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 870-972-9224

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Little Rock, AR 72201
 501-376-3423

712 West Main
Mountain View AR 72560
 870-269-4355

202 Walnut Street
Newport AR 72112
 870-523-9892

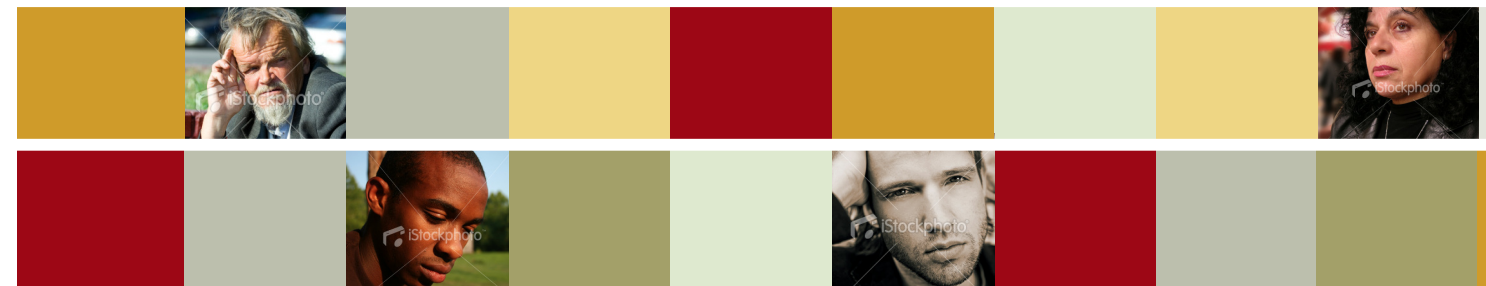
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STATEWIDE HELPLINE: 1-800-952-4253



The Voices
of Justice

2008
Annual
Report

"**JUSTICE** is the end of government. It is the end of civil society. It ever has been and ever will be pursued until it be obtained, or until **LIBERTY** be lost in the **PURSUIT**."

- James Madison

CENTER FOR ARKANSAS LEGAL SERVICES
 LEGAL AID OF ARKANSAS

VISION OF JUSTICE

In times of great economic and political strain, immediate problems force many to forget the important values which have sustained our country for 222 years. One of those values, enshrined by our founders in the Constitution, is the Promise of Justice. It is a concept that has set our nation, state, and communities apart from all other societies in the world. We ignore it at our own peril. By ignoring it, we shred the very fabric which holds our nation together.

We are honored and humbled to be leading two organizations in Arkansas which work daily to fulfill the all-inclusive vision of justice as set forth by the founders of our great nation. Legal Aid of Arkansas and the Center for Arkansas Legal Services provide free civil legal help to thousands of low income citizens who have no other place to turn. One in 5 Arkansans are eligible for free civil legal aid. But because of limited resources, we can only accept about 50% of the people who come to us seeking help.

As our economy slid into recession this past year, we have witnessed a greater number of people coming to us with problems of bankruptcy, home foreclosures and evictions. Washington County, for example, had a 241% increase in foreclosures in 2008 over the previous year. There were 1,571 bankruptcies filed in Union County and surrounding counties last year. This all took place within the context of declining federal funding; reduced grant, contract, and private funding; and a dramatic decrease in IOLTA funding which is based on interest on lawyer trust accounts. The state remained 48th in the total amount of funding devoted to civil legal aid.

In this report you will hear some voices of justice as we share client stories of people we were able to help this year. Each one's story provides compelling insight into the increasing difficulties many of our fellow citizens face in obtaining justice in a time of rising economic insecurity.

Our founders were visionaries who based society on laws and not men. But their vision is deeply debased when we cannot afford justice for the most needy among us. To fully embrace the democracy we all share, everyone must be included in that promise of justice. We hope this report engages you in the struggle with us to achieve the Vision and Promise of Justice for all Arkansans.



