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June 1, 2021

The Honorable Mark Stone
Chair, Assembly Judiciary Committee
1040 N Street, Room 104
Sacramento, CA 95814

Re: SB 498 (Umberg) as amended April 15, 2021 – SUPPORT

Dear Chair Stone:

Disability Rights California (DRC), a non-profit advocacy organization that advances and protects the rights of Californians with disabilities, **supports SB 498.**

This bill would expand the definition of “indigent person” for the purposes of determining eligibility for free legal services by increasing one measure of income eligibility from 125% to 200% of the Federal Poverty Level (FPL) and by exempting veterans disability benefits from household income. These free legal services are provided by nonprofit legal aid organizations, like ours, funded by the State Bar of California through the Interest on Lawyer Trust Account (IOLTA) system. In practical terms, **this would increase the population that legal aid organizations funded through this system can serve.** In California, 125% of the FPL has long been too low to serve all of the people in our state who should be eligible to be assisted by legal aid. Now is the time to increase the qualifying poverty level to 200% and, thereby, allow more people to be eligible for services when they are in legal need.

Existing law requires an attorney or law firm receiving or disbursing trust funds to establish and maintain an Interest on Lawyer Trust Account (IOLTA) in which the attorney or law firm is required to deposit or invest all specified client deposits or funds. Existing law directs IOLTA account interest and dividends to be paid to the State Bar of California to be distributed for the provision of civil legal services to indigent persons in a prescribed order.

This bill will change the definition of “indigent person” to include more Californians who should qualify for legal aid but do not fit the current definition. This is a long overdue change. Our state is one of the most expensive places in the country to live, and the FPL can often fail to sufficiently capture poverty in our state. Leaving the definition of indigent person at 125% disqualifies a significant number of people who, generally, are people who need the help of legal aid lawyers but are above that mark. This bill will fix this by increasing the threshold to 200% of FPL, expanding eligibility to people who are, in reality, low-income and in need of legal aid.

Additionally, for organizations that serve veterans who receive disability benefits, the veterans who receive the highest level of disability benefits may not be eligible for free legal services, even with the increase to 200%. Deducting veterans disability benefits from the household income would ensure that the lowest-income veteran households would be eligible for services.

For these reasons, we support SB 498.

Sincerely,

A handwritten signature in black ink that reads "Gregory Cramer". The signature is written in a cursive, flowing style.

Gregory Cramer
Senior Legislative Advocate
Disability Rights California

cc: Honorable Members, Assembly Judiciary Committee
Honorable Thomas Umberg, California State Senate

Jackie Koenig, Chief of Staff, Senator Umberg
Zach Newman, Senior Attorney, Legal Aid Association of California