs – Central Jersey Legal Services, with offices in Middlesex, Union and Mercer counties – announces notices of layoff to 18 more staff, on top of the termination of 12 staff during March and April.”

“These cuts typify past and future staff reductions at each of our seven programs in the state. Statewide staffing has declined from 710 in 2007 to 610 currently, with at least 60 more staff slated for termination during the remainder of 2010. These staff cuts were caused by a reduction in IOLTA (Interest on Lawyers Trust Accounts) funding, formerly Legal Services’ largest funding source, from \$40 million in 2007 to \$8 million currently, an 80% decline.”

“In addition, the Governor has proposed a 33%, \$9.7 million reduction in State funding, now Legal Services’ largest funding source in the wake of the IOLTA decline. For every \$1 million of funding lost, Legal Services must cut at least 10 staff and serve 1,100 fewer clients. If the proposed State cuts are implemented, Legal Services would face the loss of 100 more staff, and would cut 11,000 more clients from its caseload.”

— MORE —

“The Legal Services system represented over 69,000 people in 2009, through its network of seven not-for-profit corporations with offices in all 21 counties. Unfortunately, by the last quarter of 2009, the IOLTA funding cuts led to sharp caseload reductions, with 4,000 fewer new cases opened. We now project that, even without the proposed State funding cut, our calendar 2010 new clients served will be down to 55,000. The proposed State reduction would force us to eliminate services to another 10,000 clients annually.”

“These actual and proposed cuts come at a time when the legal needs of low-income New Jerseyans have sharply increased due to the state and national recession. Particularly dramatic have been the rise in foreclosures, evictions, domestic violence, entitlement program problems, unemployment insurance issues, employment matters generally, and health care access – basic human needs. This rise in demand shows no sign of abating.”

“We are just being overwhelmed – buried really – by new applications and compelling client needs. At peak funding, Legal Services could represent only 1 of every 4 low-income people who needed a lawyer, and could address only 1 in 10 legal problems statewide. We have to turn away 60% of those who seek our help – at least 1 of every 2. With the IOLTA cuts and increased needs, these percentages have become much worse.”

“Legal Services long has limited its representation to cases where client claims have substantial merit. These are not frivolous cases. They involve physical safety and security, shelter, health care, food, education, income to live on – in short, survival.”

“Of necessity, Legal Services has for many years sought to cut costs and maximize efficiency. We have consolidated programs, introduced extensive savings through technology, implemented joint purchasing and service procurement, and curbed insurance and benefit expenditures – all measures now being utilized by government. Every dollar cut now must come directly from staff and services.”

“Attached to this release are eight typical stories of clients helped by Legal Services recently. While every client’s situation is unique, these stories are just like tens of thousands of others in our caseload each year. Sadly, if all of the threatened cuts come to pass, at least three of these eight would not receive representation in the future.”

“In today’s legal world, people without lawyers simply do not have the same chance to secure justice. Their chance is even smaller if they are in poverty, less well-educated, unsure of themselves, disabled, unfamiliar with legal processes, and unable to express themselves effectively. Justice is rationed, and for too many, simply denied.”

Operating in New Jersey through a network of six regional programs and LSNJ, the statewide coordinating office, Legal Services provides essential legal aid—and access to the judicial system to resolve disputes—to people who cannot afford legal counsel for their civil legal problems.

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