

**Wisconsin Trust Account Foundation, Inc.**

**Report to the Department of Administration: 2009-2010 Low-  
Income Civil Legal Services Appropriation**

**Introduction**

During the 2009-2010 state budget cycle, the Department of Administration distributed \$1,985,600 to the Wisconsin Trust Account Foundation, Inc. (WisTAF) to fund the provision of civil legal services to low-income Wisconsin residents for the period from July 1, 2009 through June 30, 2010.

The investment was valuable not only in helping the clients who were served with the funds, but also to Wisconsin's economic health. In 2009-2010, for every dollar of state civil legal services appropriation funding, Wisconsin's civil legal services providers received or recovered \$11.36 for their clients (a net gain for the state of more than ten dollars for every dollar invested).

This report covers the management processes and guidelines that WisTAF used to fulfill the terms of the 2009-2011 allocation plan filed with the Department of Administration, which ensures high-quality civil legal services were provided to low-income clients in all parts of Wisconsin through the efficient and effective use of the low-income civil legal services appropriation funds. The report also includes information regarding the service and financial outcomes obtained through the funding.

The WisTAF Board of Directors voted unanimously that WisTAF should absorb the cost of administering the appropriation, enabling the entire \$1,985,600 to be directed to statewide civil legal services for low-income Wisconsin residents.

**2009-2010 Low-Income Civil Legal Services Appropriation Program Management**

**Grant Application Process**

Grant applicants submitted 2009-2010 state appropriation grant applications to WisTAF in July 2008. Those applications were used as the basis of the WisTAF board's initial civil legal services appropriation grant decision made in May 2009. Grant amounts were later adjusted based on supplemental budget and updated program outcomes information submitted by applicants when the state budget was approved and the final line item amount was confirmed.

WisTAF received seventeen grant applications for the 2009-2010 state appropriation funding cycle, with combined requests totaling \$2,891,458.

### **Grant Funding Cycle**

State appropriation grants were to be used for direct civil legal services provided from July 1, 2009 through June 30, 2010.

### **Eligible Client Populations**

The WisTAF Board used its existing eligible client criteria definitions to ensure that funds were used to provide services to the most vulnerable poverty populations. The criteria established for financially eligible clients and client groups are as follows:

1. A financially eligible client must be one whose income is no higher than 125 percent of the poverty level established by the U.S. Department of Labor; or,
2. A financially eligible client must be part of a group whose membership includes 50 percent or more eligible clients or whose primary purpose is assistance to low-income persons (ex: inner city populations, Food Share enrollees, etc.).

### **Grant Applicant Eligibility Criteria**

To be eligible to apply for 2009-2010 state appropriation funds, applicants needed to fulfill the following requirements:

1. The applicant had to demonstrate that it provided, planned to provide or caused to be provided civil legal assistance to financially-eligible clients or client groups; and
2. The applicant had to be a civil legal assistance organization or be an organization that qualified as a 501(c)(3) exempt organization; or
3. The applicant had to otherwise demonstrate the charitable purpose of the organization and project.

### **WisTAF Grant-Making Process**

In determining which agencies would receive grants, the WisTAF board considered the following objectives and criteria:

- State appropriation funds should be used exclusively for the provision of direct civil legal services to low-income residents of the state of Wisconsin.
- The organizations funded should maximize the geographic reach of legal services for low-income persons throughout Wisconsin.
- Existing services should receive priority over requests to cover budget shortfalls, expansions or new programming.
- With the exceptions of underserved rural areas and parts of Milwaukee County, duplicative services overlapping geographic areas of the state would not be funded.
- Grant recipients should have the ability to use a state appropriation grant to leverage additional private or federal funding for direct civil legal services or to obtain private or federal income for clients whenever possible in order to expand the impact of the state funding.

- The historical level of support provided to the applicant by WisTAF should be noted, to ensure that funds go to programs with a proven record of efficient and effective service provision.
- All grant recipients should have a demonstrated history of sound and effective fiscal management.

