

Materials for
JPS Subcommittee Meeting
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8:30 A.M.
Regarding Civil Legal Aid Funding

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Legal Services Funding in North Carolina

Legal Services programs **work** to:

- Help victims of domestic violence escape abuse;
- Preserve homes and improve housing conditions;
- Protect and improve household income for families and seniors;
- Fight for access to medical care and coverage in federal programs;
- Recruit and train private lawyers to donate their time, money and services in order to increase access and to reduce the overall costs.



Legal Services programs **do not**:

- Provide representation in criminal matters;
- Provide representation in personal injury, medical malpractice or other tort cases;
- Get involved in partisan politics.

Legal Services programs restrict their services to clients **in need**.

For example, approximately \$24,000 in gross annual income would be the maximum for a family of four to qualify for services. The median annual household income for legal services clients served is \$11,000.

More than **3.2 million people** in North Carolina qualify for Legal Services help, **more than 34% of the population**. National studies show that **80% of civil legal needs of poor people are unmet**.

Legal Services programs **resolve more than 70%** of its cases outside of court. These programs effectively solve client problems while conserving state resources by not further burdening the court system.

Legal Services programs bring millions of dollars to North Carolina to ameliorate the ravages of poverty. Through its community education efforts and availability across the state, legal services programs assist low-income North Carolinians with concerns about federal benefits, such as social security, disability and housing. These efforts both help ensure access to justice for low income North Carolinians and bring additional monies to the state.

State Funding of Legal Services **per poor person**

North Carolina	\$ 5.45
Neighboring States Average	\$ 6.20
National Average	\$ 6.27

Prepared by the Equal Justice Alliance

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Funding for Civil Legal Aid Administered by the NC State Bar

Access to Civil Justice:

The General Assembly provides state funding from court filing fees (\$3,077,986 in 2009-10) and an appropriation (\$825,000 in 2009-10) for providing access to legal representation for indigent persons in certain civil matters across the state through three legal aid organizations: Legal Aid of NC, Pisgah Legal Services, and Legal Services of Southern Piedmont. Allocations to the programs are based on poverty population as established by the census in the areas served.

Domestic Violence Victim Assistance:

The General Assembly provides funds from court filing fees (\$1,378,830 in 2009-10) for two legal aid programs (Legal Aid of NC and Pisgah Legal Services) specifically for work with domestic violence victims. Allocations are: 20% divided equally among all NC counties and 80% allocated according to the numbers of 50b protective orders filed in their program areas during the previous state fiscal year as established by AOC statistics.

Foreclosure Prevention:

The General Assembly appropriated additional funds for foreclosure prevention legal services (\$75,000 in 2009-10), including funds for the Financial Protection Law Center.

NC Civil Legal Aid Organizations

Access to Civil Justice and Domestic Violence Victim Assistance Funding

Legal Aid of North Carolina :



Legal Aid of North Carolina (LANC) is a statewide, nonprofit law firm that provides free legal services in civil matters to low-income people in order to ensure equal access to justice and to remove legal barriers to economic opportunity. LANC serves eligible clients across North Carolina through 24 field, branch and satellite offices. LANC receives the federal funding for legal services, which restricts their work on certain types of cases and with certain classes of clients.

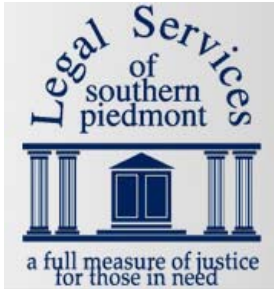
Pisgah Legal Services:



Pisgah Legal Services in Asheville, North Carolina, works to provide effective, high-quality legal counseling and representation for low-income people in certain non-criminal matters that address clients' basic needs; to ensure equal justice for low-income people and to advance and protect their legal rights. With state funding, they serve Buncombe, Henderson, Madison, Polk, Rutherford and Transylvania counties.

Access to Civil Justice

Legal Services of Southern Piedmont:



Legal Services of Southern Piedmont (LSSP) provides free legal assistance in civil matters to low-income persons in the Charlotte area and west-central North Carolina through a variety of legal advocacy strategies including individual advice and representation, community education and outreach, representation of groups, self-help remedies, collaboration with other agencies, community economic development, legislative and administrative advocacy, and impact litigation. With state funds, they serve Cabarrus, Gaston, Mecklenburg, Stanly and Union counties (half the allocation for those counties).

State Housing Support for Foreclosure Prevention

Financial Protection Law Center :

Financial Protection Law Center (FPLC) is a nonprofit law firm established in 2001 to defend borrowers against unfair lending practices and to advocate against predatory lending. Their clients are elderly, disabled or low income borrowers who cannot afford to hire attorneys. The majority of their cases involve defense of homeowners in foreclosure who have been victims of predatory lending or loan servicing.

What are Legal Aid Programs?

Legal aid programs are non-profit organizations and law firms that provide free legal representation in civil matters to low-income persons in every county. Some legal aid programs in North Carolina provide services locally or regionally while other programs provide services statewide. Federal, state, IOLTA, United Way and various foundation grants and private donations fund legal aid work.

Legal aid programs earn their funding by producing and documenting meaningful results that improve thousands and thousands of lives.

Program	Geographic Area Served	Cases closed	Number of Attorneys
Legal Aid of North Carolina	100 counties, 24 offices statewide	24,291 (2009)	137 attorneys
Legal Services of Southern Piedmont	Mecklenburg County and surrounding area	2,453 (2010)	12 attorneys
Pisgah Legal Services	Buncombe, Henderson, Madison, Polk, Rutherford, and Transylvania Counties	3,865 (2010)	18 attorneys
Financial Protection Law Center	Wilmington office, statewide	100 (2009-10)	3 attorneys

Legal aid programs are a remarkably efficient means of giving low-income families a “hand-up” (not a “hand-out”) and saving taxpayers’ money. When someone living near the poverty line faces a single problem, that problem often creates a domino effect. One-time events—job loss, lapse of health insurance, a family crisis—can have a devastating impact. If not addressed immediately, more difficult problems can result: unemployment, homelessness, domestic violence and family instability. In turn, these crises place a far greater burden on society in the form of increased costs for health care, law enforcement and public welfare. Legal aid is cost-effective means of stopping the downward spiral and the resulting consequences. Legal aid programs provide critical help to eligible clients and save the taxpayers’ money.

- **North Carolina ranks 27th** in total funding for legal aid programs in the United States.
- **State Funding for legal aid is \$5.45 per poor person**, less than the national average and less than our neighboring states.
- Legal aid programs are only able to provide **one attorney for every 19,162 eligible clients in North Carolina**. The general population in North Carolina has one attorney for every 544 citizens.

Legal aid programs bring millions of dollars to North Carolina. Through their community education efforts and availability across the state, legal aid programs assist low-income North Carolinians with concerns about federal benefits, such as social security, disability and housing. These efforts both help ensure access to justice for low-income North Carolinians and bring additional monies to the state. For example, in 2010, Pisgah Legal Services accessed **\$2,583,857** in disability income benefits for people with disabilities, and accessed an estimated **\$16,155,689** in Medicaid benefits, payable to medical providers.