



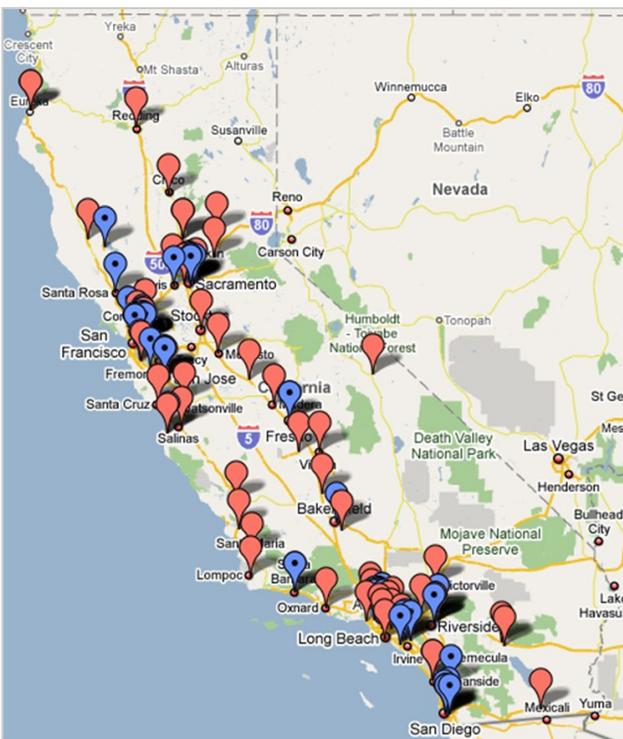
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Legal Aid in the Community

When communities need legal help to create affordable housing, to preserve public transit corridors or to establish needed micro-businesses, or when individuals need access to justice to avoid homelessness, prevent domestic violence, claim earned wages, or keep children in school, California's nonprofit Legal Aid organizations are there to help as they have been for over 75 years. Legal Aid advocates make sure that otherwise vulnerable Californians are better able to keep a roof over their heads, food on the table, and keep their families together. These services minimize social and financial displacement and benefit not only the low-income clients but society as a whole.

Unfortunately, between 2008 and 2009, revenue from one of the core sources of funding for legal aid, the Interest on Lawyers' Trust Accounts (IOLTA) dropped almost 70% due to declining interest rates — from \$22 million to \$7 million. Because this loss of income has tremendous human costs for low-income people, the State Bar of California has stepped up its efforts to encourage financial institutions to voluntarily increase their IOLTA rates and otherwise to sustain and encourage other sources of funding, such as the Equal Access Fund (consisting of a state appropriation and court filing revenues) and the Justice Gap Fund, a new program to solicit contributions from attorneys. Unfortunately, these efforts have not been enough to bridge an ever-widening "Justice Gap."



The Legal Aid Community: Distribution of Legal Aid Programs

California has one of the Most Diverse, Complex, Rich and Coordinated Legal Services Delivery Systems in the Nation

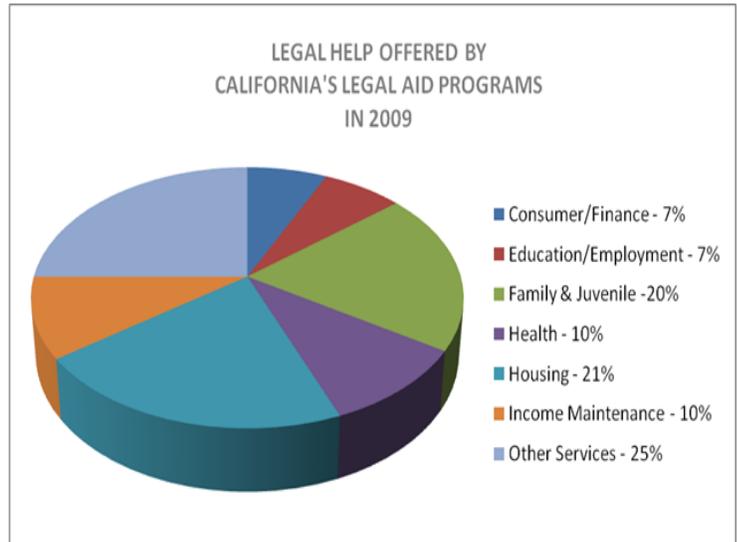
- Ninety-six separate nonprofits are funded by IOLTA in a network of Legal Aid organizations that provide or support free civil legal services to low-income Californians;
- These programs cover every county in the state, and base their legal work on locally-set priorities;
- Legal Aid nonprofits enlist volunteer attorneys, law students and social service experts to expand the resources available for the delivery of legal aid;
- These nonprofits leverage their effectiveness by forming broad and creative partnerships with each other, the courts, local, state and federal government, community-based organizations, law schools, law firms and others, to share resources and coordinate service delivery.

