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CONFIDENTIAL LEGAL MAIL

Ms. Althea Hayward
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Dear Althea:

Enclosed, please find a report in response to LSC Program Letter 2000-7 submitted by the North Carolina Legal Services Planning Council. As you know, the Planning Council is a body comprised of leaders within the justice community who are engaged in statewide planning and the coordination of legal services delivery to North Carolinians living in poverty.

In this report, we provide a broad over-view of the service delivery system as it has evolved, together with detailed information about plans for enhancing client access and services. The report specifically addresses the extent to which we have achieved a comprehensive, integrated client-centered legal services delivery system. It also addresses some of the outcomes of the process in terms of the effectiveness, quality, and efficiency of the legal work; the ability of clients to access services notwithstanding geographical disparities; the greater involvement of the private bar in helping to resolve the legal problems of our clients; and efforts to more effectively empower the client community.

We hope you will find the report informative. On behalf of the Planning Council and North Carolina's justice community, welcome to the team. We look forward to working with you to further improve the services we provide to North Carolinians living in poverty. With all best wishes, I am,

Sincerely yours,

Michael S. Hamden

Michael S. Hamden, Chair
NC Legal Services Planning Council

North Carolina Evaluation Report
Submitted in Response to LSC Program Letter 2000-7
by the
North Carolina Legal Services Planning Council
June 2002

The North Carolina Legal Services Planning Council, formed in 1999, has defined its mission as central coordination of a sustained, comprehensive, integrated, statewide system to provide the most effective legal services to people in poverty in North Carolina. Since its formation, the Council has been primarily composed of the executive leadership of the four LSC-funded programs as well as non-LSC-funded programs such as the Justice and Community Development Center and special providers serving particular constituencies. Additional membership is provided by the North Carolina Bar Association, and the Executive Director of the IOLTA program (ex officio). A Client Council representative and a representative of the private bar have been added within the past year.

The Planning Council's 1999 State Planning Report (submitted to the Legal Services Corporation in response to Program Letter 98-1 and 98-6) set forth an ambitious agenda for the evaluation and improvement of client access; technology; access to courts; self help and preventive education; coordination of legal work and advocacy; private attorney involvement; resource development; and program configuration. Following issuance of the Report, the North Carolina civil justice community spent the year 2000 focused on LSC-funded program reconfiguration, a process resulting in the February 2001 decision to form a new single statewide LSC-funded entity. The time and resources of Planning Council members throughout 2001 were primarily devoted to the design and implementation of the new corporation, which will begin the delivery of services on July 1, 2002. In 2002, the Council is reviewing the 1999 Report and moving forward as indicated in response to the questions posed by Program Letter 2000-7.

1) **To what extent has a comprehensive, integrated client-centered legal services delivery system been achieved in North Carolina?**

2) **To what extent have intended outcomes of a comprehensive, integrated and client-centered legal services delivery system been achieved including but not limited to service effectiveness/quality; efficiency; equity in terms of client access; greater involvement by members of the private bar in the legal lives of clients; and client-community empowerment?**

Program Letter 2000-7 indicates that LSC recognizes that the effort to create state justice communities is ongoing. In North Carolina, a great deal of additional information that will assist in answering the questions posed by Program Letter 2000-7 will be available within the next six months. A major 2002 project of the Planning Council is a statewide needs assessment, involving data collection and surveys of clients, advocates and other knowledgeable individuals. The project is designed not only to identify the legal needs of North Carolinians living in poverty, but also to identify gaps in meeting those needs in order to facilitate future planning.

The initial results of the needs assessment process will be presented at the July 19, 2002 Planning Council meeting, with the project scheduled for completion in December 2002. The Council contracted with the North Carolina Justice and Community Development Center to perform extensive data collection concerning both substantive issues (defined for this purpose as: jobs and employment; health; education; housing; homelessness; public benefit programs; consumer/utilities; and family law) and special client populations (defined for this purpose as race/ethnic—Black & Hispanic; elderly; women; children; immigrants; farmworkers; rural/regional; disabled; military; prisoners/juvenile justice).

Substantive law advocates discussed the most pressing issues in their areas of law at the April 2002 task force meetings and submitted reports answering the following questions in the specialized areas of housing, public benefits and health, employment, education, consumer, and family law: What are the most pressing needs facing low income individuals/families: Are there particular populations with special problems? If so, who are they and what are the special problems? What are possible solutions to the above-identified problems?

In addition, Legal Services of North Carolina VISTA staff are surveying clients and community leaders across the state about the needs of clients. Advocates in special provider programs serving client populations such as people with mental disabilities and Native Americans have been asked for comments. Additional information about what needs are being met will come from the Private Attorney Involvement committee, the Community Education committee, and the Program Visit and Support committee.

Client Involvement

Both the Planning Council and the service delivery programs have recognized the need for a client-centered legal services delivery system, and have taken steps over the past three years to increase client involvement in decision-making. The Planning Council requested the LSNC Client Council, as a statewide entity, to appoint a member to the Council in 2001. Several of the Council committees also have client representation; as with all Planning Council committees, members are not necessarily Council members. Planning Council meetings are open to any interested members of the civil justice community and clients are invited to attend; the Client Council coordinator has attended several of the meetings. The current proposal of the Futures Committee (although not yet adopted by the Council) calls for additional client membership in a successor organization to the Council.