Based on these factors, WisTAF made 2009-2010 state civil legal services appropriation awards to twelve agencies (please see Appendix Table 1: WisTAF 2009-2010 Civil Legal Services State Appropriation Grants).

### **Disbursement of Funds**

On September 3, 2009, the Department of Administration disbursed the full \$1,985,600 in 2009-2010 civil legal services funds to WisTAF. On the same day, WisTAF disbursed all the funds as grants to 2009-2010 state appropriation grantees.

### **WisTAF Grant Oversight Measures**

With a relatively small pool of regular grantees covering the entire state, WisTAF is able to stay in frequent contact with grantees on an informal basis. This helps us to learn about individual grantee agency problems before they develop into serious issues, and to direct grantee agencies to appropriate assistance as requested.

Formally, WisTAF monitors grantee use of funding through regular reporting, reviews of financial documents and on-site visits to grantee agencies for in-depth discussions about the civil legal services each grantee agency provides. We require grantees to track demographic information about their clients and to conduct regular client satisfaction surveys to ensure that client needs are met and that clients are satisfied with the quality of the services provided.

**Grant application oversight.** Before a grant applicant is considered for WisTAF funding, all applicant agencies must provide WisTAF with extensive documentation showing the agency's stability and ongoing viability. That information includes:

- The agency's officers and directors list with addresses;
- The agency's most recent audited financial statements, or most recent unaudited financial statements for those agencies without the means to conduct an annual audit;
- The agency's strategic plan;
- The agency's current and proposed budgets;
- A copy of the agency's 501(c)(3) letter or other official document showing the charitable purposes of the agency;
- Current agency bylaws;
- Written description of the safeguards used by the agency to ensure the funding is not used for criminal law, political lobbying or clients with incomes that exceed 125% of the federal poverty level. The descriptions must include specific record-keeping and accounting safeguard procedures.

Once an agency has received a WisTAF grant, they are required to sign a grant conditions contract agreement, which provides clear guidelines for the agency's use and management of the granted funds.

Grant application materials are reviewed by staff and WisTAF's Grants/Evaluations Committee. Applications are made available for all WisTAF Board members to review.

**Mid-year and end-of-year grant reports.** Grantees are required to submit two written reports each grant year.

In their mid-year reports, grantees are asked to provide information about changes in any services, personnel or management that have taken place since the start of the grant period. They are also required to file financial reports showing the first six months of grant expenses. Mid-year reports are reviewed by staff. If any problems are identified, staff refers them to the Grants/Evaluation Committee for review and follow-up.

End-of-year reports are more extensive than the mid-year reports. In addition to providing detailed information about program, administrative and financial management, agencies are required to give final client demographic and closed case statistics for the grant funds, including financial outcomes of cases. They must also provide final financial income and expense statements for the grant and, as appropriate, the agency. End-of-year reports are reviewed by staff and the WisTAF Board of Directors.

**Site visits.** After every grant cycle is completed, WisTAF schedules on-site visits with each grantee agency. Prior to the visit, staff and WisTAF Board members review each agency's end-of-year report and financial statement, and any audited financial statements that might be available. WisTAF staff members and board members attend each site visit and meet with senior provider agency management staff, during which we have the opportunity to ask questions and learn more about the agency's fiscal and administrative management. Board members from the grantee agency often attend the meeting to provide governance information.

**2009-2010 Civil Legal Services Appropriation Outcomes**

**Expenditures**

WisTAF's 2009-2010 state appropriation grantees reported the following expenditures:

Grantee Civil Legal Services Appropriation Expenses for the period  
 July 1, 2009 through June 30, 2010

<b>A. Personnel Costs</b>	
1. Lawyers	\$1,117,188
2. Paralegals	\$109,483
3. Others	\$82,042
<b>Salary Subtotal</b>	<b>\$1,308,713</b>
4. Employee Benefits	\$274,800
<b>Total Personnel Costs</b>	<b>\$1,583,513</b>
<b>B. Overhead</b>	\$375,087
<b>Total Overhead</b>	<b>\$375,087</b>
<b>Total Request (Personnel + Overhead)*</b>	<b>\$1,958,600</b>

