

# Legal Aid of North Carolina, Inc.

## Administrative Office

224 South Dawson Street - 27601 • P.O. Box 26087 • Raleigh, NC 27611  
919.856.2564 • Fax 919.856.2120

George R. Hausen, Jr., Esq.  
Executive Director

www.legalaidnc.org

November 13, 2015

Mr. David F. Levi  
Dean  
Duke University School of Law  
Box 90362  
Durham, NC 27708-0360

RE: Additional Information from the Equal Justice Alliance for the Civil Justice Committee  
of the Commission on the Administration of Law and Justice

Dear Dean Levi:

Thank you for the opportunity to discuss civil legal aid with the Civil Justice Committee of the Commission on the Administration of Law and Justice on November 6<sup>th</sup>. Our presentation highlighted the work performed by the eight members of the Equal Justice Alliance, who provide legal representation and other services to low income persons across North Carolina. We noted the challenges and economic benefits of our work as well as proposed some recommendations to improve the delivery of legal services for the courts, lawyers and clients.

To address questions raised by the Committee members, we have enclosed information about the geographic distribution of pro bono attorneys, the economic benefits of legal aid to the state, the cost of criminal records searches for legal aid providers, and the role of loan repayment assistance. In addition, we enclose the two reports cited during the meeting which may serve as reference materials in your work.

1. *North Carolina's Greatest Challenge: Widespread struggles remain a grave threat to economic growth and us all* by Tazra Mitchell of the North Carolina Justice Center. This report reviews current poverty rates, examining the role of race and gender in poverty as well as geographic distribution and can be found online at:  
[http://www.ncjustice.org/sites/default/files/BTC%20Report\\_North%20Carolina%27s%20Greatest%20Challenge.pdf](http://www.ncjustice.org/sites/default/files/BTC%20Report_North%20Carolina%27s%20Greatest%20Challenge.pdf).
2. *A 108% Return on Investment: The Economic Impact to the State of North Carolina of Civil Legal Services in 2012* by Mary Irvine of the NC Equal Access to Justice Commission. See key findings in this report that quantifies the total direct and indirect economic impact of legal services providers. A copy of the report is included here and can be found online at:  
<http://ncequalaccesstojustice.org/wp-content/uploads/2015/09/NC-EAJC-econ-report.pdf>.

Again, thank you for your invitation to discuss our work with the Committee. We were heartened by its warm response to our presentation about the role of legal aid in the judicial system. We stand ready to assist you and the Committee and we look forward to continuing the conversation about how to improve the civil justice



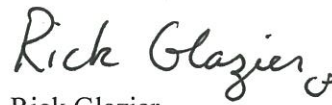
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the Committee and we look forward to continuing the conversation about how to improve the civil justice system in North Carolina for those who cannot afford representation.

Sincerely,



Celia Pistolis  
Chair, Equal Justice Alliance  
Assistant Director, Legal Aid of North Carolina



Rick Glazier  
Vice-Chair, Equal Justice Alliance  
Executive Director, North Carolina Justice Center

Enclosures

cc: Will Robinson



**Distribution of Pro Bono Cases across North Carolina**

	<b>Cases Opened in 2014</b>	<b>Cases Closed in 2014</b>	<b>Active Attorneys by County</b>
Alamance	209	192	210
Alexander	12	8	25
Alleghany	2	3	12
Anson	67	55	22
Ashe	17	15	25
Avery	18	18	24
Beaufort	4	5	58
Bertie	14	12	10
Bladen	11	11	29
Brunswick	36	34	127
Buncombe	796	758	756
Burke	83	81	76
Cabarrus	74	73	200
Caldwell	51	53	49
Camden	1	1	2
Carteret	23	22	121
Caswell	10	10	16
Catawba	212	207	192
Chatham	84	94	84
Cherokee	114	104	29
Chowan	9	9	15
Clay	40	38	13
Cleveland	10	23	89
Columbus	12	10	63
Craven	23	25	184
Cumberland	137	131	393
Currituck	4	4	17
Dare	7	4	81
Davidson	45	43	139
Davie	8	9	52
Duplin	9	9	29
Durham	302	333	1,395
Edgecombe	48	42	55
Forsyth	269	266	1,250
Franklin	34	33	47
Gaston	70	64	293
Gates	9	8	2
Graham	50	44	5
Granville	23	27	58
Greene	14	12	6