The client community was invited to the various planning meetings that led to the formation of Legal Aid of North Carolina, Inc. (LANC). The LANC Transition Board was composed equally of client and attorney members. The eight client members were appointed by the Boards of the four existing LSC-funded programs and participated equally with the attorney members in making all decisions regarding governance and management, including the decision to hire George Hausen as the inaugural director of Legal Aid of North Carolina. These client members were also primarily responsible for designing and implementing the selection procedure for client board members of LANC.

Legal Services of North Carolina has provided approximately $53,000 annually to the Legal Services Client Council of North Carolina to support its activities. The Client Council is an advisory committee to provide critical client input and perspective for development of policies, training plans, community education and outreach as well as other matters. The LSCC has included all client representatives of the LSNC Board of Directors, plus all of the client representatives of the local program boards of trustees in North Carolina and any interested members of the community. The funds provided by LSNC have enabled the Client Council to employ a coordinator to assist the Council.

The Planning Council allocated use of a $7,500 LSC grant to LSCC to become involved in the transition process. LSCC spent this grant for both training expenses and for client activity expenses in connection with the process of seeking board representation for LANC. LSCC retained Michelle (Karimah) Moore, a professional consultant, to lead and monitor the representation and selection process. Ms. Moore provided consulting services at an initial planning meeting in December and at follow up meetings in January and February. In addition, the grant paid travel expenses for LSCC members to attend the January meeting (at which eligibility requirements for client members, such as age and the poverty guidelines, were discussed) and the February meeting (at which the client board representatives were selected).

Barriers to client participation in the decision-making process include communication and financial issues. In this era of e-mail and voicemail technology,

many members of the client community still do not have access to a telephone in their homes, let alone to a computer with an internet connection. Although many public libraries allow access to a free e-mail account, transportation to the library can be a problem, particularly in rural areas. Many employed clients do not have the ability to take time off to attend meetings during the workday, especially due to the travel times involved in a state the size of North Carolina. Finally, financial resources to support the involvement of clients in the process are severely limited.

One approach being taken in North Carolina to increase client involvement is the formation of regional client groups under LANC. During the "transition period" for the formation of the new, statewide LANC organization, LSCC developed its own plan to: (1) provide needs assessment information on a regional basis; and (2) to provide structure ("regional clients councils") for electing representatives to the new LANC board of directors. With limited resources for travel and communication, the regional sessions will provide greater opportunities for additional clients to participate and voice their needs on a regular basis, as well as to focus on local issues and potential collaboration with other community organizations. The statewide LSCC meetings (for representatives of the regional clients councils) will, therefore, become opportunities to provide leadership skills training, gain consensus regarding statewide priorities and develop strategies of empowerment, all of which can be shared with and recommended to the LANC board of directors and staff.

Full Range of Advocacy Strategies

The Planning Council, the Transition Board of LANC, and the four current federal grantees have agreed that continuation of LSSP and LASNNC as non-LSC-funded programs will provide a more effective and efficient delivery of legal services to the poor of North Carolina than does the current system. This new structure will provide services to additional clients and will permit more advocates to employ a broader range of advocacy strategies to meet client needs and objectives.

The LANC advocates, based in twenty-five field program offices across the state, will continue to function as the primary delivery sites for basic services permitted by LSC regulations to clients permitted to be served by LSC regulations in all 100 North Carolina counties. The LSSP advocates, based in Charlotte, will divide into specialized project teams using tools and remedies, such as administrative rulemaking, lobbying and class actions, that are unavailable to federally funded advocates and that have the ability to impact a large number of clients. The LASNNC advocates, based in Winston-Salem, will focus on consumer and domestic violence issues. Both programs will operate Hispanic outreach and representation programs without restricting services to those aliens allowed to be served with LSC funding.

Provision of a full range of advocacy is an area in which North Carolina has exercised some of its most creative leadership over the past year with the decision to keep LSSP and LASSNC operating without federal funds. Challenges for the future include

further development of programs and strategies to ensure that clients are not restricted by geographic location to accessing a full range of advocacy strategies and remedies. A meeting has already been held in the Triangle region to discuss the possibility of establishing an unrestricted program in the Raleigh/Durham area.

Statewide, Regional, and Local Coordination of Legal Advocacy

The 1999 Planning Report identified weaknesses in the statewide coordination of legal work. Problems areas identified included the loss of funding leading to staffing reductions in the 1990s, the inability of LSC-funded advocates to do certain types of work, and a lack of communication that had developed following these changes. North Carolina's historically strong substantive law task force structure was no longer operating as effectively as it had done in the past when substantive law experts were employed to monitor legal developments, to develop strategies to address client needs, and to engage the advocates around the state in cooperative efforts to resolve problems.

An Advocacy Coordinating Council was created as a broad coordination and governance system to strengthen the task force structure. The Committee has met regularly since its formation and the chair took the lead role in designing a statewide conference for the equal justice community in December. The conference had the highest attendance of any such conference in the history of the civil justice community in North Carolina and included sessions for clients as well as for advocates.

The Chair of the ACC reported to the Planning Council in December 2001 that the committee was facing tremendous challenges in meeting its goals, particularly in coordinating statewide advocacy. Although the 1999 Report had identified a critical need to fund a staff person to coordinate advocacy and training, no steps had been taken to fund this position. Having determined that the Justice Center is the appropriate location for this staff position, the Council drafted a grant application to fund the position. The Justice Center submitted a proposal to the North Carolina Bar Foundation on April 30, 2002; the position appears to be an ideal place for the Foundation to exercise leadership in its partnership with civil legal services providers. The Council will also be searching for other possible funders for the position.

