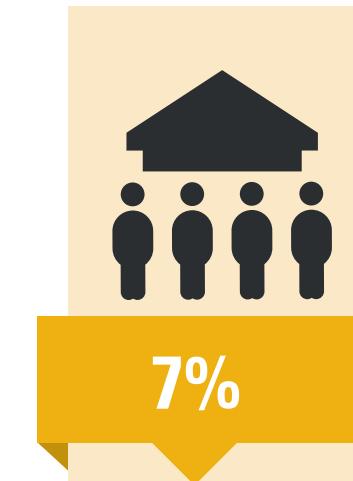
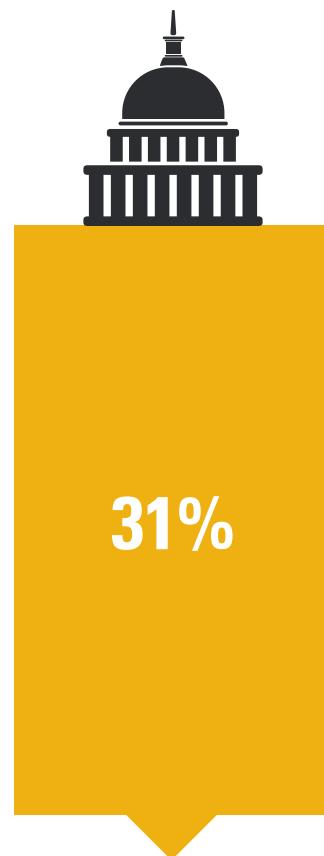


WHERE DOES LEGAL AID FUNDING COME FROM?

BY

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LEGISLATURE

85% of the state appropriation is distributed to six civil legal aid programs that collectively provide legal representation throughout the entire state based on the geographical distribution of people living in poverty in Minnesota's 87 counties and tribal lands. The remaining 15% consists of discretionary grants focused on direct client service. In the 2019 legislative session, statewide funding of civil legal aid increased by \$1 million per year for Fiscal Years 2020 and 2021, a 7.29% increase over FY 2018-19. Even with the increase, inflation-adjusted funding for civil legal services remains lower than it was in FY 2008-09.

FEDERAL

The Legal Services Corporation (LSC) provides grants to civil legal aid organizations across the United States, including \$4.7 million to five Minnesota civil legal aid providers. Although the president wants to eliminate LSC funding completely, bipartisan congressional support has led to modest increases in funding since 2017. Civil legal aid organizations also receive support through federal programs focused on assistance to veterans, older Americans, people with disabilities, and victims of crimes, including domestic violence. In Minnesota, civil legal aid funding through these federal programs is more than twice that received through LSC.

FOUNDATIONS & CORPORATIONS

Civil legal aid programs receive funding for special projects and general operations from foundations and corporations that value the impact civil legal aid has in reducing poverty, stabilizing families, and ensuring access to justice for vulnerable Minnesotans. But as United Way—traditionally a major funding source—adapts to new trends in philanthropic giving, its funding of civil legal aid has declined dramatically. Civil legal aid programs have not been able to generate new revenue from other sources to make up the United Way support they have lost over the last decade.

OTHER STATE OR LOCAL GOVERNMENT

Some Minnesota state agencies provide funding for legal aid projects related to their mission and programs. Tribal governments, county and city governments also provide some financial resources, although these resources vary significantly among civil legal aid organizations across the state.

MN JUDICIAL BRANCH

Funding derives from IOLTA revenue—which is allocated to civil legal aid grants—and a portion of the lawyer registration fee. IOLTA revenue dropped sharply beginning in 2008, and by 2015 reserves were depleted. Interest rates increased in 2018, resulting in the first increase in IOLTA revenue in a decade. The portion of the lawyer registration fee dedicated to civil legal services provides an important stable funding source for grants.

INDIVIDUALS & FIRMS

As lawyers, we know that equal justice under the law is a right, not a privilege. Almost a quarter of Minnesota's population lives in poverty¹ and is unable to afford legal help to understand and safeguard their basic legal rights. Legal aid makes a real and lasting impact on the lives of those they serve, stabilizing families and preventing legal problems from escalating. Consider 12-year-old Katrina. A custody agreement between her parents provided that Katrina would have regular visits with her father. One week before a scheduled visit, Katrina told her mother that her father had abused her on past visits. Katrina's mother

called a legal aid attorney who had previously helped her. The attorney filed for an order for protection, and the judge prohibited Katrina's father from contacting her for two years, giving her mother and legal aid staff time to get a new custody order. "The lawyers were such a blessing," Katrina's mother said. "Without them, none of this would ever have gone through."

Legal aid funding is also a good investment. The results of a recently completed Minnesota evaluation shows that "for people experiencing poverty, dealing with legal issues effectively can mean the difference between a downward spiral into deeper poverty and a pathway to a better life."² In fact, for every \$1 invested in Legal Aid in our state, \$3.94 in economic benefits are returned to individuals and the community.

NOTES

¹ Based on 200% of the federal poverty guidelines—the highest income guideline for any of Minnesota's civil legal aid programs. Some programs serve people with income up to 125% of poverty guidelines.

² http://mncourts.gov/mncourtsgov/media/scao_library/documents/Community-Development-and-Legal-Assistance-Final-Evaluation-Report.pdf

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* AN ADDITIONAL 4% OF LEGAL AID FUNDING COMES FROM SOURCES DESIGNATED ONLY "OTHER"