Guilford	333	350	1,511
Halifax	20	21	41
Harnett	34	34	105
Haywood	218	211	86
Henderson	159	175	140
Hertford	19	19	27
Hoke	20	22	23
Hyde	1	1	4
Iredell	81	66	234
Jackson	258	249	56
Johnston	60	63	177
Jones	0	0	7
Lee	48	48	70
Lenoir	41	40	70
Lincoln	7	9	61
Macon	197	189	38
Madison	26	29	17
Martin	9	9	15
McDowell	33	38	34
Mecklenburg	495	396	5,196
Mitchell	5	4	13
Montgomery	7	9	11
Moore	73	74	146
Nash	144	139	123
New Hanover	125	118	753
Northampton	15	16	10
Onslow	36	35	154
Orange	125	136	797
Other/Out of state	32	28	-
Pamlico	0	0	12
Pasquotank	14	16	68
Pender	19	19	41
Perquimans	6	6	8
Person	20	18	34
Pitt	64	62	281
Polk	12	11	23
Randolph	41	45	103
Richmond	75	67	47
Robeson	58	54	114
Rockingham	42	40	74
Rowan	45	42	155
Rutherford	81	82	52
Sampson	16	18	43
Scotland	16	16	30
Stanly	22	24	52
Stokes	15	12	26

Surry	20	20	76
Swain	127	120	20
Transylvania	30	32	36
Tyrell	1	1	2
Union	42	39	201
Unknown	33	28	-
Vance	41	45	38
Wake	519	494	5,437
Warren	9	13	12
Washington	6	6	4
Watauga	41	39	88
Wayne	92	83	112
Wilkes	59	65	63
Wilson	162	165	106
Yadkin	8	9	26
Yancey	4	4	18

Total pro bono cases opened in 2014: **7,322**

Total pro bono cases closed in 2014: **7,113**

Total active lawyers in NC: **23,574**

**Notes:**

- Cases that are opened or closed in a particular county may be handled by a lawyer residing in another county. For example, many pro bono cases through the Lawyer on the Line program, which seeks to provide brief advice and service to rural areas where services are less available, are completed by lawyers that reside in counties other than the county where the client resides.
- Information about the number of active attorneys per county in North Carolina is available from the North Carolina State Bar. Information accessed on November 10, 2015 at [http://www.ncbar.gov/gxweb/wp\\_activedistrict.aspx](http://www.ncbar.gov/gxweb/wp_activedistrict.aspx).

## **Economic Benefits of the Provision of Legal Aid in North Carolina**

In 2013, the NC Equal Access to Justice Commission undertook a study of the economic benefits to the state derived from the provision of legal aid to those in need by providers Legal Aid of North Carolina, Legal Services of Southern Piedmont, and Pisgah Legal Services.

The report calculated the total federal economic benefits in the following categories:

- Supplemental Nutrition Assistance Program (SNAP), also known as food stamps
- Supplemental Security Income/Social Security Disability Insurance (SSI/SSDI)
- Temporary Assistance to Needy Families (TANF)
- Tax-related federal refunds including the Earned Income Tax Credit

The report also tallied other direct awards obtained for clients including child support awards and housing related awards. Lastly, the report identified the cost savings from representation in domestic violence advocacy, foreclosure prevention, and eviction prevention.

### **Key findings of the report:**

- The total economic impact, including direct and indirect benefits and cost savings, of the provision of legal services in 2012 is \$48,775,276. This includes:
  - \$9.2 million in new federal revenue directed into the state of North Carolina.
  - \$8.8 million in child support and housing awards.
  - \$13.9 million of indirect economic impact (economic boost to the state and local economies through increases in employment, wages, and business outputs).
  - \$16.9 million in cost savings including domestic violence prevention, eviction prevention, and foreclosure prevention.
- For every dollar spent to provide legal services from all funding sources in 2012, \$2.08 is put into the economy.
- For every dollar spent by the state to provide legal services in 2012, nearly \$10 flows into the economy.

## The Cost of Criminal Records Access to Legal Aid Providers

In recent years, thanks to bipartisan support of the General Assembly, more individuals with a criminal record are eligible for expunction. Legal aid programs across the state are assisting individuals to seek expunctions of their criminal records, often for a decades-old offense or an arrest where no conviction was made, to remove barriers to employment. A recent study by the Stanford Institute for Economic Policy calculated the economic benefits of clearing criminal records through the expunction process for a cohort of individuals in Santa Clara County, California. The study found that the economic benefits per individual following expunction included increased yearly income of \$6,190, increased GDP of \$1,153, increased tax revenue of \$750, and reduction in government assistance of \$1,380.<sup>1</sup>

The Administrative Office of the Courts charges \$25 for a certified copy of an individual's criminal record. In 2014, Legal Aid of North Carolina spent \$3,727 accessing criminal records for clients seeking expunctions. So far this year, Legal Aid has spent approximately \$2,000 on criminal records.