Who is Served by Legal Aid?

Legal Aid organizations receive IOLTA funding to serve clients who meet statutory criteria:

- “Indigent” clients are those earning 125% or less of the federal poverty threshold (currently \$27,563 for a family of four);
- For programs that deliver services primarily through volunteer attorneys, the income threshold is slightly higher at 75% or less of the maximum levels of income for lower income households as defined in the Health and Safety Code;
- Clients who are eligible for Supplemental Security Income, or free services under the Older Americans Act or Developmentally Disabled Assistance Act, are eligible without income restrictions, although many of these clients in fact are indigent.

The IOLTA program was established by statute to “expand the availability and improve the quality of existing free legal services in civil matters to indigent persons, and to initiate new programs that will provide services to them.” [California Business & Professions Code §6210 et seq.]



Where do the IOLTA Dollars Go?

The distribution of IOLTA funds is regulated by Business & Professions Code Sec. 6216. After allocating 15% of the funds for statewide support organizations, 85% of the funds are divided among the 58 California counties based on the county's poverty population. For example, census figures indicate 35% of the State's indigent people live in Los Angeles County, and therefore Los Angeles County receives 35% of the distribution. Kings County has less than 1% of the State's indigent people, and therefore it receives .027% of the distribution. The funds allocated by County are then divided among qualified legal services programs based on their past year's qualified expenditures in each county that they serve.

2009 SCHEDULE OF GRANT ALLOCATIONS IN DOLLARS BY COUNTY

COUNTY	TOTAL	COUNTY	TOTAL	COUNTY	TOTAL
Alameda	401,139	Marin	41,367	San Mateo	111,566
Alpine	1,253	Mariposa	7,521	Santa Barbara	147,921
Amador	7,521	Mendocino	36,353	Santa Clara	325,925
Butte	100,284	Merced	120,342	Santa Cruz	78,974
Calaveras	12,535	Modoc	5,014	Shasta	66,438
Colusa	8,775	Mono	3,760	Sierra	1,253
Contra Costa	191,794	Monterey	145,412	Siskiyou	22,564
Del Norte	13,788	Napa	27,578	Solano	85,242
El Dorado	31,338	Nevada	21,310	Sonoma	101,539
Fresno	466,325	Orange	801,026	Stanislaus	190,540
Glenn	13,789	Placer	40,114	Statewide	2,212,155
Humboldt	61,424	Plumas	7,521	Sutter	32,593
Imperial	81,482	Riverside	579,147	Tehama	26,324
Inyo	6,268	Sacramento	442,507	Trinity	6,269
Kern	345,982	San Benito	15,043	Tulare	231,909
Kings	57,664	San Bernardino	703,247	Tuolumne	16,296
Lake	28,832	San Diego	913,846	Ventura	190,541
Lassen	8,776	San Francisco	230,654	Yolo	75,213
Los Angeles	4,420,058	San Joaquin	246,950	Yuba	32,593
Madera	65,185	San Luis Obispo	78,973	Grand Total: \$14,747,741	

Legal Aid Helps Low-income Individuals in Crises, Supports Economic Self-sufficiency and Builds Strong Communities

Legal Aid organizations have developed an array of strategies and partnerships to ensure effective services. Services range from representing clients in administrative hearings to litigating impact cases that help low income people throughout California. Legal Aid organizations provide consumer education in order that individuals can help themselves, and an attorney where individuals – because of language, legal complexity, or other barriers – need representation.

By being there when people have nowhere else to turn, Legal Aid organizations help individuals in crises and, in doing so, help preserve community and government resources.



- Independent Living. Legal Aid helps seniors obtain in-home supportive care, avoiding the much higher cost associated with nursing home care; and helps people with disabilities avoid unnecessary institutionalization.
- Safe Housing. Legal Aid prevents wrongful eviction and forces slumlords to repair tenant housing, reducing demand on shelters and revitalizing communities.
- Domestic Violence. By keeping people safe, Legal Aid saves public medical expenses, alleviates the cost of law enforcement, and contributes to healthy communities.

