

MLSC

MARYLAND LEGAL SERVICES CORPORATION

Annual Report

July 1, 2017 – June 30, 2018



IOLTA

INTEREST ON LAWYER TRUST ACCOUNTS

MLSC

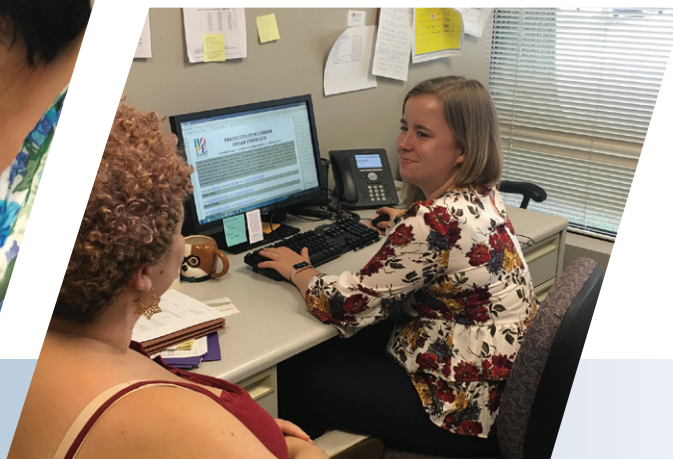
The Mission

of the Maryland Legal Services Corporation is to ensure low-income Marylanders have access to stable, efficient and effective civil legal assistance through the distribution of funds to nonprofit legal services organizations.

MLSC has provided grantees with funds to host paid summer internships for law students for nearly 30 years. MLSC grantees work with the Maryland Public Interest Law Project at the University of Maryland Francis King Carey School of Law and the University of Baltimore Students for Public Interest at the University of Baltimore Law School to recruit and place students, who perform a variety of legal activities over the summer. Not only do the students perform vital work for clients in need, but they learn hands-on the importance of civil legal services. Many interns go on to a career in legal services or incorporate pro bono service into their legal work after graduation.



Left: Justin Cummings, a University of Baltimore law student, interned at Maryland Volunteer Lawyers Service, where he drafted petitions, helped clients prepare deeds and tax credit applications, updated a People's Law Library article and attended community presentations. He is pictured here with Janice Shih, managing attorney of MVLS' Low-Income Taxpayer Clinic.



Right: Margaret Strakna (at computer), a University of Maryland law student, interned with HopeWorks of Howard County's legal department. HopeWorks is a comprehensive domestic violence agency, and Margaret said the experience has had a profound impact on her. This summer, she interviewed clients, drafted motions and proceedings, and prepared for trials. Because of this internship, Margaret plans to pursue a career working with survivors of abuse.

Dear Friends & Colleagues,

An elderly homeowner who fell victim to a scam.

A single mother facing eviction.

An immigrant seeking asylum after fleeing violent persecution in her native country.

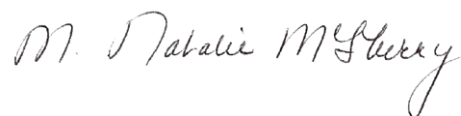
These are just a few examples of Marylanders facing distressing situations. The good news is that Maryland Legal Services Corporation grantees were able to help these and more than 202,000 other clients over the past year, providing life-changing civil legal services. In this annual report, covering the fiscal year ending June 30, 2018, you'll sample the diverse legal services MLSC grantees offer across the entire state and read other life-changing stories.

MLSC is proud to contribute to these successes through stable funding, adding up to more than \$290 million in grants since 1982. Thanks to rising interest rates, MLSC finally saw a significant increase in IOLTA revenue in FY18, up 65% from FY17. Although IOLTA revenue remains at about 60% of pre-recession levels, the increase – along with an increase in MLSC's distribution from the Abandoned Property Fund that went into effect this fiscal year – meant MLSC did not have to spend from reserves to maintain grant levels.

In fact, as a result of this revenue increase, we were able to offer grantees one-time funding for important investments in their programs.

