



**FUNDING LEGAL ASSISTANCE
SERVING THE ENDS OF JUSTICE**

MLSC

MARYLAND LEGAL SERVICES CORPORATION



ANNUAL REPORT

JULY 1, 2020 – JUNE 30, 2021

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.



KEVIN,*

a St. Mary's County resident in his 60s, was diagnosed with late-stage cancer and wanted to get his affairs in order. He was referred to the University of Maryland Carey School of Law Medical-Legal Partnership Clinic for help with an advance directive, financial power of attorney, and will. Because of COVID concerns and distance, clinic students met with Kevin by phone and Zoom, and helped him execute the documents remotely, taking advantage of Governor Hogan's COVID-related remote witnessing emergency orders. When Kevin died several months later, he had documents in place to ensure his wishes were followed. The clinic also helped Kevin's widow to obtain monthly Social Security survivors benefits and Medicare coverage.

* Names changed for privacy



DEAR FRIENDS & COLLEAGUES,

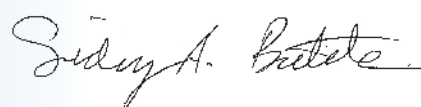
By now, we're all intimately familiar with the ongoing effects of the COVID-19 pandemic – not only the health crisis, but also the resultant negative economic impacts. Maryland Legal Services Corporation was not immune from these impacts, experiencing drastic declines in our two major funding sources, Interest on Lawyer Trust Accounts (IOLTA) and surcharges on certain court filing fees. Overall, revenue collected in the MLSC Fund fell by 40%, and MLSC was facing the need to make mid-year grant cuts. Those cuts would have been devastating to Maryland's civil legal services providers, who were offering vital services in the face of the pandemic.

MLSC is incredibly fortunate to have supporters who took action to ensure those cuts wouldn't be necessary. In October 2020, Governor Larry Hogan and Attorney General Brian E. Frosh announced that \$11.7 million in state funds would be directed to MLSC to provide legal services to families facing eviction, housing security issues and other civil legal problems arising from the pandemic. Then, during the 2021 legislative session, the Maryland General Assembly passed legislation increasing MLSC's annual distribution from the Abandoned Property Fund to \$8 million. This increased funding – MLSC's only funding source with a guaranteed amount each year – adds much-needed stability as IOLTA and filing fee surcharge revenue remain well below pre-pandemic levels.

Also during the 2021 session, the General Assembly created the Access to Counsel in Evictions Program, to be administered by MLSC. We look forward to reporting on the Program as funding is secured and implementation begins.

You may notice new signatures at the bottom of this annual letter. We recently wished a fond farewell to Susan Erlichman, who retired from MLSC after 32 years of dedicated service, 17 of which were as executive director. We also celebrated the contributions of several board members who completed their terms of service. We look forward to continuing these celebrations – hopefully in person! – in 2022, which will mark MLSC's 40th anniversary year.

We are very grateful for your assistance over the past year. Whether you sent a donation to MLSC, spoke up in favor of increased funding, or supported civil legal aid in another way, you helped low-income Marylanders receive vital services. Thank you.

A handwritten signature in cursive script, reading "Sidney A. Butcher".

Hon. Sidney A. Butcher
Board Chair

A handwritten signature in cursive script, reading "Deb Seltzer".

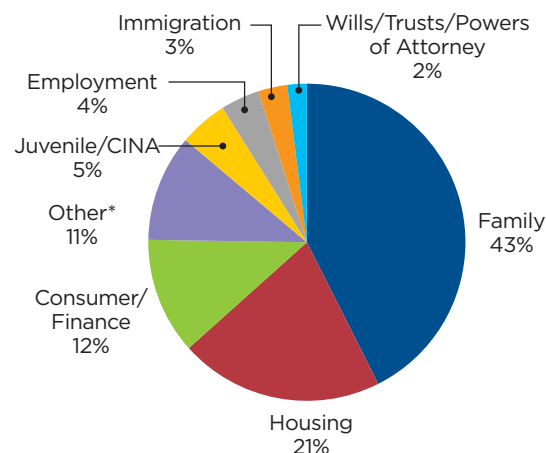
Deb Seltzer
Executive Director

IN FISCAL YEAR 2021

MLSC grantees closed cases in all 24 Maryland jurisdictions.