Legal aid providers and their clients also obtain limited access to ACIS through local terminals and individual courthouses. Often, limited access to ACIS does not provide legal aid attorneys and their clients the full range of information necessary to petition for an expunction. Other private search engines that offer criminal background searches are often not completely accurate. Thus, legal aid attorneys cannot rely on private search engines or local courthouses and terminals alone when serving clients.

Free access to ACIS for legal aid providers would not only be more cost-effective, but also, it would allow for greater efficiency in processing expunctions. Legal aid programs often host community clinics where prospective clients are screened for eligibility for expunctions. Most clients cannot navigate the process of obtaining their record in advance of such clinics. Access to ACIS would allow for efficient screening and processing of expunction cases on-site.

Lastly, legal aid providers cannot currently afford to pull criminal records in all such matters, but access to criminal records would be highly beneficial in other areas of practice where there is an intersection between the client's civil legal issue and criminal matters. If available for free, legal aid providers would routinely pull criminal records in nearly all domestic violence and immigration cases and regularly in consumer protection and public benefits cases as well to better serve their clients.

In order to facilitate equal access to justice, we recommend that legal aid providers in North Carolina be granted full access to ACIS, or any later iteration of ACIS, in the same manner as Public Defenders, District Attorneys, and Bail Bondsmen.

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<sup>1</sup> Sprague, Mary. "A Cost-Benefit Analysis of Criminal Record Expungements." *Stanford Institute for Economic Policy Research*. 14 Mar. 2014. Web. <<https://publicpolicy.stanford.edu/publications/cost-benefit-analysis-criminal-record-expungement-santa-clara-county>>.

## **The Role of Loan Repayment Assistance for Legal Aid Lawyers**

NC Legal Education Assistance Foundation (NCLEAF) helps North Carolina lawyers pursue careers in public service by providing monthly assistance to help them repay their student loans. NC LEAF is the nation's first statewide loan repayment assistance program (LRAP for attorneys working in public service careers. Since the first funding cycle in 1991, NC LEAF has provided over \$6 million in educational loan repayment assistance to over 600 public service attorneys, including public defenders, prosecutors, and legal aid attorneys. Public service attorneys are paid salaries which are often a fraction of those of their counterparts who work at private law firms; yet public sector lawyers face the same educational debt as their colleagues who enter private practice.

A key component of NC LEAF is keeping well-trained attorneys in their jobs, which in turn helps the delivery of justice in the court system and ensures justice for the underrepresented citizens of our state. Retention is an ongoing problem for public sector employers as attorneys with high debt are forced to seek higher paying positions in private firms.

### **Barriers to Public Interest Employment for Attorneys**

- Law school tuitions have increased dramatically, over 267% since 1990.
- Many students graduate from law school with debts ranging from \$80,000 to \$200,000. The average debt load in North Carolina is \$109,610.
- In 2014, 30 new applicants to NC LEAF sought assistance for \$3.9 million in law school debt, an average of \$130,000 per applicant.
- At Legal Aid of North Carolina (LANC), starting salaries are \$40,000 for entry-level attorneys.
- Average starting salaries for Assistant District Attorneys and Assistant Public Defenders are \$38,628.

The starting salary for legal aid attorneys is extremely low and this does not improve much, even after 10 years of experience. The average salary for an attorney with ten years of experience working for a civil legal aid provider is \$54,000. LRAP programs are critical to the recruitment and retention of public interest attorneys.

### **Federal Public Service Loan Forgiveness**

The Public Service Loan Forgiveness (PSLF) is a federal program that forgives the balance of federal student loans after a term of public service. Non-federal loans, represent at least 17% of student loan debt, are growing and, are not forgiven under this program. While PSLF is a helpful program for many who enter public service, there are many restrictions on qualifications and it only applies to the remaining balance on federal loans after the participant has been engaged in public interest work for 10 years (120 months). During this 120 month period, applicants must continue to make monthly loan payments which may be income based. Thus, other LRAP may be needed to allow applicants to continue public interest work.

In addition, the PSLF is under constant scrutiny from Congress and there have been many attempts to curtail or outright abolish the program. There certainly is no guarantee that it will continue and other LRAP options should be maintained.