In terms of ensuring that staff statewide participate in the substantive law task forces, the new statewide entity (and by far the largest provider of civil legal services in the state) will have the ability to evaluate regional directors and local programs on involvement in task forces. The new regional structure will also allow regional advisory boards and regional managers to track regional issues and hold the field offices accountable for responding to them within the limits of available resources and funding restraints.

The agreement among stakeholders concerning the continuation of LSSP and LASNNC has led these programs to commit fully to coordination of their activities with LANC and other non-LSC funded programs. This commitment has already led to a

successful meeting of public benefits advocates to discuss coordination of advocacy strategy around a range of specific issues. Advocates from the Justice Center, LSSP, Pisgah Legal Services, the National Health Law Program, and Carolina Legal Assistance attended this meeting. The group plans to meet twice a year in person and to involve LANC advocates and the Public Benefits Task Force in the work as appropriate.

Despite concerns about the need to do an improved job of coordinating advocacy, the task forces and certain groups of advocates continue to work together to address statewide and regional issues and crises. For example, the housing law task force has a group of advocates who are meeting by conference call to address the implications of the recent ruling by the United States Supreme Court in the Rucker case in North Carolina. Following Hurricane Floyd disaster in eastern North Carolina in 1999, the eastern programs worked together with the private bar, law schools, Justice Center, LSNC Central Office and volunteer advocates from around the state to train advocates in hurricane relief advocacy, to obtain funding to provide hurricane relief services, and to implement both short and long-term approaches to outreach and service to the client community.

Barriers to the coordination of advocacy include not only those issues already raised, but also include the fact that not all legal services providers are involved in the work of the Planning Council. Some have been invited to join, but have declined for various reasons, such as the small size of the program or the limited geographic area served by the program. The Council continues to encourage the involvement of existing and new legal services providers. For example, a group of Council members is meeting with a Raleigh law firm that is sponsoring development of a legal clinic to serve Hispanic residents of the Triangle and the Council has extended an invitation to its meetings to the Director of the new Financial Protection Law Center in Wilmington.

Equitable Client Access

Exploration of equitable client access is an area that has been postponed since the 1999 Planning Report. At that time, the Council deferred to a Study Committee on Screening, Intake, Advice and Referral that had been appointed by the North Carolina Commission on the Delivery of Civil Legal Services. Because that Study Committee did not issue any report or recommendations, the Council appointed its own Intake Study Committee in 2002. Other committees that are expected to produce reports relevant to the issue of equitable client access are the needs assessment committee, the Private Attorney Involvement committee, and the community education committee.

There is no doubt that certain geographic areas of the state as well as certain client populations currently suffer from a disproportionate lack of resources. For example, urban programs have access to larger and wealthier law firms from which to draw both financial and pro bono support. United Way programs in more populated areas are more apt to fund legal services programs than smaller United Way programs in more rural areas. North Carolina has traditionally allocated almost all of its federal and state

funding based upon the percent of poverty population residing in a particular service area without consideration of other factors. Some programs have had greater difficulty than other programs in recruiting and retaining legal staff so that the availability and quality of services to clients in their service areas has suffered.

The reports of the relevant Planning Council committees will assist the Council in evaluating current client access and in formulating strategies to overcome inequities. Although it is too early in the process to make specific recommendations, it should be noted that the new statewide LSC entity will have more flexibility than prior configurations in funding allocations and the establishment of regional programs to serve clients. In addition, the fact that more programs will be providing impact advocacy will assist in addressing the needs of clients who face the same issues.

The civil justice community has long recognized issues of equitable client access and has taken steps to address these issues for many years. For example, the IOLTA program has provided a special rural incentive grant for a number of years. Through this initiative, rural programs raising the equivalent of $10/attorney in their service areas during the annual Access to Justice fundraising drive are awarded an additional grant by IOLTA in recognition of the difficulties of rural fundraising. Another recent example is the submission of a grant proposal to fund a statewide elder law hotline project; although the project has not yet been funded, it remains under consideration for future proposals. Finally, an attorney from Appalachian Legal Services in Asheville has begun serving domestic violence victims in counties served by the neighboring Catawba Valley Legal Services and Legal Services of the Blue Ridge programs in order to allocate services to domestic violence victims more equitably in those counties.

Technology

In the 1999 Planning Report, the Council assumed responsibility for statewide technology planning for legal services providers and for overseeing implementation of its decisions and recommendations.

In a major technology initiative, the LSNC programs implemented a Legal Files case management system in 2001. By the end of 2002, all LANC offices will have implemented this system, which allows consistent reporting and data entry for client case data for all LSC-funded client cases. The time and attention of the Council's Technology Committee chair has been absorbed over the past year as she worked with each LSNC program on installation, training and management of the new system. The cost of the system poses a budgetary problem for LANC following the denial of an application for funding from LSC. Recognizing the importance of technology as necessary and beneficial for the entire Legal Services system, the IOLTA program made a special technology grant allocation for operating costs to LSNC for the year 2002 in the amount of $295,000. However, the financial challenges facing the IOLTA program this year due to the dramatic decrease in interest rates may mean that funds for such projects are not available in the future.