Jean Turner Carter, Executive Director
Center for Arkansas Legal Services



Lee Richardson, Executive Director
Legal Aid of Arkansas

CLOSING THE JUSTICE RESOURCE GAP

Over the years both legal aid organizations in the state have developed creative ways to stretch their limited resources. In addition, the statewide justice community has developed a mechanism to work directly on bringing more resources to bear on the severe justice gap which exists in Arkansas.

Arkansas Legal Services Website

Both legal aid organizations developed a nationally acclaimed website www.arlegalservices.org. It contains resources for the public and legal community including hundreds of fact sheets for low-literacy readers; easy to use automated legal forms for attorneys and self-help assistance; hundreds of court forms; and other useful resources including an on-line chat. In 2008 over 1.5 million web pages were viewed and over 6,000 Arkansans used automated forms to handle their legal issues.

Arkansas Pro Bono Partnership

Another joint legal aid effort in cooperation with the Arkansas Bar Association is a partnership designed to facilitate the recruitment, retention, support, oversight and recognition of lawyers who volunteer their services [pro bono] to represent legal aid eligible clients. During 2008 more than 1,400 volunteer attorneys took cases for legal services which amounted to an in-kind contribution of over \$1,000,000. Another 550 individuals and firms donated over \$226,000 in lieu of service for a total pro bono contribution of \$1.25 million dollars.

Arkansas Access to Justice Commission

The Arkansas Supreme Court created the Commission to develop and implement initiatives designed to expand access to, and enhance the quality of, justice in civil legal matters for low-income Arkansans. Toward that end the Commission has surveyed circuit court judges and clerks [2004 and 2008] seeking to increase the efficiency and effectiveness of the courts with regard to pro se litigants; produced a DVD –“Forging the Road to Civil Justice” – about the need to expand access and the positive impact of legal aid; conducted five Town Hall Meetings for public input into the legal needs and resources available to address those needs; recommended changes to pro bono rules and reporting which seek to expand private bar participation; and recommend legislative action to increase funding for civil legal aid. In support of its bill for the 2009 legislature the Commission launched a new website www.equaljusticewatch.org which provides data by county regarding the types of legal aid cases, foreclosure and bankruptcy statistics, and basic demographic data.

HELPING US END JUSTICE DENIED

The work of legal aid values Arkansans in their families, jobs, and homes thereby helping produce stable and productive lives which in turn sustain viable and healthy communities. The work of legal aid secures tangible income benefits for people who are living on the edge economically and protects their housing, health, education and employment. And legal aid accomplishes its work with productive dedicated staff, the creative use of resources, and respect for the dignity of clients.

What is clear is that when all these values are insecure – families disintegrate, children become victims, economic productivity becomes welfare dependency, and people are turned out of homes and into homeless shelters. Stability in these values promotes our strength as a state and extends the protections of justice to all citizens.

In Arkansas, 1 in 5, or 20% of our citizens are eligible for legal aid but nearly 50% of those who apply for assistance must be turned away due to lack of resources. In addition, 4 of every 5 dollars going to legal aid come from the federal government.

There is no state revenue appropriation for civil justice efforts in Arkansas. The Legislature has twice increased court filing fees to benefit legal aid. Without increased funding, however, the voice of justice cannot speak for the values we all hold important – family, economic security, health and home. As James Madison wrote, “We must pursue that justice for everyone – it is the primary end of government and must be pursued until it is obtained.” The political leaders of Arkansas must add their voices to that pursuit in order for the state to achieve the vision of justice for all. Without that commitment far too many Arkansans will continue to face justice denied.

THE LIMITED RESOURCES FOR JUSTICE

Funding for civil legal aid comes from five main sources. This past year 4 of the 5 declined, some quite significantly. Examining the situation through an historical lens, the trends have been down since 1995, especially from the largest source of funding – the Federal Government through the Legal Services Corporation.

