

# Michigan's "Justice Gap"

## Seeking Solutions Through Innovation and Collaboration



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**M**ichigan's challenging economy has brought an increase in poverty and a corresponding increase in the need to provide legal services for low-income and vulnerable people and families. At the same time, however, Michigan's legal aid providers have encountered shrinking resources. This has left a significant and potentially growing gap between the civil legal needs of the poor and the ability of legal aid programs to address them. Without equal access to the legal system, the poorest among us cannot meet their basic human needs.

Through innovation and collaboration, legal aid providers have been working very hard to help reduce the gap. They have increased efficiencies and developed collaborative programs to join forces with other legal aid providers, consumer assistance organizations, the Michigan State Bar Foundation, the State Bar of Michigan, volunteer lawyers, and numerous others. While their efforts are certainly remarkable enough to warrant mention in this month's column, they are clearly not enough on their own to close the growing "justice gap" affecting the poor in Michigan. Consequently, I believe that all of us should try to do our part to help close the gap through pro bono service. In addition, thanks to the creative and effective foundation established by our nonprofit legal aid programs, financial donations are especially good investments in justice for all.

### The Justice Gap

Michigan's legal aid programs provide critical services, especially during difficult financial times. They serve low-income families, retirees on fixed incomes, veterans seeking benefits, abused women, neglected children, immigrants, the working poor, persons

with disabilities, laid-off workers, and others who struggle daily for survival, independence, and dignity. Legal aid programs also provide many non-case services such as information on websites, community education sessions on legal topics, and staff training to help other nonprofit organizations spot legal issues and direct clients to appropriate assistance. Legal aid services not only help clients avoid legal problems but also help them understand their obligations and prevent problems from worsening.

Statistics regarding Michigan's economy are unfortunate and help us understand the justice gap. Michigan ranks among the top 10 states for most foreclosures and highest unemployment rate. While the need for legal aid has increased, resources supporting legal aid programs have been declining. This year alone, legal services programs have encountered funding decreases totaling more than \$2 million from three sources: (1) Congress reduced funding for the Legal Services Corporation, (2) historically low interest rates have reduced Interest on Lawyers Trust Accounts program funding, and (3) legal aid programs have received a decreased allocation of filing fee revenue.<sup>1</sup>

The spring 2012 report *Documenting the Justice Gap*,<sup>2</sup> prepared by the State Bar of Michigan in collaboration with Michigan's

Legal Services Corporation-funded providers, explains:

- The effects of the recession on Michigan's residents have dramatically increased the number of people in poverty. The number of persons who qualify for free legal aid because their annual income is below 125 percent of the federal poverty limit (\$23,863 in 2012 for a family of three) has increased approximately 50 percent in Michigan from 2000 to 2010 to more than 2 million people. The poor economy also brings an increase in certain legal problems; Michigan's high foreclosure rate has called for increased legal help in foreclosure prevention and is just one example of how a bad economy creates legal problems that, if unaddressed, can lead to family upheaval and community erosion.
- Legal Services Corporation funding was cut 4 percent for 2011 and 15 percent for 2012, and LSC-funded programs also faced decreases in state funding. This totals approximately \$2.2 million less annual funding for these programs, causing them to lose more than 40 staff members including 25.5 lawyers, 3 paralegals, and 15.5 support staffers. Two offices have closed. With staff cuts of approximately 17 percent, these programs will help fewer

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people. Given that Michigan's LSC-funded programs normally close some 40,000 cases a year, the likely toll is nearly 7,000 fewer cases handled, with each case affecting more than one person.

- LSC-funded programs are projected to face an additional 10 percent in funding cuts in 2013. These cuts will have a very serious impact on legal services programs in the state—more layoffs and office closures and further reductions in service delivery can be expected. The capacity of LSC organizations to support their pro bono programs will also be significantly challenged.

Even before funding reductions, insufficient resources forced legal aid programs throughout the nation to turn away half of all people who sought help. The report cites other studies that generally have shown that no more than 20 percent of the civil legal needs of the poor are being met.

To further understand how the economy has overtaxed Michigan's civil legal aid programs, some of them serve persons with annual incomes of up to 200 percent of the poverty threshold—at which level more than 3.4 million people, or a staggering 35.7 percent of Michigan's population, qualified for free legal aid in 2010. At the same time, the *Documenting the Justice Gap* report explained that for 2012, civil legal aid agencies cut nearly 60 staff members, or almost 20 percent of their total workforce. A 20 percent reduction in the more than 50,000 cases they handle annually means that at least 10,000 fewer indigent families will receive assistance.<sup>3</sup> The problem is actually greater in scope because these families are often multi-person households.

Regarding the recent staffing cuts affecting legal aid providers in Michigan, *Documenting the Justice Gap*<sup>4</sup> also notes that

“there is now one lawyer for about every 300 people in the general population, but only one legal aid lawyer for every 13,223 poor persons” in Michigan at 125 percent of the federal poverty level and that “[a] chronically challenging situation has now turned to crisis status.”<sup>5</sup>

### Legal Aid Programs Collaborate and Innovate

These challenging economic times have forced many in the legal profession—from private practitioners to courts—to do more with less, and Michigan's legal aid providers are no different. They have maximized resources and encouraged efficiencies in areas including technology, pro bono, fundraising, telephone hotlines, shared training, and projects. For example, legal aid providers have worked with the legal community to provide more than 35,000 hours of free legal assistance annually through pro bono programs to low-income persons. Examples of some collaborative projects follow.