Legal Aid ensures that individuals receive the support they need to become economically self-sufficient and productive members of society.

- Tax Credits. Many Legal Aid organizations help low-wage earners claim earned income tax credits (EITC). One southern California Legal Aid alone brought over \$12 million in EITC to low-wage workers in 2009.
- Employment and Economic Development. By preventing workplace abuses, Legal Aid ensures that employees are safe, healthy and receive their earned wages. Legal Aid organizations also provide legal advice to entrepreneurs and micro-businesses in low income neighborhoods.
- Education. By making sure that children have access to education and receive adequate supports to succeed in school, Legal Aid organizations give the next generation of children the tools they need to break the cycle of poverty.

Legal Aid achieves community development by partnering with local community-based organizations, developers and government.

- Affordable Housing. Legal Aid programs partner with developers to obtain necessary affordable housing land use approvals, and with community organizations to enforce affordable housing laws. For example, in northern California the Legal Aid program has helped achieve tens of thousands of new affordable apartment units.
- Transportation. Recognizing the connection between transportation and economic well-being, Legal Aid programs preserve and develop transportation corridors. For example, a rural Legal Aid advocated for public transportation between Sacramento jobs and distant towns where poor people live. Currently, another Legal Aid is collaborating to ensure that the distinct needs for transportation and affordable housing near jobs are considered by those planning major land use and transportation reform to reduce greenhouse emissions
- Revitalization. Whether it is working to facilitate construction of a shopping center, to develop local childcare facilities, or to support new entrepreneurs, Legal Aid brings new jobs and provides neighborhood resources that strengthen and revitalize the community.

The “Justice Gap” — the Chasm Between Resources and Need

There are an estimated 8,995 vulnerable Californians who qualify for legal aid for every one Legal Aid lawyer.

Number of Eligible Clients Per Legal Aid Lawyer in 2008

Number of Californians below 125% of Poverty	7,196,000
Approximate Number of Legal Aid Lawyers	800
Number of Eligible Clients per Legal Aid Lawyer	8,995

A national study in 2009 found that nine of the California programs that receive funding from the federal Legal Services Corporation serve roughly 44,000 Californians annually, but are forced to turn away almost 190,000 eligible clients.

Roughly extrapolating to the statewide system, IOLTA-funded legal services nonprofits serve 270,000 individuals directly, but are forced to turn away over 1.1 million Californians.

[Documenting the Justice Gap in America, Legal Services Corporation, September 2010]

- Not only did IOLTA revenue drop almost 70% between 2008 and 2009, but other sources of funding including government grants and contracts, foundation funding and private giving, all have also been negatively affected by the economic downturn.
- Because of the recession, legal aid advocates say that five to ten times more clients are now showing up at clinics. One hotline reported that their wait time increased from 7 minutes to 45 minutes.
- Sadly, not only are organizations seeing an increase in the number of clients, but those clients are in deeper crisis. More people who previously were stable are losing their jobs, their housing or their healthcare – any one of which could result in serious social costs.
- In a recent study, nearly two-thirds of the responding organizations reported that they were forced to reduce personnel costs due to decreases in 2009 funding, including by reducing staff, eliminating vacant positions, or implementing furloughs. As a result, programs have had to reduce their caseloads by 5% to 50% – despite increased demand. *[Shaping the Future of Justice: Effective Recruitment and Retention of Civil Legal Aid Attorneys in California, Legal Aid Association of California, April 2010]*
- These funding shortages are even more pronounced in rural areas, where legal aid funding and resources are less (both by county and per capita), even though service delivery in rural areas is more costly and difficult and the needs of rural Californians tend to be higher.

The Outlook for Legal Services

Without additional resources, Legal Aid programs face significantly reduced capacity to provide services, just as demand is on the rise. However, the State Bar is committed to helping the IOLTA-funded Legal Aid programs serve those who otherwise have nowhere to turn, including by linking Legal Aid to expanded partnerships that leverage services, recruit new volunteers and, of course, provide crucial funding. Our growing partnerships go beyond the private bar, to policymakers, business and civic leaders and most recently, the financial institutions that hold IOLTA accounts. Together we can ensure that Legal Aid organizations can continue to deliver cost-effective services that strengthen the communities they serve.