

Northumberland Community Legal Centre

*(Funded by Legal Aid Ontario)
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Standing Committee on Finance and Economic Affairs
Legislative Assembly of Ontario

Amarjot Sandhu, MPP, Chair
Julia Douglas, Clerk
Room B-304, Whitney Block
Queen's Park, Toronto, ON M7A 1A2

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Re: 2020 Pre-Budget Consultations

The Ask:

The 2020-2021 Ontario Budget should:

1. Restore funding to Legal Aid Ontario, such that its 2020-2021 budget is either restored to the pre-2019/20 levels, or at most, is reduced by no more than \$75 Million.
2. Ensure that Legal Aid Ontario (and other funders of broader public sector agencies) are given additional annual dedicated funds to ensure that the BPS agencies can fulfill their legislated obligations in regards to Pay Equity increases required to reach and maintain Pay Equity.

Legal Aid Ontario and Community Legal Clinic Budget Cuts

Legal Aid Ontario (LAO) receives the bulk of its funding from the Ministry of the Attorney General of Ontario. LAO in turn then provides funding for a variety of legal services for low-income persons, including funding more than 70 independent community legal clinics in Ontario.

The Ministry of the Attorney General reduced its funding to Legal Aid Ontario (LAO) by \$133 million in the 2019-2020 fiscal year, which amounted to approximately a 30% cut in Legal Aid Ontario's overall budget.

For the 2019-2020 year only, LAO had one-time access to other funds (eg. unspent Financial Eligibility Guideline funds, surpluses, Client Coordination Funds, training funds, etc.) to reduce the effect of the budget cuts on legal clinics and on other legal aid services. This meant that rather than having to cut \$133M out of its program budgets this year, LAO was able to reduce its overall spending by only about \$75M instead.

This will not be the situation for the 2020-2021 fiscal year. LAO has no funds to cushion the extent of the budgetary cuts for 2020-2021, and will have to find ways to reduce its spending to reach the full amount of \$133M in cuts. LAO has expressly indicated that unless the government changes its approach, and invests in legal aid, there will be substantial cutbacks to front line legal aid services, including legal clinics, next year because of this.

Because of the cut to its budget in this 2019/20 fiscal year, Legal Aid Ontario eliminated approximately \$15M from the overall legal clinic budget, or around 16%. The legal clinic budget cuts from LAO were significant with twenty clinics receiving decreases of between 6 – 44%. There is no administrative fat in clinic budgets so these twenty clinics had to decrease services and/or lay off front line service providers. Although the remaining clinics had smaller cuts this year of between 1 – 5%, all clinics were cut. In addition to cuts to individual clinic budgets, the entire clinic learning and training budget has been eliminated and there have been decreases to central supports such as legal disbursements and interpretation/translation funds that are required for client service. All of this means that this year's cuts had a real impact on every clinic, and every community in the province.

As well as the budget reductions for 2019-2020 for all clinics, Legal Aid ceased providing all community legal clinics with pay equity funding increases and funding to deal with increasing lease costs. This means that clinics must find these mandatory payments out of a reduced budget:

- Legal clinics are broader public sector employers for the purposes of the Pay Equity Act, and so are obligated to pay out 1% of the prior year's salary for Pay Equity, until all positions reach Pay Equity. At that point, clinics must maintain the Pay Equity payments.
- Even if the amount of reduction remains the same as this year, the effective cut for next year for each legal clinic will be go up by the amount that is required for the 2020 Pay Equity increase and so on until the clinic achieves pay equity for all positions.

Legal Aid Ontario does not allow legal clinics to keep any reserves at fiscal year-end. Thus, cuts of this size create liabilities on the volunteer community Boards of Directors who operate each of the community legal clinics in the province:

- to pay termination pay if staff have to be let go
- to pay out the legislated pay equity increases as a broader public sector agency
- to find money for required staff training and for client direct service costs such as funds for disbursements, translation, etc.

This massive cut to funding for community legal clinics has reduced front line services to the most vulnerable persons in Ontario, something that Premier Ford promised would not happen with government budget cuts.

Legal Clinics

Northumberland Community Legal Centre (NCLC) is an independent community legal clinic governed by a volunteer community-based Board of Directors, and is funded by Legal Aid Ontario. The mandate of the Northumberland Community Legal Centre as a community legal clinic is to provide free legal services to low-income residents of Northumberland County in the areas of poverty law, to increase access to justice and to further and promote social justice and equality.