In other technology developments, LSNC received an LSC technology grant in the amount of $50,000 to further develop an LSNC website for the statewide legal services community. The website should eventually operate to link the websites of the various civil legal services providers so that consumers can access any provider through the site.

The use of technology to increase the efficiency and effectiveness of advocacy continues to evolve as advocates join relevant state and national listservs and access computer based legal research from their desktop computers. Advocates are also able to network quickly and efficiently with other local agencies serving people living in poverty through the use of e-mail.

Resource Development

Funding issues surrounding the delivery of civil legal services pose difficult problems in North Carolina in 2002. Current funding levels are inadequate to support more than a fraction of the work needed by the client community despite the fact that salaries in the North Carolina legal services community are lower than salaries at other public service jobs in the state. It is possible that population shifts identified in the 2000 census results will increase LSC funding for North Carolina next year. However, IOLTA income is decreasing due to declining interest rates and uncertain due to the ongoing court challenges. Some programs have seen decreases in United Way grants due to the effects of the recent economic downturn on United Way budgets. Revenue from funding through the North Carolina General Assembly is anticipated as being five to seven percent less in 2002 than it was in 2001. The state has also withdrawn approximately $300,000 in disaster relief funding.

The Planning Council achieved a significant victory for stabilizing funding for low-income clients in the 2001 North Carolina General Assembly. The Council retained lobbyists Anne Winner and John McMillan to assist in development and implementation of a lobbying strategy that resulted in the enactment of dedicated funding. The Council's retained lobbyists worked in partnership with the NCBA's Director of Governmental Affairs, Michelle Frazier, to achieve this goal. The 1999 Planning Report had concluded, together with the Commission Report, that "dedication of a portion of court costs to legal services [is the] most viable solution to secure stable funding for geographically-based legal services." Although current projections show that income will decrease by approximately $70,000 this year from last year's appropriation, the enactment of dedicated funding may prove to be particularly important this year as North Carolina faces a projected deficit in its 2003 state budget between $1.5 and $1.6 billion. According to recent newspaper reports, the state is sending out reduction-in-force notices and preparing to cut many programs, including many programs that are beneficial to people living in poverty.

The Council continues its legislative presence in 2002, primarily to defend against any potential efforts to reduce the funding secured last year. The Council lobbyists will continue to coordinate their efforts with the NCBA's lobbyist. The Planning Council's long-term goal is that an increase in state funding for the LSC-funded program and Pisgah Legal Services will allow other funders, such as IOLTA, to reallocate grants to provide additional funding to organizations not receiving state funding.

As noted previously, the Justice Center, acting on behalf of the Council, has submitted an application to the NC Bar Foundation to fund an advocacy and training coordinator.

In addition to seeking funds for joint projects, the Council has a long-term goal of evaluating and coordinating funding applications by member organizations to major funders. Council members recognize that this effort will be difficult, in recognition of the limited funds available for legal services delivery and the need by each member for greatly increased funding. However, the Council maintains its position (set out in the 1999 Planning Report) that providers should work together to develop principles and formulas for allocating funding in order that every dollar is used as effectively as possible to address the needs of the client community.

The Executive Director of the IOLTA program is an ex officio member of the Planning Council, thereby enabling direct communication with this funder and allowing the Council members to provide support to the IOLTA program as needed. The Council chair and coordinator, together with the IOLTA Executive Director, met with the Executive Director of the Z. Smith Reynolds Foundation in June 2002 to discuss joint goals and interests in follow up to a December 2001 meeting between civil legal services providers and Foundation staff.

Pisgah Legal Services and LSSP secured grants from Z. Smith Reynolds Foundation in May of 2002 to initiate the Justice for All Project. The project provides funding for lawyers developing immigration law expertise to serve, primarily, clients who are not eligible for LSC-funded programs' services. One attorney will be located at Pisgah Legal Services and one at LSSP. Together the two programs will serve western North Carolina, with contractual assistance from the N.C. Justice and Community Development Center's Immigration Law Assistance Project. Substantial local, matching funding will have to be raised to sustain this project.

Joint funding applications to other funders are also beginning to take place at the regional and local levels among Council members. For example, Pisgah Legal Services developed funding applications to expand the operation of its Disability Assistance Project to a broader area in western North Carolina through cooperation with the geographic areas served by the Sylva, Boone and Morganton programs of LSNC. Although the applications proved unsuccessful, groundwork was laid for future cooperative efforts.

Private Attorney Involvement

In the 1999 Planning Report, the Planning Council assumed overall responsibility for planning and coordinating private attorney involvement within the provider community, recognizing that the private bar is already involved in the provision of civil legal assistance through a broad range of statewide and local initiatives. The NCBA Public Service Advisory Committee, NCBA staff, the Pro Bono Coordinators Association, and the IOLTA program have all been instrumental in developing and supporting these initiatives.

The improvement and expansion of private attorney involvement is a major focus of the Council in 2002. The Council has a current committee undertaking review of PAI involvement, which will assist the Council in determining if the current system effectively and efficiently uses the private bar to deliver essential services to low-income people. Planning for the future of PAI programs will depend upon the results of this survey. The IOLTA program has expressed particular interest in this project because approximately $500,000 is dedicated by IOLTA each year to volunteer lawyer programs.