In January 2018, the Board of Directors approved just over \$740,000 for computer upgrades, new phone systems, strategic planning facilitation, and more, helping our grantees make their services more efficient and effective.

We are grateful for our ability to enhance the work of Maryland's legal services providers and for your ongoing support in pursuing access to justice for all Marylanders.



Chair



Susan M. Erlichman

Executive Director

In Fiscal Year 2018

MLSC made **\$17.9 million** in operating, Judicare and special project grants to **35 nonprofits** serving low-income Marylanders

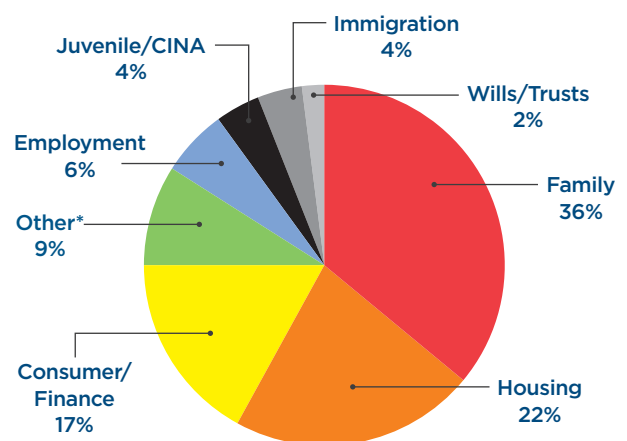
Our grantees closed **202,525** cases (up 14% from FY17), benefiting **339,729** people

Types of Closed Cases

3,907 households received foreclosure prevention services, stabilizing neighborhoods while helping both homeowners and tenants.

9,586 people benefited from criminal record expungement and now have better outlooks for employment, housing, education and more.

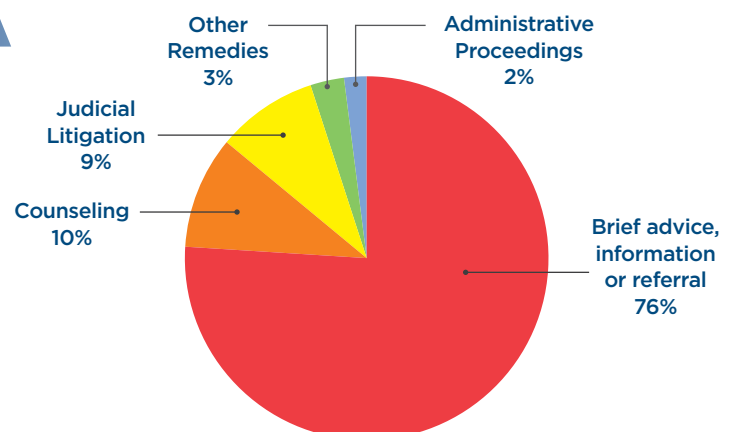
4,114 people benefited from a Judicare attorney thanks to a partnership between MLSC and the Administrative Office of the Courts, helping them navigate complex family law matters.



**Education, health, income maintenance, individual rights & miscellaneous*

Types of Service

Nearly **3,500** private attorneys donated pro bono services, valued at nearly **\$27 million**



**"I was facing a stressful –
and what could have been
a financially straining – child
support case**

when I was referred to the Harford County Bar Foundation. The staff there was very helpful in explaining the process, and they treated me with dignity and respect. The guidance I received from my Judicare attorney was such a blessing. He treated me like a person, not just a case. I am very thankful to the Harford County Bar Foundation and Mr. Gault!"