NCLC provides social justice advocacy, education and direct services to empower the low-income residents of Northumberland County. NCLC is mandated through Legal Aid Ontario to provide advice, representation, public legal education, law reform and referral services in the areas of poverty law on an other than fee for service basis. Each year NCLC sets goals and objectives in relation to client service, community development, public legal education, law reform and governance to ensure that the mandate is carried out in response to community need and that there is appropriate fiscal accountability.

Community legal clinics are small, storefront offices, in every community in this province with no bureaucracy or administrative fat to trim. They are managed by lawyers who appear in courts and tribunals on behalf of clients every day. They are non-profit organizations, governed by volunteer boards of directors drawn from the local community. Everyone in every one of the 72 community clinics in Ontario deals directly with clients.

Community legal clinics assist the most vulnerable people in Ontario to preserve their basic essentials of life; a roof over their heads and food on their table. Clinics do this by offering a broad range of services aimed at ensuring that people with low incomes are able to access the benefits, services and legal protections they are entitled to.

As confirmed by the Auditor General's Report, the number of people assisted by legal clinics has grown steadily every year. As an example, in 2017-2018, the 5 FTE at Northumberland Community Legal Centre responded to more than 4000 requests for assistance; the legal work of our community legal clinic put approximately \$1.8M in benefits into the hands of low-income residents of our county for that year, a return of nearly \$3.5 for every dollar spent on the clinic budget. However, this statistic does not capture the value of our legal work that does not result in monetary benefits being paid, such as eviction prevention, improvement of housing quality, creation of powers of attorney and wills for low-income residents of our county.

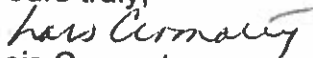
If Legal Aid Ontario is required to pass along the full \$133M in budget cuts in 2020-2021, there can be no doubt that community legal clinics like Northumberland Community Legal Centre will be faced with massive reductions in funding. Legal clinics can really only absorb such cuts by reducing personnel, and fewer staff mean less clients served.

The majority of legal clinics serve rural areas where there are already few to no other legal resources available to provide access to justice for the low-income people in Ontario, so the ripple effect of loss of legal clinic staff due to budget cuts will have a devastating effect on the health and well-being of those Ontarians and their communities. Studies show that with every dollar spent on legal aid services \$6 is saved in other areas of government spending, such as homelessness, health, family breakdown and incarceration. If the annual budget cut to Legal Aid Ontario remains at the \$133M level, it will mean the most vulnerable people in Ontario, including children, seniors, single parents, those with disabilities and other marginalized persons will bear the brunt of the effect of this budgetary decision. It is not too dramatic to say that lives will be at risk as access to justice cannot exist without adequate funding.

The ask regarding budget cuts:

- The current funding cuts to Legal Aid must be reduced/reversed for 2020-2021. At most, the cut should be no more than the \$75M that LAO was able to find in 2019 - 2020. Otherwise, LAO will have to pass along the full magnitude of the \$133M in 2019-2020 cuts that were not fully implemented this year, with devastating effects on community legal clinics and the vulnerable clients that they serve.
- Legal Aid Ontario's funding from the Attorney General must at least contain dedicated funding so that Community Legal Clinics can receive additional yearly funding increases for the amounts necessary to meet mandatory expenses such as Pay Equity increases and increased leasing costs.

Yours truly,


Lois Cromarty
Barrister and Solicitor
Executive Director

Note:

The Ministry of the Attorney General received a cut of 7% in its 2019/2020 budget, but LAO carried the burden of finding 65% of the overall cuts to the MAG budget even though LAO is only 20% of MAG's overall budget. This is a disproportionate amount. Even if the MAG budget still must meet the targeted amount of reductions, the MAG budget reductions should be spread out more equitably across other MAG divisions.

Ontario Budget 2019-2020

Ministry of Attorney General, Total operating expense to be voted

•	2019-2020	\$1,690,626,200
•	2018-2019	\$1,863,166,100
•	Reduction	(\$172,539,900)

Legal Aid

•	2019-2020	\$323,323,500
•	2018-2019	\$436,119,700
•	Reduction	(\$112,796,200).

Note: the reduction shown below to Legal Aid's budget does not include the funding that was cut in regards to immigration and refugee matters.