The committee, chaired by Michelle Cofield, Director of Public Service Activities for the NCBA, is extremely active and is meeting monthly. Membership includes the IOLTA Executive Director, PAI coordinators and staff from federally and non-federally funded programs, and the chair of the NCBA Public Service Advisory Committee. In addition, the committee is seeking input from the Pro Bono Coordinators Association, which met on June 17, 2002 to consider the recommendations in the 1999 Planning Council report. Subcommittees of the PAI committee are examining: (1) information collection and coordination about programs currently available in North Carolina; (2) review of PAI delivery, and (3) formulation of a statewide PAI message. The PAI committee is scheduled to report to the Planning Council in September.

The past two years have seen changes in the ways in which the civil justice community seeks to involve the private bar in planning its work. The Council added a member of the private bar (Transition Board member Rick Fay of Charlotte) to its membership. The NCBA has created a new Legal Service Liaison Committee; the current Chair of the Planning Council will serve on the committee.

The new LANC Board is attempting to ensure diversity and broaden involvement of the private bar in its work by allocating seats on the Board to different bar organizations. The important role, both historically and ongoing, of the North Carolina Bar Association (former member organization of LSNC) is recognized with five appointments. The NCBA should be able to use these appointments to ensure that each region of the state is represented, that there is representation by a mix of urban and rural attorneys, and that diversity in attorney appointments exists. Other bar groups with appointments are the NC Association of Defense Attorneys, the NC Academy of Trial Lawyers, the NC Black Lawyers Association, the NC Association of Gay and Lesbian Attorneys, the NC Association of Women Attorneys, and NCBA's Hispanic and Latino Lawyers Committee.

The Recruitment and Retention Subcommittee of the NCBA Public Service Advisory Committee continues its work on the Champions of Justice campaign, a statewide effort that includes a tailored program for each county or legal service area. The NCBA's Pro Bono Project and Public Service Activities Department and the Pro Bono Committee of the Young Lawyers Division completed a large law firm and law library project, involving sending poverty law and pro bono materials to large law firms and law libraries across the state to provide resources for attorneys who are handling pro bono cases and to promote recruitment of attorneys in those firms.

The private bar continues its tradition of volunteer work for civil legal services providers in many capacities. For example, the law firm of Womble, Carlyle, Sandridge & Rice is currently co-counseling a major class action case on behalf of North Carolina's low-income children. In November 2000 the private law firm, along with the Justice and Community Development Center and the National Health Law Program filed a statewide class action against North Carolina state Medicaid officials for not adequately addressing the dental needs of North Carolina's poor children. The lawsuit was necessitated by the inability of over 500,000 children across the state to find a dentist willing to accept Medicaid due to low reimbursement rates. The parties are now proceeding with discovery and trial preparation after the Fourth Circuit Court of Appeals affirmed the trial court's order denying the state's motion to dismiss in an opinion dated May 9, 2002.

An exceptional recent example of the involvement of an individual attorney in the work of the civil justice community has been that of Pender R. McElroy, an attorney who practices law with the firm of James, McElroy & Diehl, PA, in Charlotte, and serves on the Boards of both LSNC and LSSP. After agreeing to serve as the Chair of the Transition Board, Mr. McElroy spent dozens of hours away from his office and his family to attend and conduct meetings across North Carolina, as well as participating in numerous telephone conversations and conference calls with legal services clients, bar leaders, program directors, and staff. The creation of a new statewide legal services organization involved many delicate issues. Mr. McElroy worked hard to instill confidence in the process and to build consensus by meeting personally with key people, soliciting input from knowledgeable people who were to be affected by the Board's decisions, and by coordinating his work with all stakeholders.

Performance Reviews

The Planning Council is assessing the delivery of legal services by non-LSC funded providers through its Program Visit and Support Committee, established in early 2002. The first evaluation, of Prisoner Legal Services, took place in April 2002, and a report is currently being prepared. Evaluations of Pisgah Legal Services, Carolina Legal Assistance, the Land Loss Prevention Project, the North Carolina Justice and Community Development Center and/or the Native American programs of Western Carolina Legal Services and Lumbee River Legal Services are tentatively scheduled to take place before

the end of September 2002. The evaluations are intended to assess how well the programs are meeting their mission statements.

In 2001, LSNC revised its evaluation process to reflect a more practical field program evaluation. The evaluation instrument focused on the areas of client access (accessibility of services, treatment of clients, assessment and identification of client needs, involvement of client representatives on local board of trustees, complaints received); quantity of services provided (number of cases handled in relation to size and resources of program, adequacy of community outreach/legal education, appropriate caseloads for advocates, cases meeting identified client priorities); quality of services to clients (impact case advocacy, zealous representation of clients, protection of client confidentiality, timeliness of services, completeness of advice in advice-only cases, utilization of appropriate litigation strategies, achievement of significant results for clients, utilization and quality of services provided by pro bono attorneys, use of innovative strategies); and supervision (CSR compliance procedures, adequate supervision of legal work, professional development and training needs of advocates, periodic reviews of open cases, appropriate procedures for adjusting caseloads, recognition of staff achievements) and evaluated one of its field programs at the end of 2001. Future such evaluations are being planned with the evaluation protocol being appropriately revised in light of experience.

3) Are the best organizational and human resource management configurations and approaches being used?

Since 1999, North Carolina has undergone a re-examination of its program configuration and has made significant changes for the future delivery of civil legal services in the state based upon planning decisions that these changes will lead to improved organizational and human resource management configurations and approaches. It is too early in the process to evaluate the new organizational and management configurations that will take place beginning on July 1, 2002. A summary of the re-examination process and the components of the delivery system that will result from this process are described below.