– Brenda, HCBF Client

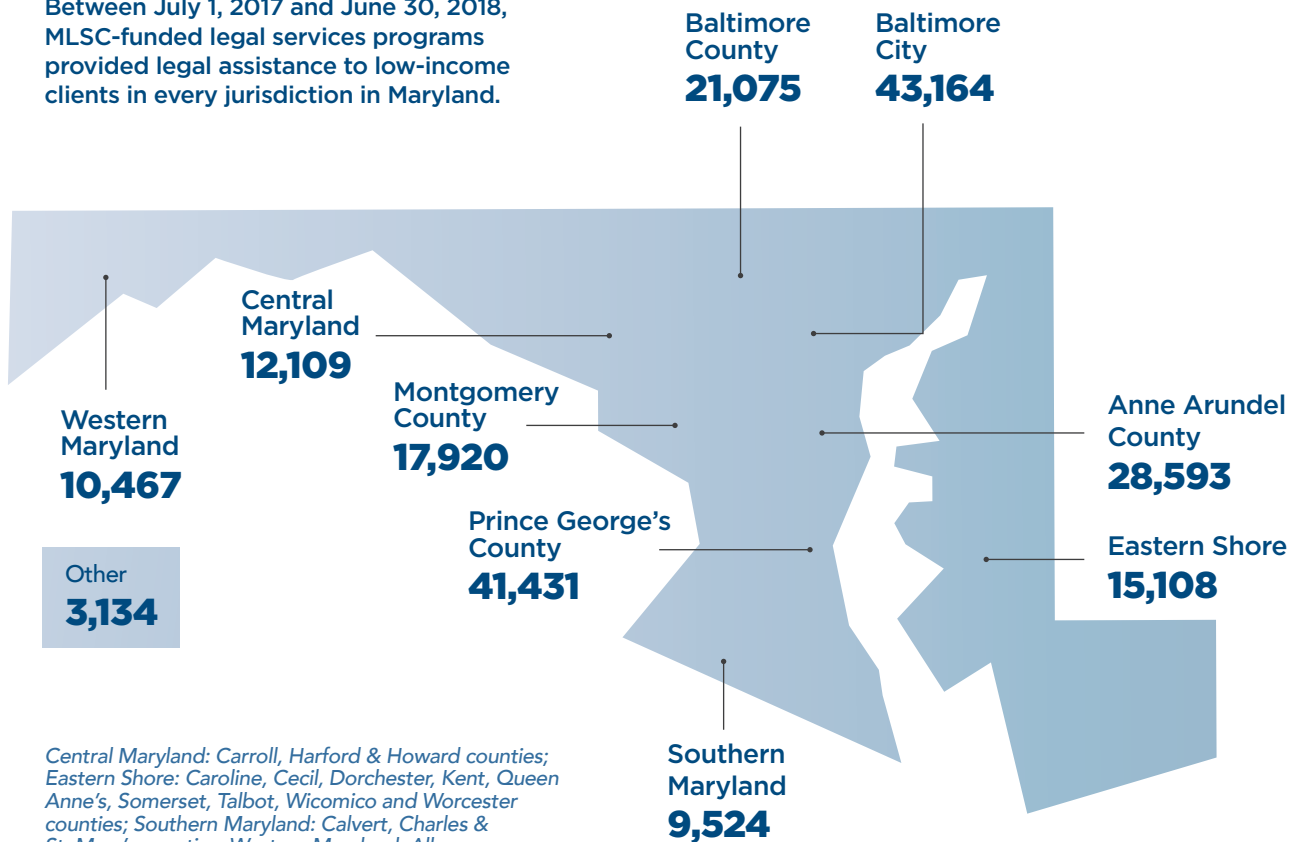


Pictured: Jennifer Vido, HCBF executive director, Brenda, and James Gault, attorney

Cases Closed Statewide

202,525

Between July 1, 2017 and June 30, 2018, MLSC-funded legal services programs provided legal assistance to low-income clients in every jurisdiction in Maryland.