Federal – 69%

Funds by Congress through the Legal Services Corporation [LSC] are apportioned based on state poverty levels.

Grants and Contracts – 11%

These include funds from United Way, HUD, domestic Violence organizations, area Agencies on Aging, and similar client service operations.

IOLTA – 10%

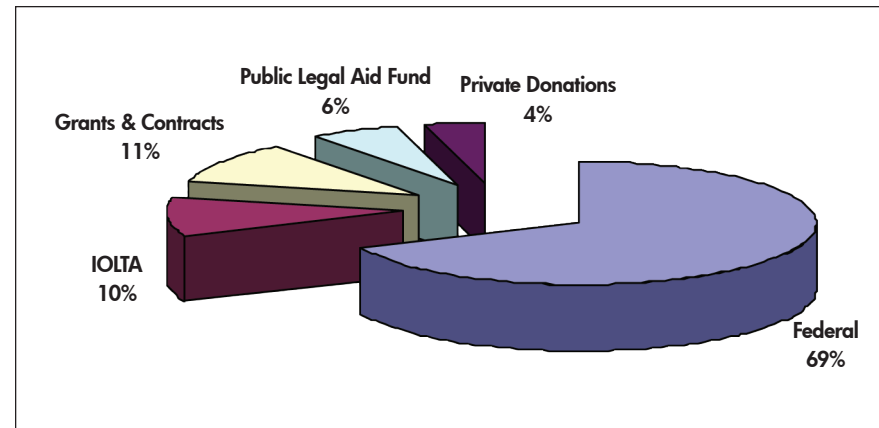
Interest on lawyer trust accounts. Because of the economic recession the funds available have decreased 60%.

Public Legal Aid Fund – 6%

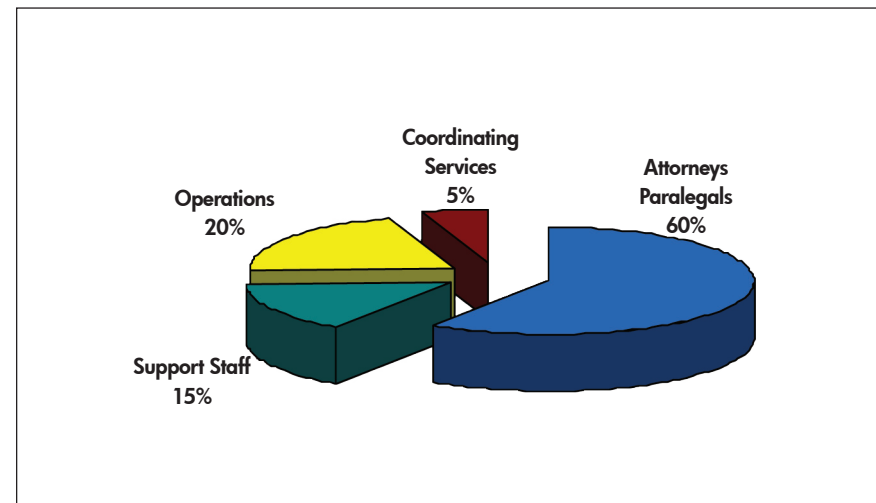
Proceeds from an increase in the circuit court reopening fee enacted by the Legislature in 2005.

Private Donations – 4%

Legal aid campaigns to local attorneys.



Expenditures reflect the challenge of doing the maximum with limited funds



Attorneys and Paralegals – 60%

The single largest category reflects salaries and benefits of those individuals who directly manage client cases.

Operations – 20%

Rent, utilities, equipment, printing, postage and phone expenses.

Support Staff – 15%

Salaries and benefits of secretarial support, business management and technical staff.