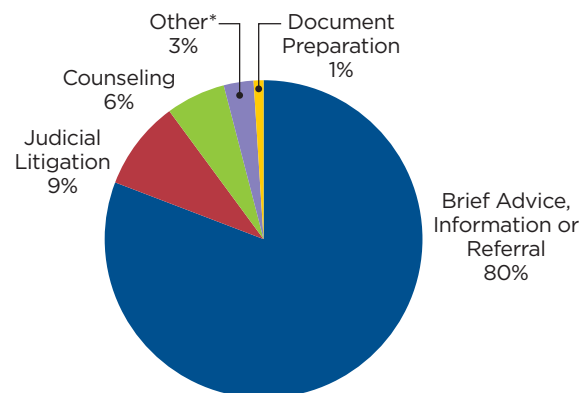
- MLSC made \$19.8 million in operating, Judicare and special project grants to 36 nonprofits serving low-income Marylanders.
- Our grantees closed 172,287 cases (down 5.6% from FY20 due to the COVID-19 pandemic), benefiting 225,331 people.
- Over 2,800 attorneys donated more than 65,850 hours of service.
- Legal aid providers helped clients obtain more than \$14.5 million in economic awards and avoid nearly \$13.3 million in costs through their cases, for issues such as child support, consumer judgments and discharged debts.

TYPES OF CLOSED CASES



*Education, health, individual rights, income maintenance, and miscellaneous
Percentages may not equal 100 due to rounding.

TYPES OF SERVICE



*Administrative proceedings, negotiation and other appropriate remedies
Percentages may not equal 100 due to rounding.



AT 9AM,



a Baltimore City sheriff's deputy knocked on Jennifer's* door to evict her family. Jennifer lost her job during the pandemic and fell behind on bills. As the deputy stood outside, Jennifer dialed the Pro Bono Resource Center's Tenant Hotline and reached a staff attorney. The deputy called out that he was going to break down the door and the PBRC attorney asked Jennifer to pass the phone to the officer. The attorney explained that Jennifer had legal means to stay in her home and the deputy agreed to temporarily halt the eviction. Two hours later, PBRC advocates were in rent court representing Jennifer, and the judge stayed her eviction. PBRC connected Jennifer to rental assistance; now back at work, Jennifer can pay her ongoing rent.

MLSC GRANTEES

In June 2021, MLSC approved for the coming fiscal year \$17,182,651 in operating and intern grant awards to 36 organizations. In addition, through a \$1,586,500 grant from the Administrative Office of the Courts and other funds, MLSC approved funding in the amount of \$1,936,500 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 \$577,445 restricted for foreclosure prevention and \$765,936 restricted for workforce legal services. To meet an emergent need, MLSC awarded \$2,060,468 for eviction prevention projects promoting legal assistance for tenants in need. More information about the grant process, application deadline, and current grants are available at www.mlsc.org.

- Allegany Law Foundation
- Asian Pacific American Legal Resource Center
- Ayuda
- Baltimore Bar Foundation Senior Legal Services
- CASA de Maryland
- Catholic Charities of Baltimore
- Catholic Charities of the Archdiocese of Washington
- Citizens Assisting and Sheltering the Abused (CASA)
- Community Law Center
- Community Legal Services of Prince George's County
- Disability Rights Maryland
- FreeState Justice
- Harford County Bar Foundation
- Heartly House
- Homeless Persons Representation Project
- HopeWorks of Howard County
- House of Ruth Maryland
- Life Crisis Center
- Maryland Crime Victims' Resource Center
- Maryland Legal Aid
- Maryland Public Interest Law Project
- Maryland Volunteer Lawyers Service
- Mid-Shore Council on Family Violence
- Mid-Shore Pro Bono
- Montgomery County Bar Foundation
- Pro Bono Resource Center of Maryland
- Public Justice Center
- St. Ambrose Housing Aid Center
- Sexual Assault Legal Institute
- Sexual Assault/Spouse Abuse Resource Center (SARC)
- Southern Maryland Center for Family Advocacy
- Tahirih Justice Center
- University of Baltimore Students for Public Interest
- University of Maryland Carey School of Law Medical-Legal Partnership Clinic
- Whitman-Walker Health
- Women's Law Center

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.