Central Maryland: Carroll, Harford & Howard counties;
Eastern Shore: Caroline, Cecil, Dorchester, Kent, Queen
Anne's, Somerset, Talbot, Wicomico and Worcester
counties; Southern Maryland: Calvert, Charles &
St. Mary's counties; Western Maryland: Allegany,
Frederick, Garrett & Washington counties

MLSC Grantees

In May 2018, MLSC approved for the coming year \$16,769,008 in unconditional operating and one-time grant awards to 37 organizations. Two organizations were awarded a total of \$253,500 as challenge grants. In addition, through a grant from the Administrative Office of the Courts, MLSC approved funding in the amount of \$1,900,000 for the continuation of the Judicare project, which pays reduced fees to private attorneys for contested family law representation. Also, MLSC awarded extension funding of \$1,051,700 restricted for foreclosure prevention and \$766,000 restricted for workforce legal services. Finally for FY19, MLSC awarded \$1,045,306 for a new extended representation project, promoting full attorney representation for clients in need. More information about the grant process, application deadline and descriptions of current grantees is available at www.mlsc.org.

Allegany Law Foundation

- \$63,000 Operating Grant to support pro bono and reduced fee services in Allegany County
- \$132,000 Judicare Grant
- \$13,200 Foreclosure Prevention Grant

Alternative Directions, Inc.

- \$279,480 Operating Grant to support civil legal workshops and pro se assistance with civil legal matters for those incarcerated in Maryland's correctional institutions

Asian Pacific American Legal Resource Center

- \$41,400 Operating Grant to support legal services for low-income, limited English proficient Asian Americans

Ayuda

- \$44,205 Operating Grant to open a Maryland office to serve low-income immigrants, especially those who are crime victims

Baltimore Bar Foundation Senior Legal Services

- \$71,200 Operating Grant to provide legal services to low-income seniors in Baltimore City

Baltimore Neighborhoods (BNI)

- \$127,000 Operating Grant to support the operation of a statewide hotline, serving both low-income tenants and landlords

CASA de Maryland

- \$141,100 Operating Grant to support legal services for low-wage workers and low-income immigrant communities

Catholic Charities of Baltimore

- \$129,800 Operating Grant to support legal services for low-income immigrants

Catholic Charities of the Archdiocese of Washington

- \$151,600 Operating Grant to support legal services for low-income immigrants in Maryland

Citizens Assisting and Sheltering the Abused (CASA)

- \$38,000 Operating Grant to support legal services for low-income victims of domestic violence and sexual assault in Washington County

Community Law Center

- \$103,100 Operating Grant to support legal representation of nonprofit organizations comprised of or serving low-income people

Community Legal Services of Prince George's County

- \$290,900 Operating Grant to support pro bono services in Prince George's County
- \$354,200 Judicare Grant
- \$157,000 Foreclosure Prevention Grant
- \$150,000 Extended Representation Grant to represent low-income tenants in rent court in Prince George's County

Disability Rights Maryland

- \$894,300 Operating Grant to support legal services for low-income people with disabilities, including a pro bono referral program for special education and Medicaid services

FreeState Justice

- \$45,700 Operating Grant to support legal services for low-income LGBTQ Marylanders

Harford County Bar Foundation

- \$62,049 Operating Grant to support pro bono services in Harford County
- \$298,100 Judicare Grant

Heartly House

- \$73,300 Operating Grant to support legal services for low-income victims of domestic violence and sexual assault in Frederick County

Homeless Persons Representation Project

- \$257,800 Operating Grant to support legal services for the homeless population or those at risk of homelessness
- \$149,000 Workforce Legal Services Grant
- \$100,123 Extended Representation Grant to represent public housing tenants in rent court and administrative hearings in Baltimore

HopeWorks of Howard County

- \$49,500 Operating Grant to support legal services for low-income victims of domestic violence and sexual assault in Howard County

House of Ruth Maryland

- \$414,100 Operating Grant to support legal services for low-income victims of domestic violence
- \$68,125 Extended Representation Grant to represent low-income domestic violence victims in divorce and custody proceedings