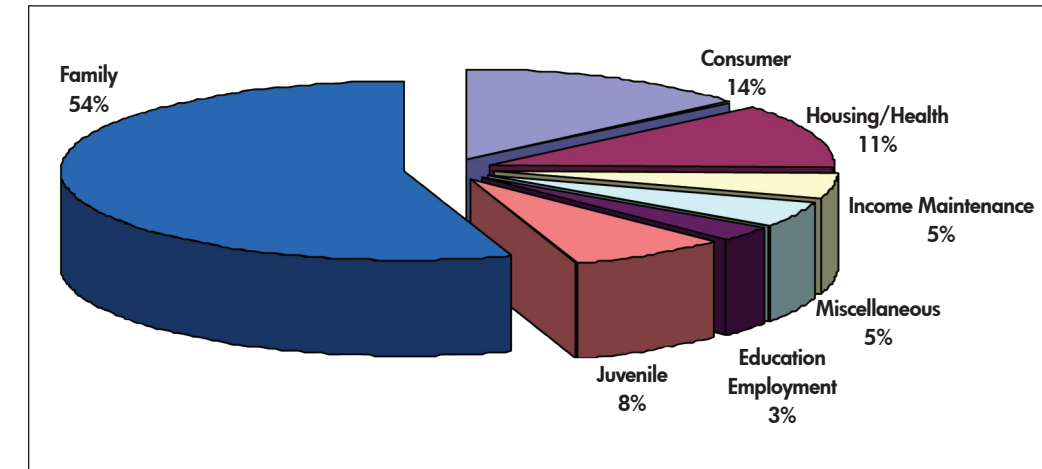
Coordinating Services – 5%

Statewide efforts of both legal aid organizations; website, pro bono activities, board training, and legal training. In addition, staffing of the Access to Justice Commission.

VALUE OF JUSTICE – LEGAL AID WORK IN ARKANSAS

2008 Case Types and Case Loads

Arkansans place a high value on supporting families, protecting children, securing economic opportunity and preserving health and home. These are the primary areas supported by the civil legal aid work done in Arkansas. Need for these services are increasing as the economy has slipped into recession and there have been increases in bankruptcies, foreclosures and unemployment.



Family – 56%

More than fifty percent of the cases handled by legal aid this year involved families in distress. Most of these centered around divorce with domestic violence which often also entailed efforts to protect the children involved. With increasing economic stresses this category is expected to increase in the coming year.

Consumer – 14%

Within this category of cases there has been a dramatic rise in bankruptcy, foreclosure and collections. Garnishments and deceptive sales practices fill out this category. As economic conditions continue to decline these cases too are expected to rise.

Housing and Health – 11%

Landlord-tenant evictions are the predominate type of case in this category. Arkansas is the only state which criminalizes evictions plus there is no recognized warranty of habitability for rental property. Home ownership and foreclosure issues fill out the remaining areas of increase in this category. Medicaid cases are the most common in the health part of this category.

Juvenile – 8%

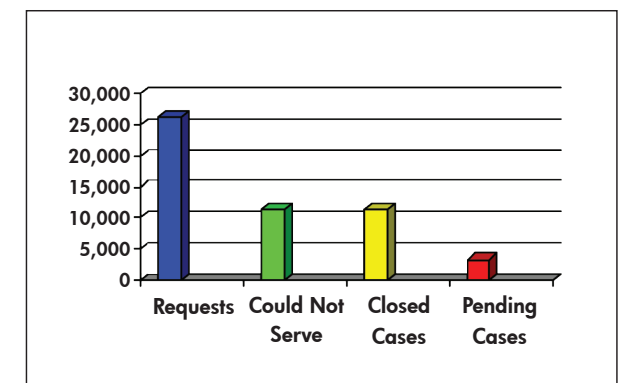
Children are often caught in the crosshairs of family disputes and require civil legal protections which legal aid provides them. Increased divorces create legal issues of guardianship, abuse and neglect as well.

Income Maintenance – 5%

Most cases involve maintaining or securing income for poor Arkansans through federal monies from Social Security and SSI. Legal aid improved or stabilized the income of families by securing over \$1.5 million in federal money.

