

Campaign to Preserve Legal Aid in Texas

ISSUE

On Dec. 16, 2008, the Federal Reserve lowered its benchmark interest rate to an all-time low of zero to .25%. This has caused a devastating realization that funding for civil legal aid in Texas, which depends primarily on interest on lawyers' trust accounts (IOLTA) is facing a crisis of epic proportion, unlike seen in over two decades. Conservative estimates for IOLTA funds in 2009 are less than \$1.5 million – down from \$20 million in 2007.

BACKGROUND

The Texas Access to Justice Foundation (TAJF), which has administered the interest on lawyers' trust accounts (IOLTA) for nearly 25 years, faces an unprecedented emergency. IOLTA funds are a primary funding source for civil legal aid to the poor in Texas. Forty Texas nonprofits rely upon IOLTA funding to support civil legal aid in order to assist low-income families meet very basic legal needs involving: shelter, safety and utilities.

IMPACT

With interest rates at zero to .25%, little or no interest will accumulate which means TAJF and the 40 nonprofit programs will be drastically cut or eliminated. Without IOLTA funds, core services of free legal advice and representation to low-income Texans with civil legal problems; such as landlord-tenant issues, foreclosure defense, family law matters, health and employment law, access to public benefits and consumer issues are in serious jeopardy. We will need to find immediate alternate sources of funding to try to keep legal aid providers afloat without IOLTA funds. It is now more important than ever as the economy spirals downward and the number of persons needing legal services increases, to preserve legal aid in Texas.

STATISTICS

- In 2007, more than 107,000 persons received urgent legal help from programs funded by TAJF.
- Texas currently ranks 43rd in overall funding for legal services.
- According the most recent U.S. Census, 3.9 million people live below poverty level in Texas, and more than 5.1 million qualify for legal aid.
- In Texas, it is estimated there is one legal aid lawyer per 11,512 Texans who qualify for legal aid.