Life Crisis Center

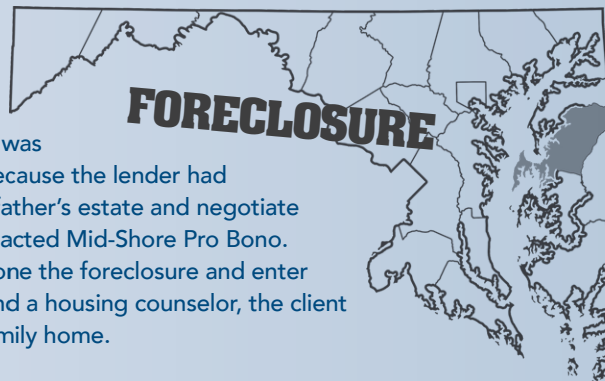
- \$35,900 Operating Grant to support legal services for low-income victims of domestic violence and sexual assault in Somerset, Wicomico and Worcester counties

Maryland Crime Victims' Resource Center

- \$127,600 Operating Grant to support legal services for low-income victims of crime
- \$42,129 Extended Representation Grant to represent low-income victims of crime in Criminal Injuries Compensation Board appeals

After serving six tours of duty in Afghanistan,

an Army veteran living in Queen Anne's County faced incredible challenges. His younger brother, who was also in the military, was killed in action, his father passed away and he was diagnosed with cancer. While living in his late father's home, he learned the property was facing foreclosure – but notice of the foreclosure sale did not arrive because the lender had an incorrect address for the property. After attempting to probate his father's estate and negotiate with the mortgage lender, the veteran realized he needed help and contacted Mid-Shore Pro Bono. MSPB placed the client with a pro bono attorney, who was able to postpone the foreclosure and enter mediation with the lender. With advocacy from the attorney, MSPB staff and a housing counselor, the client was able to assume the mortgage under his own name and remain in his family home.



Maryland Legal Aid

- \$11,362,000 Operating Grant and \$250,000 Challenge Grant to support statewide legal representation of Maryland's low-income population
- \$533,400 Foreclosure Prevention Grant
- \$420,000 for two Workforce Legal Services Grants
- \$392,725 for three Extended Representation Grants to represent low-income tenants in rent court in Baltimore City and Baltimore County, and to represent low-income non-custodial parents in Baltimore City child support cases

Maryland Public Interest Law Project

- \$48,480 Operating Grant to support stipends for six University of Maryland and six University of Baltimore law students to intern with MLSC grantees

Maryland Volunteer Lawyers Service

- \$421,054 Operating Grant to support statewide pro bono and reduced fee services
- \$486,200 Judicare Grant
- \$100,000 Foreclosure Prevention Grant
- \$197,000 Workforce Legal Services Grant

Mid-Shore Council on Family Violence

- \$127,300 Operating Grant to support legal services for low-income victims of domestic violence in Caroline, Dorchester, Kent, Queen Anne's and Talbot counties

Mid-Shore Pro Bono

- \$93,000 Operating Grant to support pro bono and reduced fee services in Caroline, Dorchester, Kent, Queen Anne's and Talbot counties
- \$306,625 Judicare Grant
- \$50,000 Foreclosure Prevention Grant
- \$62,500 Extended Representation Grant to represent low-income clients in non-family law cases

Montgomery County Bar Foundation

- \$230,100 Operating Grant to support pro bono services in Montgomery County
- \$205,480 Judicare Grant

Pro Bono Resource Center

- \$236,600 Operating Grant and \$3,500 Challenge Grant to provide statewide integration and support to pro bono civil legal services providers
- \$12,535 One-Time Grant to support technology for attorney training
- \$10,000 Pro Bono Litigation Fund
- \$24,335 Judicare Litigation Fund
- \$91,400 Foreclosure Prevention Grant
- \$123,844 for two Extended Representation Grants to represent low-income tenants in rent court in Baltimore City and to train volunteer rent court attorneys in Prince George's County

Public Justice Center

- \$259,400 Operating Grant to support direct individual representation, primarily for low-income tenant housing issues in Baltimore City
- \$41,700 Foreclosure Prevention Grant
- \$105,860 Extended Representation Grant to represent low-income tenants in rent court in Baltimore City