**Geographic Distribution of Funds**

*Client story: Martha, a frail disabled woman confined to a wheelchair, was terrorized by her husband, who also used a wheelchair. Their sole source of income was her husband's SSI payments. If Martha disagreed with her husband, he would slam his wheelchair into hers, putting her in fear of having her chair tip over and spill her onto the floor, with no one present to help her get up. A legal services attorney represented Martha in a divorce which removed her from her abuser. The attorney also helped Martha to secure SSI for herself, giving her an income and independence. Wisconsin Judicare.*

Family law cases involving domestic violence are among the most complex legal cases an attorney can undertake. Statewide, many private attorneys refuse to take them because of the long hours they require to complete and the emotional circumstances that accompany family law cases which include abuse. The low-income civil legal services appropriation provided legal services providers to take on cases similar to Martha's across the entire state.

The 2009-2010 appropriation was distributed to all ten judicial districts, in amounts roughly approximating the poverty populations of each judicial district. The exceptions were Judicial District 1 and Judicial District 5, which received more funding proportionally than the other judicial districts. Since all but two agencies that received 2009-2010 state appropriation funding have offices in Milwaukee and/or Madison, there was a higher concentration of service agencies, and therefore funds, in those two districts.

The only county that received no state appropriation-funded services was Florence County, where 11 requests for services were recorded, but no agency was able to fulfill them due to budget constraints.

(Please see Appendix Table 2: 2009-2010 Distribution of Low-Income Civil Legal Services Funds by Judicial District.)