Helpline

A toll-free HELPLINE provides Arkansans from throughout the state access to the legal aid office closest to their home. If the caller is eligible [based on income and case priorities] the Helpline professionals provide legal services. In 2008, the Statewide Helpline received 25,000 calls but was unable to serve nearly 11,500 callers [46%] because of resource shortages.



THE VOICES OF JUSTICE – CLIENT STORIES

There is no better way to provide an understanding of the value of justice to readers of this annual report than to hear some of the voices of justice – those individual whose lives have been changed by legal aid. Their legal needs addressed issues ranging from financial stability, to educational equity, to fair housing, to guardianship, to bankruptcy, to foreclosure, to Social Security, to advance directives. These are the myriad problems faced daily by low income Arkansans. Together these stories, and thousands like them, are the **voices of justice**.



In Arkansas, we have seen an increase in the number of properties facing foreclosure. In 2008, 14,277 properties in Arkansas faced foreclosure, which is a 123% increase from the previous year. These homeowners come to legal aid when they can not afford to hire an attorney, and we try to help them keep their home. One resident of Washington County was such a homeowner. He fell behind on his mortgage payments and tried to negotiate a deal with his mortgage company. The company agreed to accept reduced payments. Instead of sending one check for the new payment, however, our client had split his payment between two checks. The mortgage company didn't notice that the checks totaled his new payment; instead, the company thought that our client had failed to comply with his new contract. So the mortgage company sold the home and evicted our client. Legal aid initiated action on behalf evicted homeowner and explained the situation to his mortgage company. The company agreed to rescind the sale and to reinstate the new contract. (The mortgage company had been the buyer at the sale.)



Remember the tornados that swept through Arkansas last year? One of the tornados in May destroyed the mobile home of a Pope County resident and her disabled husband. After taking the correct actions with their insurance company, the couple was issued a check for \$11,000, to be used for repairs. But the couple couldn't find a repairman willing to take the job. No one was willing to make the long back roads trip that crossed downed trees and power lines to the damaged property. Moreover, the mobile home was damaged so badly that no repairman who managed to reach it was willing to take the job at that price. The insurance check was just too small to return the residents to a habitable home. So the rural couple came to legal aid for help. After becoming involved and talking to the insurance company, the insurer agreed to pay the whole amount owed on the mortgage. A legal aid attorney then directed the couple to apply for FEMA assistance even though they had missed FEMA's deadline. FEMA directed them to the Small Business Administration, and SBA gave them a \$57,000 loan. The displaced family are on their way to owning their own home again.

Family law cases continue to be the single largest type of cases handled by the two legal aid organizations in the state. A particularly troubling such case this year centered on the follow up to a divorce. At the time of the dissolution of the marriage the father gained custody of the parties' 17 year old daughter. As time went on the daughter began accusing the father of improperly touching her. Several such occasions were identified. In the meantime the father, with another minor child not his daughter, had been convicted of felony sexual abuse and was then registered as a sex offender. Legal aid on behalf of the 17 year old daughter obtained an ex parte custody order and later a permanent change of custody on behalf of the child client. In this new custody situation the father was denied visitation rights.



As the recession deepened this year more and more low income Arkansans faced economic hardships. People with limited income become prey to many an unscrupulous business practice. A 61-year-old disabled widow, entered into a contract with an online business. The business instructs individuals on how to build a website and sell merchandise online. As part of her contract the widow had made a down payment of \$235 and agreed to let the company draft \$142.98 monthly from her bank account. She ended up paying a total of \$3,666.58 to the online business. After several months, however, she realized that she was not as computer savvy as she needed to be in order to successfully build a website. She contacted the business asking that the monthly withdrawals from her bank account be stopped. But the company refused to cancel the contract telling her that she could only have cancelled the contract within the first three days of signing it. The woman then contacted legal aid and her case was referred to a pro bono [volunteer] attorney. Within days the attorney reached an agreement with the company which rescinded the contract after one phone call.