

Budget Unit Brief

FY 2017



Legal Services Poverty Grants

Purpose and History

Current law requires the Office of the Attorney General to contract with a nonprofit corporation to provide legal counsel to indigent people in civil matters. The Attorney General's Office contracts with Iowa Legal Aid for services. The Legal Services Poverty Grants Program was first funded by Iowa in FY 1997 with a \$950,000 General Fund appropriation to offset federal reductions to the Legal Services Corporation (LSC).

Legal Services Corporation

The [LSC](#) provides civil legal services to people in poverty, defined as persons with income up to 125.0% of the Federal Poverty Level (FPL). The LSC is a federally chartered corporation headquartered in Washington, D.C., and is governed by an 11-member board of directors. Directors serve staggered terms, are nominated by the President of the United States, and confirmed by the Senate. The corporate charter is at the federal level and each state has a nonprofit entity to receive and administer funds and provide legal services. The LSC funds are distributed to each state as legal services poverty grants based on U.S. Census data for low-income residents. The LSC contracts with [Iowa Legal Aid](#) to provide legal representation for low-income Iowans.

Iowa Legal Aid

Iowa Legal Aid was formed by the merger of The Legal Aid Society of Polk County and the Legal Services Corporation of Iowa in FY 2003. Each entity had been in existence for several decades prior to the merger. Iowa Legal Aid serves eligible residents of all 99 counties in Iowa, and has 10 offices located in Cedar Rapids, Council Bluffs, Davenport, Des Moines, Dubuque, Iowa City, Mason City, Ottumwa, Sioux City, and Waterloo. Iowa Legal Aid operates a Volunteer Lawyers Project to provide free services to clients in 98 counties. The Polk County Bar Association Volunteer Lawyers Project handles cases from Polk County. Iowa Legal Aid works closely with these pro bono projects as well as law schools and local and State Bar Associations.

The [Iowa Legal Aid Board](#) oversees the operations of Iowa Legal Aid and set priorities for services. The main priorities include: protecting victims of domestic violence, preventing illegal evictions and unsafe housing, securing income support such as Medicaid and disability benefits, and preventing consumer fraud and abusive debt collection practices.

Most of the cases staffed by Iowa Legal Aid involve legal issues in state court or before government agencies. Approximately 70.0% of the primary clients are women. More than 23.0% of the clients are older Iowans and most of these are women. Approximately 30.0% of cases involve housing issues, 30.0% are family law matters with most involving domestic abuse, and the remaining 40.0% of cases involve consumer matters, health-related issues, individual rights, and income support programs such as Supplemental Security Income or veterans benefits.

Funding and Statistics

Iowa Legal Aid receives funds from a variety of sources, including federal grant awards through LSC, state grant awards through a contract with the Office of the Attorney General, donations such as United Way, other federal funds, and fundraising by the [Iowa Legal Aid Foundation](#).

In addition, Iowa Legal Aid receives funds from the [Interest on Lawyer's Trust Account](#). Funds are generated by interest earned on certain pooled accounts held by attorneys. Attorneys are required by court order to deposit client funds in interest-bearing accounts. Receipts have decreased due to declining interest rates, resulting in decreased grant awards.

Iowa Legal Aid also receives funds from the Civil Reparations Trust Fund. Iowa Code section [668A.1\(2\)\(b\)](#) requires awards for punitive or exemplary damages that arise from claims that are not willful, wanton, or specifically directed at the claimant to be divided between the claimant (25.0%) and the Civil Reparations Trust Fund (75.0%). The Fund is used for indigent civil litigation or insurance assistance programs. The Fund is administered by the State Court Administrator and awards are granted by the Executive Council. This is not a stable funding source and grant awards vary significantly from year to year.

More Information

Office of the Attorney General: <https://www.iowaattorneygeneral.gov/>

Iowa State Bar Association: <http://www.iowabar.org/>

Iowa General Assembly: <https://www.legis.iowa.gov/>

LSA Staff Contact: Laura Book (515-725-0509) laura.book@legis.iowa.gov

Related Statute: Iowa Code section [13.34](#)

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