St. Ambrose Housing Aid Center

- \$52,000 Operating Grant to support legal representation focusing on foreclosure, landlord-tenant disputes and other housing preservation issues
- \$65,000 Foreclosure Prevention Grant

Sexual Assault Legal Institute

- \$57,000 Operating Grant to support statewide direct legal services for victims of sexual assault

Sexual Assault/Spouse Abuse Resource Center (SARC)

- \$28,800 Operating Grant to support legal services for low-income victims of domestic violence and sexual assault in Harford County

Southern Maryland Center for Family Advocacy

- \$66,000 Operating Grant to support legal services for low-income victims of domestic violence and sexual assault in Calvert, Charles and St. Mary's counties

Tahirih Justice Center

- \$30,000 Operating Grant to support legal services for low-income immigrants who are victims of gender-based persecution

University of Maryland Carey School of Law Medical-Legal Partnership Clinic

- \$49,205 Operating Grant to support operation of a law clinic that provides direct representation to low-income people living with HIV in the Baltimore area by student attorneys under the supervision of clinical faculty

Whitman-Walker Health

- \$57,500 Operating Grant to support legal services for low-income LGBTQ or HIV-positive clients

Women's Law Center

- \$187,000 Operating Grant to support operation of a statewide family law hotline
- \$93,060 Judicare Grant

ANNUAL AWARDS

2018

Each year MLSC solicits nominations and presents awards to individuals and organizations that have contributed significantly to the provision of legal services to low-income Marylanders. MLSC held its Annual Awards Reception at the Lord Baltimore Hotel on December 3, 2018.

AWARD WINNERS



(Standing L-R) Tacha Marshall, Natasha Ramberg of the Baltimore City Health Department representing the Zeta Center for Healthy and Active Aging, Matthew Stubenberg, Leslie Yancey of the Zeta Center, Andrew Jay Graham. (Seated L-R) Harriet Robinson, Bonnie Sullivan, Glenn Ivey, Mallory Finn.

Andrew Jay Graham, principal and co-founder of Kramon & Graham PA, was the 2018 recipient of the Arthur W. Machen, Jr. Award, recognizing his efforts as chair and co-chair of Maryland Legal Aid's Equal Justice Council, helping to raise more than \$3 million and increase policy advocacy in support of civil legal aid.

MLSC presented the Benjamin L. Cardin Distinguished Service Award to **Bonnie Sullivan**, executive director of Maryland Volunteer Lawyers Service, for her leadership both at MVLS and through many groups promoting access to justice.

MLSC presented two Rising Star Awards in 2018. **Mallory Finn**, staff attorney with Project HEAL at the Kennedy Krieger Institute, represents children with disabilities and their families in special education cases across the state. **Matthew Stubenberg**, until recently the IT director and staff attorney with Maryland Volunteer Lawyers Service, has had a tremendous impact on the delivery of civil legal services in Maryland through the development of technology.

Tacha Marshall, paralegal/advocacy specialist with Disability Rights Maryland, was the 2018 recipient of the William L. Marbury Outstanding Advocate Award in recognition of her compassion, knowledge and continued efforts to grow her skills.

The Zeta Center for Healthy and Active Aging was the 2018 recipient of the Herbert S. Garten Public Citizen Award. The Center has been an enthusiastic partner in providing services regarding tax sale prevention, consumer debt and estate planning.

Harriet Robinson, recently retired deputy director of MLSC, received a Special Recognition Award in honor of her distinguished career in civil legal aid.

Former board chair **Glenn Ivey** received an Award for Outstanding Board Service in recognition of his significant contributions during his six years as MLSC's presiding officer.

MLSC Executive Director **Susan Erlichman** was recognized at the reception for 30 years of service with the organization.

2018 MLSC Contributors

We are pleased to acknowledge the generous contributions of the individuals and organizations that support the work of MLSC.

