



**Testimony of Peter Arakas, President, Connecticut Bar Foundation
Judiciary Committee
In support of Governor's Proposed S.B. 31**

Good afternoon Senator Coleman, Representative Fox and members of the Judiciary Committee.

My name is Peter Arakas and I am the President of the Connecticut Bar Foundation, Inc. I appear before you today to thank you for this Committee's incredibly strong support for civil legal services to the poor, and to ask your continued support for the funding of the State's legal services organizations through the Governor's proposed bill S.B. 31.

The Connecticut Bar Foundation is the non-profit entity designated under Connecticut General Statutes §51-81c to administer public funds dedicated to supporting the State's legal services organizations. For a long time, much of that funding came from interest earned on the trust accounts lawyers held for their clients ("IOLTA"). As you know, however, IOLTA collapsed some years ago. In 2007, IOLTA revenue was approximately \$21 million. This past year, given the decline in real estate activity and the dramatic decline in interest rates, IOLTA income was just over \$2 million, a 90% decline. The downward trend is continuing: in January, the most recent month for which we have complete data, IOLTA revenue was the lowest in the history of the IOLTA program.

The loss of IOLTA revenue has had a profound impact on the Bar Foundation's ability to fund the state's legal services organizations. As a result there has been harm to the organizations' ability to provide legal services to low-income people in need. Make no mistake about it, the impact has been devastating.

The good news, for which we are very grateful, is that in 2009, and again in 2012, this committee and the legislature enacted increases in court filing fees to help alleviate the legal services funding crisis. This support saved legal services for the poor in our state. However, the increase in filing fees enacted in 2012 included a sunset provision which would result in the loss of millions of dollars in legal aid funding next year.

The Governor's proposal, S.B. 31, would solve two problems: it would eliminate the sunset on this vital legal aid funding, which would result in a loss of \$4.5 million in funding; and it would move more of the money to legal aid funding (about \$1.5 million per year). The Judicial Branch, which bears the impact of this move, supports the bill because of the depth of their support for the cause of access to justice.

For any practicing lawyer or litigant, the current level of fees would stay in place (nothing goes up). But the benefit, in terms of enhanced legal services to the poor, would be extremely important, both in avoiding layoffs in legal services, and beginning to address the many thousands of very needy people who cannot yet get help.

If the sunset provision is not repealed this year, the legal service organizations will have to make decisions this year about terminating employees. The result will be an immediate reduction in the amount of legal services available for the poverty population, which reduction would only increase over time. It is estimated that there would be a reduction of at least 35 lawyers, or around 25% of the current total statewide staffing of legal services.

In stark contrast, the additional funding represents as many as 15 new positions that could be filled to provide additional legal support for those whose voices frequently go unheard of in our society.

I cannot begin to impress upon you how critical the need is. There are so many victims of domestic violence who still don't have lawyers. Many people being evicted have valid defenses, but don't have a lawyer. There are elderly people with health care and consumer problems, who don't have a lawyer. Too many children and adults with disabilities, who are trying to access benefits and services, don't have a lawyer. We thank you for your past support, and strongly urge you to support the Governor's proposal, S.B. 31