- BCT - Bank of Charles Town
- Blue Ridge Bank
- CFG Bank
- Homewood Federal Savings Bank
- Industrial Bank
- MainStreet Bank
- Standard Bank, PaSB
- Wells Fargo & Company

Ms. T*



is a 56-year-old Montgomery County resident who relies on Social Security Disability income. Profound medical, personal, and family issues led to years of intermittent non-filing of taxes, and Ms. T owed the state of Maryland over \$25,000 and the IRS close to \$8,000. Unable to sustain her payment plan, Ms. T reached out for help, and a Maryland Volunteer Lawyers Service volunteer stepped up to help her by submitting an offer-in-compromise to both the state and the IRS. Maryland accepted her offer of \$1,000 and the IRS accepted her offer of \$500. Thanks to the volunteer lawyer, Ms. T's total debt of \$33,500 was settled for only \$1,500! She can now breathe much easier.

MLSC REVENUE

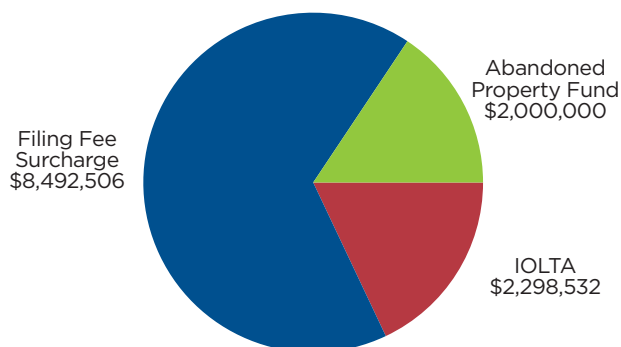
MLSC revenue for grants is primarily generated from the MLSC Fund, which is composed of three special funding sources:

- **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.

MLSC FUND REVENUE

The FY21 MLSC Fund appropriation was set at \$22 million, but total revenues in the Fund only reached \$12.8 million.



Because of this devastating shortfall brought on by the pandemic, emergency monies totaling \$11.7 million were awarded to MLSC by the Governor (via the Maryland Department of Health) and the Office of the Attorney General.

SUMMARIZED FINANCIAL INFORMATION

Statement of Net Position

June 30, 2021

Assets

Cash and Cash Equivalents	\$ 6,073,322
Investments	13,761,818
Receivable, IOLTA Receipts	218,534
Due from State of Maryland	1,758,666
Prepaid Expenses	53,539
Capital Assets - Net of Accumulated Depreciation	21,618
Other Assets	195,973
Total Assets	22,083,470

Liabilities

Accounts Payable and Accrued Expenses	326,301
Deferred Revenue	5,260,000
Due to State of Maryland	218,533
Deferred Rent	17,566
Other Liabilities	176,233
Total Liabilities	5,998,633

Net Position

Net Investment in Capital Assets	21,618
Unrestricted	14,494,396
Temporarily Restricted	1,568,823
Total Net Position	\$16,084,837

Statement of Activities

For the Year Ended June 30, 2021

Program Expenses - Legal Assistance \$20,680,054

General Revenues

State of Maryland Appropriations - Legal Assistance	12,791,038
Judicare Program	1,183,372
State of Maryland Housing Security Grant	6,440,000
Government Grants	3,050,000
Forgiveness of Debt	105,110
Contributions	18,886
Investment Income, Net	1,550,389

Total General Revenues \$25,138,795

Increase in Net Position 4,458,741

Net Position at Beginning of Year 11,626,096

Net Position at End of Year \$16,084,837

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, 2021. The complete financial statements and notes are available upon request from MLSC.