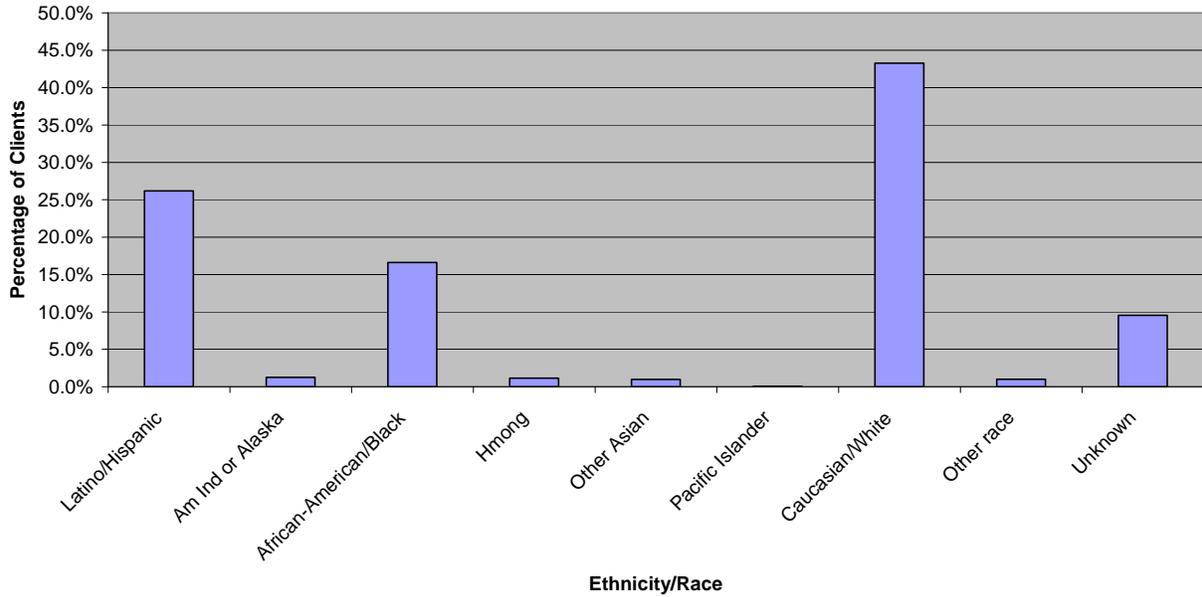
### **Clients Served**

*Client story: Bertha is a single mother with two children, living in north Milwaukee. She worked at the same restaurant for eight years. When her peptic ulcer became inflamed, Bertha went to her doctor, who ordered her back for more tests the next day. Bertha's employer told her she would be fired if she didn't show up for work. Bertha went in for the tests, and based on the results, her doctor gave her a letter saying she needed to rest for the remainder of the week in order to allow her treatment to be effective. She was fired, and subsequently unable to collect unemployment compensation because her employer reported that she had quit. A legal services attorney helped her to appeal the unemployment benefits denial by showing the doctor's letter to the administrative law judge, proving that Bertha hadn't voluntarily quit. The judge reversed the unemployment benefits denial and awarded Bertha full benefits. Legal Aid Society of Milwaukee.*

Lack of money isn't the only factor that prevents clients from being able to access the civil law courts. Other factors such as disability or lack of transportation can also play a factor. Many private attorneys don't have the resources to undertake cases that include such complicating factors. In addition, many poverty law legal cases are complex, simply because legal problems are rarely addressed in a timely fashion and continue to build due to lack of funds available to pay a private attorney.

In 2009-2010, the Wisconsin low-income civil legal services appropriation helped more than 8,400 individuals and provided over 8,600 services ranging from limited advice to representation in civil litigations.

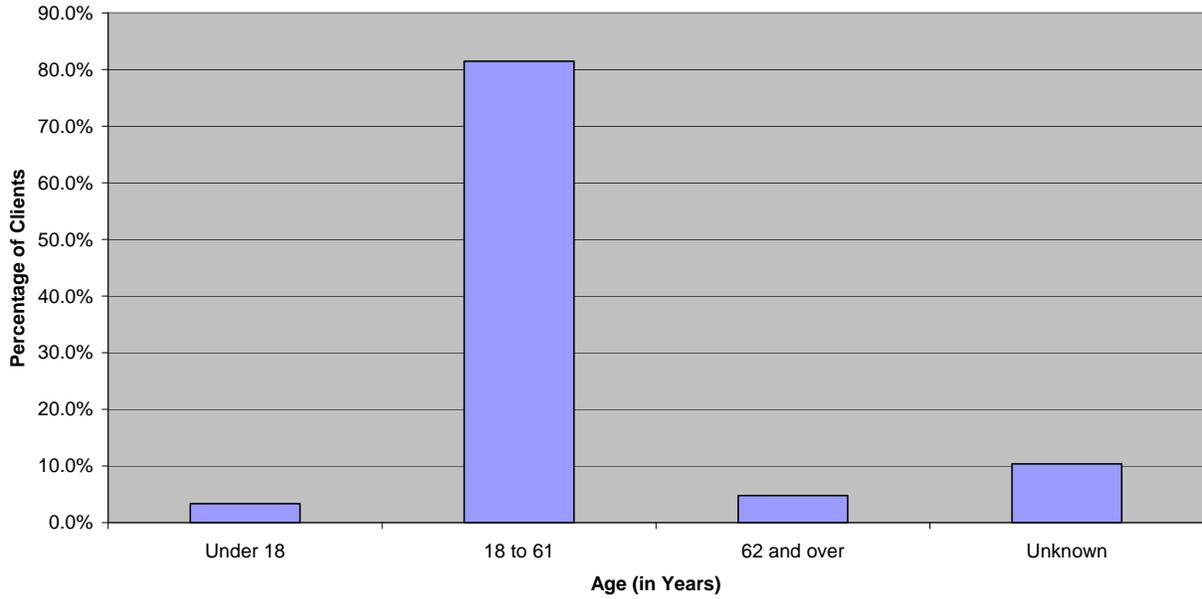
**2009-2010 Ethnicity/Race Demographics**