PARTNER

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Brennan, P.C.
Kramon & Graham, P.A.
MurthyNAYAK Foundation/
Murthy Law Firm
Venable LLP

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Liza Zamd
Zeta Center Advisory

MEDIA SPONSOR



**IN HONOR OF
SALLY DWORAK-FISHER**
John and Debra Fisher

IOLTA Honor Roll

The IOLTA Honor Roll, a joint initiative of the Maryland State Bar Association and MLSC, consists of financial institutions that pay premium rates on IOLTA accounts, supporting critically needed legal aid for low-income Marylanders. We salute these institutions and encourage our supporters to patronize Honor Roll members.

Bank of Charles Town
Carroll Community Bank
CFG Community Bank
Congressional Bank
First Shore Federal
HSBC Bank USA, N.A.

Industrial Bank
MainStreet Bank
NWSB Bank, A Division of ACNB Bank
PeoplesBank, A Codorus Valley Company
Premier Bank, Inc.
Standard Bank

MLSC REVENUE

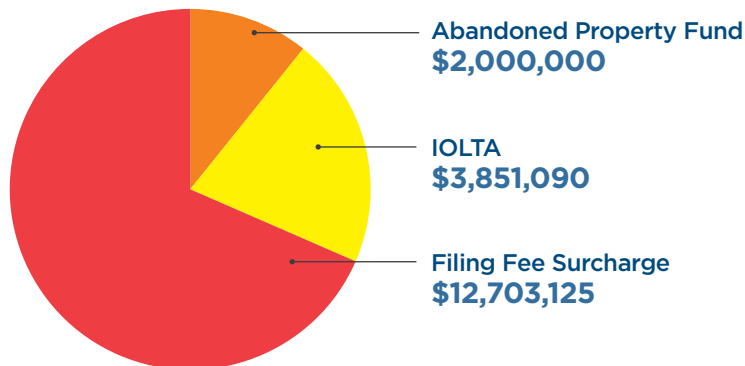
MLSC revenue for grants is primarily generated from the MLSC Fund, which is composed of three special funding sources:

- Interest on Lawyer Trust Accounts (IOLTA) held by Maryland-licensed lawyers
- A surcharge on certain Circuit and District Court filing fees
- \$2,000,000 from the Abandoned Property Fund

The MLSC Fund Appropriation is set in the State's budget each year based on projected revenues. The appropriation sets an upper limit on the amount that can be spent but does not guarantee the Fund will receive the full amount. MLSC receives the amount actually collected in the Fund, up to the appropriation limit.

FY18 MLSC FUND REVENUE

- The FY18 MLSC Fund appropriation was set at **\$17.5 million**, but total revenues in the Fund exceeded that amount.
- Revenue of **\$1,070,340** will be carried over to FY19.



SUMMARIZED FINANCIAL INFORMATION

Statement of Net Position

June 30, 2018

Assets

| | |
|---------------------------------|-------------|
| Cash and Cash Equivalents | \$3,880,535 |
| Investments | 7,176,327 |
| Receivable, IOLTA Receipts | 369,867 |
| Due from State of Maryland | 1,287,945 |
| Prepaid Expenses | 9,985 |
| Capital Assets | |
| Net of Accumulated Depreciation | 52,658 |
| Other Assets | 243,410 |

Total Assets 13,020,727

Liabilities

| | |
|---------------------------------------|---------|
| Accounts Payable and Accrued Expenses | 187,211 |
| Due to State of Maryland | 372,419 |
| Deferred Revenue | 981,485 |
| Deferred Rent | 45,908 |
| Other Liabilities | 100,331 |

Total Liabilities 1,687,354

Net Position

| | |
|----------------------------------|-----------|
| Net Investment in Capital Assets | \$52,658 |
| Unrestricted | 8,910,059 |
| Temporarily Restricted | 2,370,656 |