#### Michigan Foreclosure Prevention Project

The Michigan Foreclosure Prevention Project (MFPP), which began in 2009, is a shining example of collaboration among seven legal aid programs covering our entire state that, according to its website, “will work as a statewide foreclosure prevention unit.”<sup>6</sup> The MFPP aims to provide “comprehensive and coordinated foreclosure prevention advocacy throughout the state by (1) providing direct legal representation to homeowners facing foreclosure, (2) providing support to housing counseling organizations, (3) coordinating policy advocacy on a statewide basis, and (4) providing training and technical support.”<sup>7</sup> Participating legal aid programs not only share training, evaluation, and other

support, but they also partner with housing counseling agencies throughout Michigan. The MFPP funds 11 foreclosure-specialist attorneys located in legal services programs in every region of the state.<sup>8</sup>

With lead funding from the Michigan State Bar Foundation and support from national foundations, the MFPP has doubled the number of foreclosure cases that legal aid programs handle. It has helped more than 12,000 homeowners, saving over 4,000 homes and achieving positive outcomes in more than 90 percent of its cases.

#### Solutions on Self-Help Task Force

Another model of collaboration and innovation is the Solutions on Self-Help (SOS) Task Force.<sup>9</sup> Established in 2010 by then Michigan Supreme Court Chief Justice Marilyn Kelly, its goal was to address the needs of the large and growing number of self-represented litigants who could not afford to hire lawyers. Legal aid leaders joined a wide range of stakeholders (including courts, the State Court Administrative Office, the Michigan Judicial Institute, local bars, libraries, the Michigan State Bar Foundation, and several others) to strive for better and more centralized assistance for self-represented litigants.

The SOS Task Force selected the Michigan Poverty Law Program to manage its legal aid pilot project for a statewide interactive website—[www.michiganlegalhelp.org](http://www.michiganlegalhelp.org)—and affiliated local self-help centers. For complex cases or cases that appear to involve people of means greater than the system handles, the website will provide information about local human services resources and how to find a lawyer. More information about the task force is available online.<sup>10</sup> The website began a soft-launch phase in May to test its operation and seek suggestions for input and will soon begin implementation.

#### State Bar Committee on Justice Initiatives

Legal aid leaders have long been involved in the State Bar's access to justice efforts. Many have served on the State Bar's Committee on Justice Initiatives or its subgroups or helped the Access to Justice subcommittee of the Judicial Crossroads Task Force. They have also worked in a wide range of other positions with the State Bar.

## The Access to Justice Campaign

The Access to Justice (ATJ) Campaign<sup>11</sup> raises funds for civil legal aid for the poor. Since 1997, Michigan's legal aid programs have been key partners with the State Bar and the Michigan State Bar Foundation in the ATJ Campaign. Since its inception, the ATJ Fund has raised more than \$11 million for a statewide endowment and in donations designated for local legal aid programs. It also supports legal aid agencies with their annual appeals or other fundraising needs. Tax-deductible contributions to the ATJ Fund, which are ultimately directed to the statewide endowment or to approved independent civil legal aid programs, offer Michigan lawyers a way to satisfy the Voluntary Pro Bono Standard.

## Conclusion

When legal aid providers strive for innovation and reach out to others to collaborate on projects that draw on common expertise and interests, they improve access

to justice. Access to justice is a fundamental goal of the State Bar and a core value. In addition to the ATJ Fund, the State Bar's long tradition of support includes annual trips to visit our federal congressional delegation to encourage adequate funding for the Legal Services Corporation. This year, the State Bar received the ABA's Grassroots Advocacy Award for its efforts which, like those described above, are undertaken with the support of our many Michigan partners and lawyers.

At this critical time of need, I encourage everyone to do their part to help close the justice gap and address our crisis in legal aid funding by helping the most vulnerable members of our community. Michigan's network of legal aid providers deserves your donations and will put them to good use. If possible, please consider increasing your pro bono service and ATJ Fund contributions. Michigan law firms that have fully met the State Bar's Voluntary Pro Bono Standard can apply for recognition in the State Bar's Circle of Excellence.<sup>12</sup> ■

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## FOOTNOTES

1. Michigan State Bar Foundation data.
2. The State Bar of Michigan, *Documenting the Justice Gap in Michigan: Update* (2012), available at <<http://www.michbar.org/programs/ATJ/pdfs/JusticeGap.pdf>>. All websites cited in this article were accessed May 20, 2012.
3. *Id.*
4. *Id.*
5. *Id.*
6. Michigan Foreclosure Prevention Project <[http://miforeclosure.mplp.org/advocate\\_about\\_us](http://miforeclosure.mplp.org/advocate_about_us)>.
7. *Id.*
8. *Id.*
9. Solutions on Self-Help (SOS) Task Force <<http://sostf.org>>.
10. Solutions on Self-Help (SOS) Task Force <<http://sostf.org/Self-Help-Resources>>.
11. Resource Development Initiative/Access to Justice Campaign <<http://www.atjfund.org>>.
12. 2012 Pro Bono Circle of Excellence <<http://www.michbar.org/programs/ATJ/pdfs/CircleOfExcellence.pdf>>.