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InsideTrack Weekly

JULY 9, 2025

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Critical to Civil Legal Aid in Wisconsin, Legal Services Corporation Could Face Elimination

Congress begins hearings on proposed appropriations this month with a budget proposal that would eliminate the federal Legal Services Corporation (LSC) and endanger a primary funding source for Wisconsin's two largest civil legal aid providers.

BY JAY D. JERDE

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July 9, 2025 – Deep in the Appendix to the Technical Supplement to the 2026 Budget [1] from the federal Office of Management and Budget resides fiscal dynamite that, if passed by Congress, could eliminate one-third of funding for Wisconsin civil legal aid.

That means fewer Wisconsinites will have access to the means of protection against domestic violence, to keep housing, to get a job, or to receive veterans' benefits – a cost borne both by those least available to afford it and by governments and courts.

Legal Services Corporation (LSC) – created by and historically receiving bipartisan support – faces a proposal that would wipe out its budget, going from about \$560 million in each of the last two years to \$21 million, the amount needed to close LSC.

Eliminating LSC has been proposed before. The question now is whether the political climate has changed sufficiently that traditional bipartisan support remains.

The appropriation process to create the 2026 federal budget begins with hearings scheduled this month, intended to pass a budget by Oct. 1, said Ronald Flagg, LSC president.

Budgets usually do not pass so promptly, and any continuing resolution to prevent a government shutdown continues funding at existing rates, Flagg explained.

"You don't wait till September 30th to make your pitch. We're in Congress every day, and we're, you know, talking to people around the country every day just to make sure that they understand what's at stake," Flagg said.

High Stakes

LSC provides grants to Wisconsin's two largest civil legal aid providers, Legal Action of Wisconsin and Judicare Legal Aid.

Jay D. Jerde, Mitchell Hamline 2006, is a legal writer for the State Bar of Wisconsin, Madison. He can

LSC estimates that more than 618,000 Wisconsinites (13.6% of the population) are eligible to receive civil

legal aid, populations with household income below 125% of the Federal Poverty Guidelines. But due to funding limitations, Legal Action and Judicare recently reported they must decline service to 64% to 75% of those eligible to receive civil legal aid.

be reached by email or by phone at (608) 250-6126.

Legal Action of Wisconsin serves Wisconsin's southern 39 counties, serving 10,000 clients a year with about 120 staff members and more than 300 volunteers, said Rachel E. Fox Armstrong, Director of External Affairs.

LSC's annual grants to Legal Action of Wisconsin since 2022 have exceeded \$5 million. In 2025, LSC grants accounted for about 30 percent of its budget, Armstrong said.

"In 2025, we received about \$5.2 million for our basic field work and over half a million for our farmworkers project," Armstrong noted.

"Both our basic field and farmworkers project have been funded consistently for many years, but they are subject to the Congressional appropriations process each year."

Judicare Legal Aid serves the northern 33 counties and Wisconsin's 11 federally recognized Native American tribes. Last year, it worked on 2,840 cases – in addition to sponsoring legal clinics, said Megan Lee, communications and development director.

Judicare received about \$1.6 million from LSC annually in 2024 and 2025, about 32% of its budget, Lee said. In 2024, about 75% of clients served were women, and in 388 cases, domestic violence was a factor. Judicare closed a total of 1,401 cases in 2024.

Judicare has 38 staff members, two summer law clerks, 28 voluntary mediators, and 71 private attorneys willing to accept cases at a reduced rate, Lee said.

Those caseloads are only a fraction of the story. Although civil legal aid providers receive money from many sources, LSC grants keep the doors open and the lights on – providing funds not narrowly limited to certain populations or types of cases.

Contact Your Representative in Congress About LSC

If you support the mission and funding of the Legal Services Corporation (LSC), contact your representative in Congress and let them know. The State Bar makes it easy to communicate directly with representatives through its Advocacy Network.

Return on Investment

Even cold, hard economic numbers attest to civil legal aid's value. Studies consistently show civil legal aid funding produces a multiplier effect on local economies.

A <u>study</u> commissioned by the Wisconsin Trust Account Foundation, Inc. (WisTAF) found that each dollar toward civil legal aid in Wisconsin yields a benefit of \$8.40.

The savings comes from many advantages of civil legal aid, such as "preventing folks from getting into crisis situations" or "to break down barriers to employment so that people can get to work," said Abby Bar-Lev Wiley, Legislative and Compliance Director with Legal Action of Wisconsin

"Courts are happy when legal aid attorneys are in the courtroom," she said, because it makes the court's work easier.

The typical civil legal aid client has multiple, overlapping legal issues, Wiley explained. An attorney can streamline that legal work – and know the proper local procedures that make court time operate more efficiently.

In rural areas, the efficiencies of civil legal aid span geographic and technological distances. As Lee of Judicare described it, sometimes cell phone service for remote hearings is spotty, and in-person hearings at courthouses consume more travel time.

"The courts are funded by taxpayer dollars. So, when we're promoting efficiency in the courts, we're not only helping to ease the civil legal backlog," Wiley said, "it is saving taxpayer dollars."