Total Net Position \$11,333,373

Statement of Activities

For the Year Ended June 30, 2018

Program Expenses - Legal Assistance \$18,757,845

General Revenues

| | |
|------------------------------------|------------|
| State of Maryland Appropriations - | |
| Legal Assistance | 17,500,000 |
| Judicare Program | 795,692 |
| Contributions | 10,030 |
| Investment Income, Net | 534,620 |
| Other Revenues | 32,950 |

Total General Revenues 18,873,292

Increase in Net Position 115,447
Net Position at Beginning of Year 11,217,926

Net Position at End of Year \$11,333,373

Note

The report is a summary of the financial statements incorporated in the annual audit report issued by Gross, Mendelsohn & Associates, P.A. for the year ended June 30, 2018. The complete financial statements and notes are available upon request from MLSC.

MLSC Board

M. Natalie McSherry, Esq., Chair

Baltimore City
Principal, Kramon & Graham, PA

Corey Jay Robey, Treasurer

Carroll County
RSP Operations Manager, The
Retirement Savings Plan of the City
of Baltimore

Violet M. Apple

Baltimore County
Chief Executive Officer, Girl Scouts
of Central Maryland

Hon. Sidney A. Butcher

Anne Arundel County
Associate Judge, District Court for Anne
Arundel County

Aileen M. Eskildsen, CPA

Baltimore County
Director and Chief Operating Officer,
Ellin & Tucker

Christina R. Garcia

Prince George's County
Community Development Officer,
Maryland Department of Housing and
Community Development



(Standing L-R) Judge Sidney Butcher, Judge Martha Rasin, Natalie McSherry, Susan Erlichman, Judge Mark Scurti. (Seated L-R) Corey Robey, Aileen Eskildsen, Violet Apple, Christina Garcia

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Kent County
Chief Judge (Retired), District Court
of Maryland

Hon. Mark F. Scurti

Baltimore City
Associate Judge, District Court for
Baltimore City

Glenn F. Ivey, Esq., Former Chair*

Prince George's County
Partner, Price Benowitz LLP

Susan M. Erlichman, Esq., Secretary (ex officio)

Executive Director, Maryland Legal
Services Corporation

*MLSC is grateful to outgoing board member Glenn Ivey,
who served as board chair from 2012 to 2018.

MLSC Staff

Susan M. Erlichman, Esq.

Executive Director

Kaa Andam

IOLTA Compliance Manager

Eleanor Goldstein

Program Assistant

Athana Kontinos

Program Coordinator

Susan S. Lentz

Finance Manager

Jasmine O'Grady

Office Assistant

Deb Seltzer

Program Director



(Seated L-R) Athana Kontinos, Jasmine O'Grady, Eleanor Goldstein
(Standing L-R) Susan Lentz, Kaa Andam, Deb Seltzer



MLSC

MARYLAND LEGAL SERVICES CORPORATION

IOLTA - INTEREST ON LAWYER TRUST ACCOUNTS

Charles Towers, Suite 102
15 Charles Plaza
Baltimore, MD 21201

MLSC

FUNDING LEGAL ASSISTANCE SERVING THE ENDS OF JUSTICE

ABOUT MLSC

The Maryland Legal Services Corporation, established in 1982 by the Maryland General Assembly, is a nonprofit organization governed by a nine-member Board of Directors appointed by the Governor and confirmed by the Senate. MLSC distributes funds from the Interest on Lawyer Trust Accounts (IOLTA) program and other sources to nonprofit organizations for the provision of civil legal services to low-income Marylanders. MLSC currently provides funding to 36 nonprofit grantees throughout Maryland to ensure that eligible clients in all areas of the state have access to legal assistance.

ABOUT IOLTA

Attorneys routinely receive client funds to be held in trust for future use. In the case of amounts that are small or to be held for a short time, attorneys must place these funds into Interest on Lawyer Trust Accounts (IOLTA). The generated interest is used by the Maryland Legal Services Corporation for grants to programs that provide civil legal services to low-income Marylanders.