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Legal aid braces for 'dramatic' hit as IOLTA revenues dry up

By Peter Vieth
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Virginia legal aid offices are bracing for "dramatic" cuts in funding as income from interest on lawyers' trust accounts plunges in Virginia.

Meanwhile, Virginia Chief Justice Leroy Rountree Hassell Sr. is encouraging a plan to boost the involvement of private lawyers in providing legal services to the poor in part to meet the increased need for legal help in the troubled economy.

"I just never imagined it would get this bad," said Mark D. Braley, director of the Legal Services Corporation of Virginia, which provides funding for local legal aid offices around the state. The organization distributes money from interest on lawyers' trust accounts, but Braley says the flow of funds has diminished because of "basically non-existent" interest rates of the past several months. On top of that reduction, Braley said the amount of funds in lawyer trust accounts is decreasing.

Braley said his office has already recorded a \$2 million loss from IOLTA sources and is expecting another \$1 million hit in the fiscal year that starts July 1. IOLTA provided some \$3.8 million for legal services in FY 2007-08. The current year amount is expected to be less than half that amount.

Officials with local offices providing legal services to the poor are waiting to hear when the cuts will hit their budgets. Larry Harley with the Southwest Virginia Legal Aid Society said he doesn't yet know if funding from the central agency will be level in the next fiscal year, but he expects decreases by 2010.

Harley said he also expects reductions from his other funding sources, such as United Way programs throughout Southwest Virginia.

In Norfolk, Ray Hartz with the Legal Aid Society of Eastern Virginia said his office may be forced to cut staff. "From what we're told, [the reduction] is extremely steep. We'll have fewer attorneys, I think."

The LASEV now has 28 attorneys on its staff, helping provide legal access throughout the greater Hampton Roads area.

Hartz expects local funding cuts as well, including reductions in contributions from the cities in his territory. At the same time, he says calls for help have increased.

An increased number of private attorneys providing pro bono services in a more systematic way could take up some of the slack under a plan envisioned by Hassell

"We plan to develop a voluntary program that will encourage every Virginia lawyer to provide pro bono services to the poor," Hassell reported at a recent Judicial Conference meeting. "All Virginians – rich, middle class and poor – should have access to our courts where they can vindicate their liberty interests and their proper rights," Hassell said. "I have asked Virginia's voluntary statewide bar associations, particularly the Virginia Bar Association, to assist with a plan for a comprehensive statewide initiative for Virginia's lawyers and law firms so that we can significantly increase Virginia's provision of legal services to the poor," he said.

At Hassell's behest, VBA president John D. Epps is helping to form a task force under the auspices of the VBA to work with local bars and lawyers around the state to implement mechanisms to encourage pro bono work.

Epps noted many Virginia lawyers currently donate their services for those in need, and he acknowledged effective pro bono programs already in work in some communities. The problem, Epps said, is inconsistency. "There isn't consistency in matching up willing lawyers with clients who need help," he said.

"The chief felt like the Virginia Bar Association could be an ally of his in going around the state, taking his message that the Virginia bar needs to be more consistent in its efforts," Epps said. "There needs to be an increased emphasis because there has been an increased need, just in the last 12 months."

"We hope to get cases to lawyers who want to do pro bono who may not know how to get those cases," Epps said.

Few details about the planned pro bono effort are nailed down. Epps and other members of the VBA still are working to assemble a task force.

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