Planning Council

The civil justice community is committed to the mission of the Planning Council to provide the most effective legal services to people in poverty through the leadership of the Planning Council or its successor organization. Since its founding in 1999, the Council has achieved results described by the NCBA's Oversight & Implementation Committee as "extraordinary" in its April 2001 report to the NCBA Board of Governors. Six meetings of the full Council are scheduled for 2002; the Council's many committees will meet as necessary throughout the year.

In 2001, the Planning Council formed the Futures Committee to focus on the structure, funding, mission and membership of the Planning Council successor organization. The Council currently has an informal structure that has served it well during its initial years. However, there have been many changes in the civil justice community since the formation of the Council and much remains to be done to fulfill the Council's commitment to develop and sustain an integrated, comprehensive system for the delivery of civil legal services in North Carolina. The Futures committee was established to make recommendations on the type of organizational structure that will best enable the Council's work to continue into the future. The committee has agreed to some preliminary recommendations concerning the purposes and membership of the successor organization and meets again in July 2002 to continue its work.

LSC-Funded Entity: Legal Aid of North Carolina

Since filing its 1999 State Planning Report, North Carolina has invested an extraordinary amount of time and resources in the configuration planning process. The primary focus of the Planning Council during 2000-2001 was the program configuration planning and implementation process.

To develop the configuration planning process, the Planning Council engaged consultants John Tull, former Vice-President for Programs of LSC and a long-time

consultant to legal services programs on strategic planning, and Bob Echols, who had served as consultant to the Planning Council since June 1999. The process was launched with a two-day meeting in June 2000 designed to identify the broad values or characteristics that should define the legal services delivery system in North Carolina. All members of the civil advocacy community in the state were invited to this retreat. More than 60 participants included representatives of all the key constituencies involved in planning for civil legal assistance in North Carolina—the management, staff, and Boards of Directors of LSC-funded and non-LSC-funded legal services programs, clients, IOLTA, and the Oversight and Implementation Committee. Bob Gross, LSC Senior Program Counsel for State Planning (and former longtime director of New Hampshire Legal Services), also attended. Among the legal services staff who participated in the event were newer staff attorneys, staff attorneys with more than five years of experience, support staff, paralegals, managing attorneys, program directors and executive directors.

Following up on the June retreat, consultants Tull and Echols visited programs around the state, meeting with staff, clients, bar leaders and other stakeholders to identify commonalities and concerns about program configuration. The consultants issued their report in mid-October 2000. The report identified strengths and weaknesses of the current program configuration and made recommendations designed to preserve the strengths and address the weaknesses. The report proposed two alternative models for the configuration of the LSC-funded part of the system, either of which the consultants felt could function effectively in North Carolina. One model was a single statewide LSC-funded program, organized regionally. The second model was for three separate LSC-funded programs, with a variety of structures to ensure statewide accountability and provide coordination. In October 2000, legal services staff, board members, clients, bar leaders and funders met at a retreat at Tanglewood Park to consider the configuration planning report.

In February 2001, the Planning Council adopted a resolution endorsing both the creation of a new single statewide program to apply for LSC funding and the immediate creation of a new 501(c)(3) corporation to design and create the new statewide program. Following this recommendation, the four existing LSC-funded legal services programs (Legal Services of North Carolina, Legal Services of Southern Piedmont, North Central Legal Assistance Program, and the Legal Aid Society of Northwest North Carolina) organized an LSC Transition Board by appointing members in accordance with the Council's recommendation that the Board be comprised of up to two attorneys and two clients appointed by each of the four participating LSC-funded program Boards. A committee was established to develop a relationship between the Transition Board and the Council. In addition, the Council and the Transition Board held a joint meeting in June 2001. The Council provided logistical support to the Transition Board, including funds to engage a consultant to write the July 2001 LSC grant application for the Transition Board.

Effective July 1, 2002. there will be one LSC-funded entity in North Carolina. Legal Aid of North Carolina, Inc. (LANC) will comprise by far the largest component of the civil legal services delivery system with an estimated initial annual budget of $14.7 million. Approximately 220 employees in twenty-five offices will provide direct access to services in the 100 counties across the state. In addition, LANC will support four special projects (the Farmworker Unit, Advocates for Children's Services, the Environmental Law Project, and the Domestic Violence Initiative) that had previously been components of LSNC. Funding is currently comprised of an LSC grant, dedicated funding from court costs, IOLTA allocations, Access to Justice campaign contributions, and other grants (including VOCA, VAWA, and United Way).

Authority will be centralized under the direction of the Executive Director, the new Board of Directors, and management teams in order to increase accountability and efficiency. The Executive Director will take responsibility for budgets based upon the organization's strategic goals and objectives. The Executive Director will supervise an organizational management team of a deputy director (advocacy) general manager (finance and development) and general manager (special projects). Five regional managers will manage the delivery of legal services in the region, supervise managing attorneys in local offices, establish a regional advisory council, and coordinate activities such as community relations, fundraising, pro bono attorney projects, and regional client councils. Managing attorneys will be in charge of local offices and local advisory boards may be formed to assist in local fundraising, managing attorney evaluation, and priority setting.