MLSC ANNUAL AWARDS

2021 AWARD RECIPIENTS

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 a virtual awards reception on December 21, 2021.

The Maryland Office of the Attorney General

received a Special Recognition Award for convening the COVID-19 Access to Justice Task Force and for identifying and recommending emergency funding to MLSC so that MLSC could meet 2021 grant obligations.

The Maryland Office of the Governor

received a Special Recognition Award for approving emergency funds from an Attorney General bank settlement and from federal CARES Act funding so that MLSC could meet 2021 grant obligations.

The Maryland Senate and the Maryland House of Delegates

each received a Special Recognition Award for passing legislation that increased MLSC's annual distribution from the Abandoned Property Fund and for establishing the Access to Counsel in Evictions Program.

COVID -19

GRETA*,

a Caroline County resident, is a single mother of two whose partner was murdered in 2020. Greta lost her job due to COVID-19 and was at risk of eviction in a Failure to Pay Rent Case. Mid-Shore Pro Bono helped her get the case dismissed and avoid eviction, based on the federal CDC order. With Mid-Shore Pro Bono's further assistance, Greta was able to secure emergency rental assistance funds, helping her to maintain stable housing through the end of the year.



MLSC BOARD

Hon. Sidney A. Butcher, Board Chair

Anne Arundel County
District Court of Maryland for
Anne Arundel County

Aileen M. Eskildsen, CPA, Treasurer

Baltimore County
Ellin & Tucker

Violet M. Apple

Baltimore County
Girl Scouts of Central Maryland

Allison Banks

Baltimore City
NeoSystems, LLC

Catherine A. Bledsoe, Esq.

Howard County
Office of the Attorney General

M. Natalie McSherry, Esq.*

Baltimore City
Kramon & Graham, PA

Hon. C. Philip Nichols Jr.

Prince George's County
Circuit Court for Prince
George's County (Retired)

Hon. Martha F. Rasin

Kent County
District Court of Maryland
(Retired)

Corey Jay Robey*

Carroll County
The Retirement Savings Plan
of the City of Baltimore

Phyllis G. Scalettar, Ph.D.

Montgomery County
Corporate Advisor

Debra A. Thomas, Esq.

Baltimore City
Law Offices of
Debra A. Thomas, P.C.

Deb Seltzer,

Secretary (*ex officio*)
Maryland Legal Services
Corporation

*MLSC is grateful to outgoing board members M. Natalie McSherry, Esq. (2012-2021) and Corey Jay Robey (2014-2021).

MLSC STAFF

Deb Seltzer

Executive Director

Eleanor Goldstein

Program Assistant

Athana Kontinos

Program Coordinator

Dave Pantzer, Esq.

Deputy Director

Kaa Andam

IOLTA Compliance Manager

Shawdae Harrison

Operations Coordinator

Susan S. Lentz

Finance Manager

**MLSC**

MARYLAND LEGAL SERVICES CORPORATION

IOLTA - INTEREST ON LAWYER TRUST ACCOUNTS

15 Charles Plaza
Suite 102
Baltimore MD 21201

FUNDING LEGAL ASSISTANCE SERVING THE ENDS OF JUSTICE

MARA*,

her abusive husband, and their daughter drove to Maryland from Tennessee to visit family in Carroll County. Two days later, in a fit of rage, the abuser drove home, leaving Mara and their daughter with no money and only enough clothes for a week. He began calling and berating Mara, and threatening to burn her belongings. After years of violence, Mara took the opportunity to start a new life in Maryland. She found housing and work and enrolled her daughter in school and therapy. Women's Law Center helped Mara seek divorce and custody. The abuser hired an attorney but failed to appear for any hearings. Mara was retraumatized each time she faced the possibility of meeting him in court. At the final hearing Mara and two witnesses told her story. The judge listened and validated Mara, granting her an absolute divorce, sole custody of her daughter, and even more child support than she had requested.

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.