



THE STATE BAR OF CALIFORNIA
180 HOWARD STREET, SAN FRANCISCO, CALIFORNIA 94105-1639
TELEPHONE: (415) 538-2000
FAX: (415) 538-2529

THE ROLE OF LEGAL AID AND THE RECOVERY EFFORT

When individuals need critical legal help, to avoid foreclosure or eviction, prevent domestic violence, claim earned wages, keep children in school – or when communities need help with economic development – California’s nonprofit Legal Aid programs are there, and 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 low-income clients but society as a whole. In these extraordinarily difficult economic times, Legal Aid advocates play a key role in stabilizing families and helping communities address the impact of the worst recession most of us have ever seen.

As state and local governments develop programs to implement the American Recovery and Reinvestment Act (ARRA), it is essential that policymakers ensure that our lowest income and most vulnerable families have access to the enhanced programs. Legal Aid organizations, in partnership with local government and other nonprofits, are well-positioned to ensure that recovery funds reach intended low income families and communities immediately and equitably. Increasing the capacity of Legal Aid to provide these urgent services will assist those individuals most in need and help the communities hardest hit by the economic downturn.

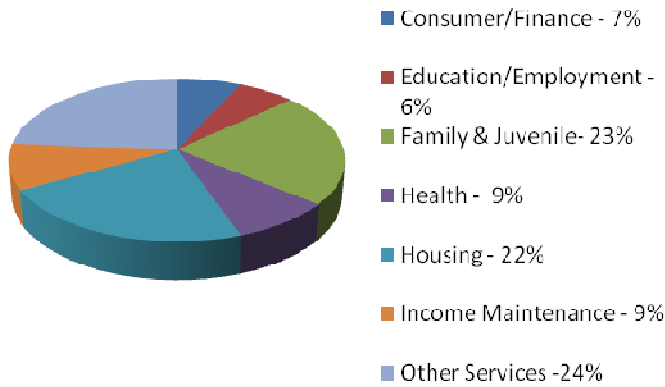
Despite unprecedented need, Legal Aid funding sources are diminishing. For example, the Interest on Lawyers’ Trust Accounts (IOLTA) program is projected to drop almost 80% due to declining interest rates resulting in a loss of approximately \$17 million in 2009 alone. Without additional resources, Legal Aid programs face significantly reduced capacity to provide services, just as demand is on the rise. Legal Aid programs can absorb funds immediately and deliver cost effective services. The rigorous standards of the IOLTA program ensure high standards, accountability and cost effectiveness.

LEGAL AID ORGANIZATIONS ARE POSITIONED TO IMMEDIATELY UTILIZE STIMULUS FUNDS TO STABILIZE COMMUNITIES MOST IN NEED

Legal Aid programs already receive federal funding through a variety of sources, including HUD, Department of Justice, Department of Human Services, and the IRS. With these funds, they work with a variety of communities – older Americans, people with HIV/AIDS, immigrants and people with disabilities – to increase fair housing, prevent domestic violence and obtain monthly benefits such as Social Security, SSI, food stamps, and child support payments. Helping individuals access benefits stabilizes their families and their communities. For example, for every family of three who receives Food Stamps, as much as \$5,556 in federal dollars is generated in nutritional support and subsequent expenditure in the local economy.

Legal Aid organizations have a track record of successful work with state and local government and community-based organizations to help stabilize communities. These collaborative efforts include: elder abuse prevention and prosecution; stopping landlord violations of State-subsidized housing requirements to preserve low-income housing; and bringing 250 new permanent jobs to the neighborhood by providing legal support to community-based economic development teams.

LEGAL HELP OFFERED BY CALIFORNIA'S LEGAL AID PROGRAMS



Legal Aid programs can work with low-income communities to maximize the impact of stimulus funds. There are significant new services and benefits available to help poor and low income families -- from newly expanded unemployment benefits to expanded food stamps assistance to new section 8 housing assistance. Unfortunately, these much-needed changes will also bring a level of confusion to recipients as the state and local governments work through these new systems. Legal Aid can assist families to navigate these changes and obtain needed benefits.

LEGAL AID IS COST-EFFECTIVE

- Every time Legal Aid is able to intervene and stop domestic violence and prevent serious injury, it saves lives, prevents costly county medical expenses and can alleviate already clogged courts and overworked law enforcement agencies.
- When a family is kept in their home or apartment, it prevents them from becoming homeless and from creating additional demand on shelters and other charitable and municipal services.
- When employees are prevented from wrongfully losing their jobs or from being denied earned wages, it allows for individuals to put food on their tables and pay their rent or mortgage.
- When children remain in school with the help they need, truancy and juvenile crime is reduced, saving court time and reducing the costs of incarceration.
- When seniors are able to remain in their homes with supportive care, the much higher cost associated with full nursing home care is avoided.
- A guardianship created through the probate court with a caretaker relative achieves the same result of protecting the child, without the child going through the dependency system, thus easing the burden on both the courts and the county.

LEGAL NEED IN CALIFORNIA

- Over 4.5 million people live below poverty level in California, and more than 6.7 million qualify for legal aid measured at 125% of the federal poverty threshold [U.S. Census Data].
- In California, it is estimated there are more than 8,361 vulnerable Californians who qualify for legal aid for every one legal aid lawyer. [*Action Plan for Justice*, California Commission on Access to Justice, April 2007.]
- A national study by the Legal Services Corporation found that legal aid programs turn away half of all qualified applicants due to insufficient resources. [Legal Services Corporation] And in California, we are able to provide legal help for less than one-third of the legal needs of Californians who qualify for and seek legal assistance. [*Action Plan for Justice*, California Commission on Access to Justice, April 2007.]
- The impact of the recession is obvious on the low-income community. Legal aid advocates say that five to ten times as many clients are now showing up at clinics, and the wait times for hotlines has reached unacceptable levels, discouraging people from seeking help.