What is LSC?

LSC is a private, nonprofit corporation based in Washington, D.C., that Congress created in 1974 with bipartisan support and signed into law by President Richard Nixon.

Congress found in enacting the Legal Services Corporation Act, <u>42 U.S.C. sections 2996-2996l</u>, that providing civil legal aid to people "who face an economic barrier to adequate legal counsel ... reaffirm[s] faith in our government of laws."

The law prohibits LSC from serving political ends. Although the president appoints the 11-member board of directors, no more than six directors may be of the same political party.

LSC grants can't fund political purposes. Nor may its funds go toward certain types of cases, such as seeking abortion, school desegregation, selective service or military desertion, or "labor or antilabor" activities.

Recent letters of support have come to LSC from chief justices of 37 state supreme courts, including Wisconsin, from more than 160 large law firms, more than 100 corporate business leaders, and "40 bipartisan state attorneys general," Flagg said.

"Generally, you can't get the state attorneys general across the country to agree on, you know, that the sun rises in the east. So, we think it's significant," Flagg said.

Lawyers Can Help: Pro Bono

Lawyers already provide direct funding for civil legal aid through Interest on Lawyer Trust Accounts (IOLTA), as well as the Public Interest Legal Services Fund that lawyers must annually pay with other court assessments. But lawyers can also contribute their time.

Both <u>Legal Action</u> and <u>Judicare</u> offer pro bono opportunities on their websites, ranging from full-scope representation to more limited services through legal clinics.

'Securing Protection'

"Legal aid is not about politics," Flagg said. "It's not about partisanship. It's about constituent services from the standpoint of members of Congress."

"It's about securing protection for domestic violence survivors. It's about meeting the legal needs of veterans. It's about protecting the rights of seniors. It's about ensuring children and families have stable and safe homes."

Lucia's case from Wisconsin is an example Flagg provided. When young, she was arrested for a charge, and the charge was dropped, but the arrest record remained on her record documenting the charge, "and it kept her from getting a job for years."

She tried to fix the problem, but it involved difficult paperwork. Through Legal Action of Wisconsin, she got the help necessary to remove the arrest from her record – and she's "free to pursue the career she wants."

Civil Legal Aid in Wisconsin

Legal Action of Wisconsin works primarily on seven types of cases that ensure safe and affordable housing, reducing barriers to employment, consumer issues, debt and taxes, helping people secure and maintain public benefits, family law, and victim support, said Armstrong at Legal Action.

In addition, it undertakes "population specific projects" including serving farm workers, people reentering society from incarceration, and veterans, Armstrong said.

Family law issues, especially for people at risk of harm, are conspicuous in Judicare's caseload. Other outreach clinics, such as one through its Indian Law Office, assist clients in drafting wills, powers of attorney, and advanced directives, Lee said.

In addition to general grants for Judicare's office and its Indian Law Office, a LSC Technology Initiative Grant in 2022 funded the creation of Wisconsin Law Help at wislawhelp.org, Lee said.

The web site provides, statewide, "plain language legal information for people who are otherwise unable to get an attorney," including a referral tool for eligible legal help options, Lee said. Wislawhelp.org received the 2025 Pro Bono Organization of the Year Award from the State Bar of Wisconsin.

Wisconsin Funds

The Wisconsin Supreme Court created WisTAF as the "primary funder of civil legal aid at the state level," explained Executive Director Rebecca Murray.

Through the years, WisTAF's funding sources have grown to stabilize proceeds from its original source, the Interest on Lawyers Trust Accounts (IOLTA), which varies depending on the amount of money in those funds and the interest rate, Murray said.

Last year, WisTAF received \$5.1 million through IOLTA, but in 2021 it was only \$600,000, Murray said.

A second source came from the Supreme Court's creation of the Public Interest Legal Services Fund (PILSF) that lawyers pay as a part of annual license fees, which now generates about \$900,000 a year.

In March, the Supreme Court voted to double the fee, set at \$50 in 2005, to \$100 in 2027.

The Wisconsin Access to Justice Commission has helped WisTAF obtain additional funds from fees paid by lawyers obtaining pro hac vice admission and cy pres funding from one-half of funds left over from class-action lawsuits, Murray explained.

WisTAF distributed \$8.8 million in grants in 2024 and \$8.9 million in 2023, largely from these funding sources. The biennial state budgets, since 2007-09, have not allocated any general purpose revenue to fund civil legal aid in Wisconsin.

The funds WisTAF distributes through state-specific sources are not nearly enough to serve the estimated 618,000 Wisconsinites who would be eligible for civil legal aid. This makes LSC funding crucial for civil legal aid providers to serve the needs of Wisconsinites.

As Armstrong pointed out, "we're already ... always trying to do more with less because we know how desperately our clients need services," and the doors will remain open.

Endnotes

[1] See page 1,102 ("For payment to the Legal Services Corporation to carry out the purposes of the Legal Services Corporation Act of 1974, \$21,000,000, to be used only for the closure of the Legal Services Corporation. ...")

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