

# VERMONT LEGAL AID, INC.

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## Vermont Legal Aid Funding

SFY 2016 – SFY 2017

Vermont Legal Aid (VLA) is a statewide non-profit law firm with 5 offices and about 65 employees. VLA is supported by a wide variety of grants and contracts ranging from \$2,100 to \$1,400,000. VLA has five different grants or contracts from the State of Vermont, grants from three different federal agencies, 11 smaller grants from other non-profit organizations, and a large grant from a private foundation. Each of these grants or contracts contains specific eligibility requirements and dictates the type of legal services VLA must provide. Some grants are for a single year, others are ongoing or for several years. Money granted for one purpose or to represent a certain group of Vermonters may not be used to provide services to other groups or for other purposes.

### STATE OF VERMONT FUNDING

VLA receives funding from Secretary's Office in the Agency of Human Services, the Department of Mental Health, the Department of Aging and Independent Living, the Department of Vermont Health Access, and the Agency of Administration. The following summary shows the current grant amounts and a brief description of the purpose of the funding.

#### *Secretary's Office in the Agency of Human Services (\$1,323,494)*

This grant requires VLA to accept court appointments for all persons facing commitment or involuntary medication, as well as for people in certain court proceedings in which there is a right to counsel (about 50% of total grant). This grant also provides that, in addition to the above required cases, VLA will represent people below 200% of poverty in general civil cases such as domestic violence, eviction, foreclosure, consumer, social security disability and other government benefit programs.

The proposed SFY 2017 budget includes a proposed cut of \$47,500 in this grant (10% of the general fund dollars). Any reduction in the funding under this grant would need to come from the general legal services to the poor, since VLA is required to accept all of the court appointment cases and cannot reduce staff there.

*Department of Mental Health (\$249,500)*

This grant provides funding to pay for the Independent Psychiatric Examinations required by the commitment and medication statutes, as well for a small part (\$44,500) of the office expenses of the staff handling commitment cases.

*Department of Aging and Independent Living (\$702,779)*

This funding supports the work of the Long-Term Care Ombudsman Project and includes both state general funds, state Medicaid funding and federal ‘pass-through’ funding. Eligibility for services is limited to residents of nursing homes and residential care facilities, and those living in the community under the Choices for Care program.

*Department of Vermont Health Access (\$547,983)*

This grant funds the work of the Medicare Advocacy Program which appeals denials of Medicare coverage for Vermonters with Medicaid coverage. When those appeals are successful, the state is reimbursed for the Medicaid payments it has already made. This project recovers significantly more money each year than the cost of the grant.

*Agency of Administration (\$1,458,122)*

This grant funds the work of the Office of the Health Care advocate and is comprised of a number of different state and federal funding sources. The work includes both helping individual Vermonters solve problems with Vermont Health Connect, other health insurance providers, and other health care related issues; and, representing the public in general before the Green Mountain Care Board, DVHA and the Legislature. The proposed SFY 2017 budget includes a cut of \$160,000 in this grant.

**State of Vermont Funding SFY 2013 –SFY 2017**

Grant	SFY 2013	SFY 2014	SFY 2015	SFY 2016	SFY 2017 <sup>1</sup>
AHS (Secretary’s Office)	\$1,214,153	\$1,323,909	\$1,323,909	\$1,323,494	1,276,078
DMH	\$207,950	\$249,000 <sup>2</sup>	\$249,000	\$249,000	\$249,000
DAIL <sup>3</sup>	\$649,587	\$640,982	\$701,623	\$702,779	\$702,779
DVHA	\$547,983	\$547,983	\$547,983	\$547,983	\$547,983
AoA	\$1,066,737	\$1,397,538	\$1,358,821	\$1,458,122	1,297,406
<b>Total State Funding</b>	<b>\$3,686,410</b>	<b>\$4,159,412</b>	<b>\$4,181,336</b>	<b>\$4,281,378</b>	<b>\$4,073,246</b>

<sup>1</sup> Proposed

<sup>2</sup> \$44,500 added to help defray the cost when tropical storm Irene forced VLA out of state office complex

<sup>3</sup> Grant is on a federal fiscal year

## OTHER FUNDING OF INTEREST

### **Foreclosure Defense Project**

\$60,000 per year for three (3) years from an Attorney General's settlement with Bank of America for unfair and deceptive foreclosure settlement practices.

### **IOLTA**

The Vermont Bar Foundation funds Legal Aid through the Interest on Lawyer Trust Accounts (IOLTA) program. Lawyers are required to maintain client trust accounts and the interest on some of those accounts is paid to the Foundation. This grant funds general civil legal work on behalf of low-income Vermonters. Due to continuing low interest rates, overall IOLTA income declined by more than 25%. Legal Aid will receive IOLTA funding of \$751,450 in SFY 2016, down almost \$150,000 from SFY 2013.

Almost all of Legal Aid's other grants and contracts were level-funded for FY 2016 and are expected to be level-funded again in FY 2017.

VLA's overall budget from all sources is **\$6,737,000** for FY 2016. Due to cuts in state, federal and other support, this budget is about **\$450,000 below** the budget for FY 2015. As a result, in the past year alone, VLA has had to eliminate three (3) attorney and two (2) paralegal positions. In addition, in order to address the large budget shortfall for FY 2016, VLA froze its salary scale and reduced its health benefit package.