The new structure is designed to increase client access and services by allowing more flexibility in the deployment of resources and by increasing the collaboration among advocates located in different offices. In addition, LANC, as the largest intake portal for clients in the state, is committed to work with the non-LSC funded providers to develop an intake and referral process that will ensure that, to the extent possible, no client is turned away without referral to some sort of service, and that clients receive the service most appropriate to their needs from the most appropriate source.

Non-LSC-Funded Programs

In September 2001, the Planning Council and the Transition Board each passed resolutions that endorsed the creation of two new programs to provide unrestricted services following the establishment of the new statewide LSC entity. Legal Services of Southern Piedmont (LSSP) will be based in Charlotte and the Legal Aid Society of Northwest North Carolina (LASNNC) will be based in Winston-Salem.

Legal Services of Southern Piedmont

LSSP will become a non-federally-funded program, organized by specialized project teams of advocates using tools and remedies that are unavailable to federally funded advocates. This plan makes it possible to assist all groups of clients, especially Hispanics and other immigrants and to address problems affecting large numbers of low-income clients. LSSP will be supported initially by state and local government funding, IOLTA, United Way, private foundations, contributions and other funding. Most LSSP funding is from local sources in its existing service area and will support services in those counties but funding is being developed to support services throughout the region.

LSSP will consist of four separate projects: the Hispanic Outreach Project (providing a wide range of legal services to the immigrant community without federal restrictions as to the immigration status of clients, a particularly important project given the tremendous growth in the immigrant community in North Carolina over the past decade); the Family Support and Health Care Program (ensuring that low-income children, elderly, disabled persons, immigrants and their families have access to health care and public services through statewide, regional and local advocacy targeted to issues having a significant impact on the poverty population statewide); the Consumer and Housing Program (working to improve financial literacy for low-income persons and providing legal assistance with a range of consumer and housing issues); and the Low-Income Taxpayer Clinic (assisting low-income persons with the Earned Income Tax Credit and in other tax controversies and providing community education on tax issues).

Legal Aid Society of Northwest North Carolina

LASNNC will focus its advocacy in three main areas. First, it plans to initiate a Foreclosure Defense/Predatory Lending Project to concentrate on the issue of low-income people facing the loss of their homes through foreclosure as well as the loss of mobile homes through repossession. Second, LASNNC will represent the growing Hispanic population in a wide range of cases (including housing, consumer, employment, immigration and domestic matters). Finally, LASNNC will continue to run the Domestic Violence Advocacy Center, a highly successful collaborative project with Wake Forest University School of Law and the Forsyth County Bar Association that is supported primarily by a substantial Forsyth County United Way grant.

As a non-federally funded program, LASNNC will be able to seek attorneys' fees (particularly in consumer cases) and to serve members of the growing Hispanic community who would not be eligible for services from LANC. LASNNC will be funded during its first year by ABA and United Way grants, North Carolina General Assembly funding, IOLTA, Access to Justice contributions, a DSS contract, and potentially a number of other grants.

Legal Services of North Carolina and North Central Legal Assistance Program

Western and central North Carolina will be hosting three unrestricted direct client service programs as of July 1, 2002. Planning Council members are concerned about the lack of unrestricted programs in the eastern part of the state. In response, North Central Legal Assistance Program (NCLAP) plans to keep its corporate structure intact in order to facilitate a future use for unrestricted services. To promote planning for such services, NCLAP sponsored a recent meeting among the Durham, Hillsborough and Raleigh programs and the Justice Center to discuss a possible regional unrestricted program for the Triangle area of North Carolina.

Legal Services of North Carolina at this time plans to dissolve as soon as all administrative matters have been resolved.

Pisgah Legal Services and Appalachian Legal Services

Pisgah Legal Services (PLS) in Asheville, formerly an LSC-funded local program of LSCN, declined to be included in LSNC's new structure in 1999 and therefore lost its LSC funding. LSNC, receiving LSC funds for the six counties in the service area, opened Appalachian Legal Services to serve the area. Two programs providing basic needs delivery services in the same six counties led to issues surrounding coordination of services, competition for funding, and such. The Planning Council noted in its 1999 Report that a planned professionally mediated process, together with membership by both Pisgah Legal Services and Legal Services of North Carolina on the Council, should provide the basis for a constructive and productive resolution of the issues between the two programs. Such mediation has taken place.

Pisgah Legal Services continues to demonstrate a highly successful local program development and fundraising model that provides a wide range of legal services to help indigent clients meet their basic needs through projects such as the Homelessness Prevention Project, the Children's Law Project, the Elder Law Project, the Disability Assistance Project, and the Mountain Violence Prevention Project. Pisgah also administers the Mountain Area Volunteer Lawyer Program for the local Bar. Pisgah's diverse funding enables its attorneys and attorney volunteers to represent clients and groups serving clients in various forums without being constrained by LSC restrictions. Pisgah's staff frequently employ community collaborative tactics to solve social problems affecting clients; these community collaborations to help clients meet basic needs are key to Pisgah's fundraising success.

Appalachian Legal Services (to become Legal Aid of North Carolina/Asheville office on July 1, 2002) has targeted most of its resources into the provision of comprehensive legal assistance to clients with domestic related problems. ALS handles as wide range of family law issues, including emergency custody, visitation disputes, child support problems, alimony and support for dependent spouses and marital property claims. ALS also addresses other underlying legal problems for its clients in order to

avoid sending clients back and for the between agencies. The two programs refer appropriate cases to each other under a cooperative understanding.

