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The Impact of Sequestration on Legal Services

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The people of the United States turn to the judiciary for justice when they have been victimized, for compensation when they have been cheated and for truth when they have been deceived.

A fully funded and functioning judiciary allows our businesses to resolve their disputes, the middle class to be heard in court on vital matters such as civil rights and bankruptcy, and our most vulnerable citizens to secure access to justice.

Yet the vital services provided by our courts and through our legal services programs are threatened by automatic, across-the-board spending cuts scheduled to go into effect Jan. 2, 2013, through a process known as "sequestration."

On Sept. 14, the Office of Management and Budget (OMB) reported sequestration would require slashing funding for federal courts and the Legal Services Corporation by 8.2 percent—far more devastating than previously projected, resulting in deeper cuts to staff and longer delays in resolving cases.

The 1985 Gramm-Rudman-Hollings Act requires the mandatory federal budget cuts under sequestration if Congress fails to meet deficit-reduction goals. It did not meet those goals in 2011, thus triggering the potential cuts.

Under sequestration, there will be immediate and profound disruptions in the resolution of business and commercial disputes, bankruptcies, employment, immigration and other matters.

Staff reductions from sequestration will impede the disposition of business litigation, reducing the ability of companies to resolve their differences in a timely manner and potentially affecting profitability and employment security during this particularly difficult economic period.

Sequestration and resulting cutbacks and delays will undermine the confidence of international businesses in our justice system to resolve international commercial disputes, thus giving an advantage to other countries that would serve that important function.

And as funding for the vital Legal Services Corporation is slashed as part of sequestration, legal representation for the poor and elderly and for those affected by unforeseen economic challenges, such as natural disasters or domestic strife, will be significantly reduced or eliminated.

In testimony in March before a subcommittee of the House Committee on Appropriations, U.S. Court of Appeals Judge Julia S. Gibbons, who chairs the Committee on the Budget of the Judicial Conference of the United States, said further cuts, beyond those already undertaken by the court system, would begin to sacrifice the quality of justice.

"If sufficient funding is not provided to the courts, we cannot function in the way the Founders envisioned and cannot afford the people of the United States the type of justice system that has been a hallmark of our liberty throughout our nation's history," she said.

Until Sept. 14, the Judiciary had anticipated a sequestration cut of 7.8 percent based on a 2011 estimate. That would have required reducing staff by 4,400 employees, furloughing all court staff for at least four weeks, or enacting a combination of furloughs and staff reductions. This would be on top of a reduction of 1,100 employees since July 2011. The latest OMB report, calling for an 8.2 percent cut, means even deeper cutbacks will be required under sequestration.

The further workforce loss would significantly affect the daily operation of the court system, as well as the local economies of the communities in which the courts are located. Court security would be reduced. And without money to pay jurors, civil jury trials would be suspended for at least six weeks, Gibbons warned.

The impact of sequestration also will be felt in the delivery of legal services through the Legal Services Corporation. The LSC provides assistance to combat veterans, domestic violence victims, victims of natural disasters, people with disabilities, people in danger of losing their homes to foreclosure, and many others in need. More than 63 million Americans, including 22 million children, qualify for civil legal assistance.

Sequestration would severely hamper the effectiveness of the LSC-funded programs to serve these citizens in need. An 8.2 percent sequestration cut would come on top of already devastating cutbacks to the program. The current \$348 million budget is \$72 million below the \$420 million allocated in 2010.

Even though Congress voted last week to approve a Continuing Resolution to fund the federal government through March 2013, the threat of sequestration in January will

remain unless further action is taken.

The impact of the impending federal "sequestration" on our nation's judiciary and legal services programs could easily be overshadowed in the cacophony of voices clamoring to preserve funding for the military, airport security, the FBI, national parks, border patrols and even the National Weather Service.

But as the federal government stares out into the abyss from the metaphorical fiscal cliff of the impending federal sequestration, it must not overlook the devastating impact of the proposed cuts on the court system and the Legal Services Corporation.

Now, more than ever, Congress must preserve access to justice for the millions of Americans who need it.

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