NC Justice & Community Development Center

The NC Justice & Community Development Center is a statewide advocacy organization based in Raleigh that serves the client populations of North Carolina. Funded entirely by IOLTA, private foundation grants and individual contributions, the Justice Center focuses on litigation, research and policy development, public policy advocacy and grassroots empowerment. Since its founding in 1996, the Justice Center has represented clients and in forums that federally funded legal services programs are restricted from representing, such as impact litigation, including class actions, immigrants and migrant workers, legislative and administrative lobbying.

The Justice Center has a staff of 22 working in collaboration with LSC funded organizations, community based organizations, other advocacy organizations, service providers and private law firms on a range of issues affecting low-income people and communities in North Carolina. The Litigation unit, primarily funded by IOLTA, consists of two attorneys and two paralegals to undertake high impact litigation throughout North Carolina in a variety of cases involving issues related to consumer rights, housing law, public benefits, education rights, and other areas of poverty law; two attorneys and a paralegal to represent immigrants across North Carolina in Immigration Law matters and one attorney to represent migrant workers across North Carolina in employment related matters. Funded entirely by private foundations and contributions one attorney works on access to affordable and high quality health care, one attorney works on consumer and housing issues, three staff provide research and analysis on budget and tax issues, one staff works on public benefits and living income issues and one attorney and a parent organizer work on Education issues. The rest of the staff is made up of the executive director, deputy director, administrative assistant, fiscal officer, communications coordinator, and technology support.

Carolina Legal Assistance

Carolina Legal Assistance is a statewide program with a targeted population of people with mental disabilities, which are severe enough to interfere with their ability to function in daily life (usually those who have been diagnosed with mental retardation or other developmental disabilities, mental illness, or traumatic brain injury). CLA was a constituent of the LSNC confederation until federal restrictions were imposed in 1996. Despite severely limited resources that have recently meant that less than two attorneys have been available to provide intake, advice, and brief and extended services to clients, CLA continues to accept both individual cases (e.g., special education, Medicaid denials for people with developmental disabilities, and guardianship) and impact work (e.g., intervention in the class action Leandro education case on behalf of children with disabilities, filing OCR complaints against school districts concerning certain policies

affecting special education children, and special education issue lobbying in the General Assembly). CLA also conducts special training projects funded by special grants.

The Land Loss Prevention Project

The Land Loss Prevention Project (LLPP), with a staff of approximately twelve, works throughout North Carolina to preserve the family farm and to advocate for social and economic justice for low-income landowners. The staff represents individuals in a variety of cases, including bankruptcy proceedings, administrative appeals of loan servicing denial by USDA, and eminent domain cases, as well as providing advice to many individuals.

In addition, LLPP represents clients in impact cases. For example, in October 2000, LLPP filed a class action lawsuit in the United States District Court for the District of Columbia, alleging that the United States Department of Agriculture discriminated against women and minority farmers in the provision of credit and other agricultural services.

North Carolina Prisoner Legal Services

North Carolina Prisoner Legal Services (NCPLS) is a non-profit, public service law firm providing a range of services, from information and advice about prisoners' legal rights, to representation in state and federal courts throughout North Carolina, and beyond. With a staff of about 15 lawyers, 10 paralegals, and seven members of the support team, the work includes efforts to ensure humane conditions of confinement and to challenge illegal convictions and sentences. No other entity in North Carolina routinely provides these services.

NCPLS derives almost all of its funding from a contract with the North Carolina Department of Corrections. Under the contract, NCPLS provides legal advice and assistance to people in custody of the Department. It is through this mechanism that the Department fulfills its constitutional obligation to provide inmates with meaningful access to the courts.

Not all of the people who are incarcerated in North Carolina are in custody of the Department of Corrections. For the constantly changing population of approximately 14,000 pretrial detainees who are incarcerated in local detention facilities across the State, seriously limited funding makes the provision of substantive legal services particularly challenging. A small grant from the North Carolina State Bar's IOLTA Program constitutes all of the funding available for that work and amounts to a total of less than $2.00 for each inmate who is incarcerated pending trial.

In addition, there are approximately 1,200 juveniles in custody of the North Carolina Department of Juvenile Justice and Delinquency Prevention. North Carolina

recently adopted a new juvenile code that revamped its approach to juvenile justice, abandoning the guiding principle of dispositions in the best interest of the child, in favor of outcomes that will best protect the community. Even so, no funds are available to provide services of any kind to that population.

The decision to prohibit the representation of inmates by programs receiving federal funds has effectively deprived large numbers of North Carolinians of meaningful access to the courts.

Other Providers

The service delivery components that have joined together to form the Planning Council have been described above. Numerous other entities serving particular geographic regions or special client populations or focusing on specific issues both exist and are in the process of formation in North Carolina. Examples include the Financial Protection Law Center located in Wilmington (focusing on consumer issues) and the Children's Law Center located in Charlotte (focusing on the targeted population of children within a local area). As the Planning Council moves forward with its needs assessment, these groups will be surveyed to discover their missions and to evaluate their roles in the context of the overall delivery of legal services in North Carolina.

In addition, many North Carolina organizations, such as the North Carolina Council of Churches, have a direct connection to the issues and concerns of the clients and communities served by the Planning Council members. A challenge for the future will be to assess the working relationships between the direct providers of civil legal services and the other organizations that can partner with the Council members in achieving the Council's mission.

Legal Services Planning Council
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