**Ethnic/Racial demographics of clients served:**

- African American/Black: 1,400 clients, or 16.6%
- Asian/Pacific Islander: 82 clients, or just less than 1%
- Caucasian/White: 3,648 clients, or 43.3%
- Hmong: 97 clients, or 1.2%
- Latino/Hispanic: 2,206 clients, or 26.2%
- Native American/American Indian: 106 clients, or 1.3%
- Unknown or Mixed Race: 888 clients, or 10.5%

**2009-2010 Age Demographics**



Age demographics of clients served:

Under 18: 224 clients, or 3.4%

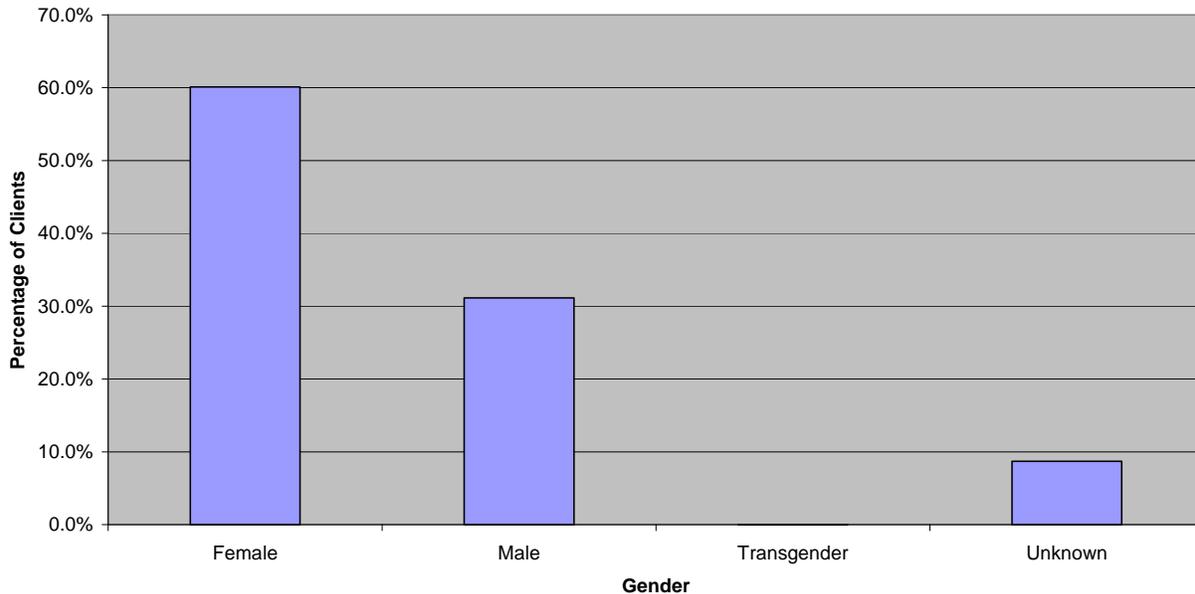
18-61: 5,416 clients, or 81.5%

61+: 318 clients, or 4.8%

Age Unknown: 690 clients, or 10.3%

Note: Not all grantees gather age statistics at this time.

#### 2009-2010 Gender Demographics



#### Gender demographics of clients served:

Female: 4,815 clients, or 60.1%

Male: 2,494 clients, or 31.1%

Transgender: 2 clients, or 0%

Unknown: 698 clients, or 8.8%

Note: Not all grantees gather gender statistics at this time.

In 2009-2010, WisTAF requested grantee agencies to track not only clients served per county, but requests for services. Five grantees were unable to track total service requests received for the period, but the majority of grantees did, and, combined, reported requests for civil legal services from all counties of the state.

Unfilled requests for services that exceeded what the legal services providers could meet with the funding received were recorded in every county of the state. In fact, with seven of twelve agencies reporting, the average rate of cases with merit that were turned away was nearly one out of every two people applying for services, or about 45 percent of requests. This reflects the turn-away rates recorded at the national level by the federal Legal Services Corporation, indicating that low-income Wisconsin residents are unable to access the state's legal system at a rate close to or equal to the national average.

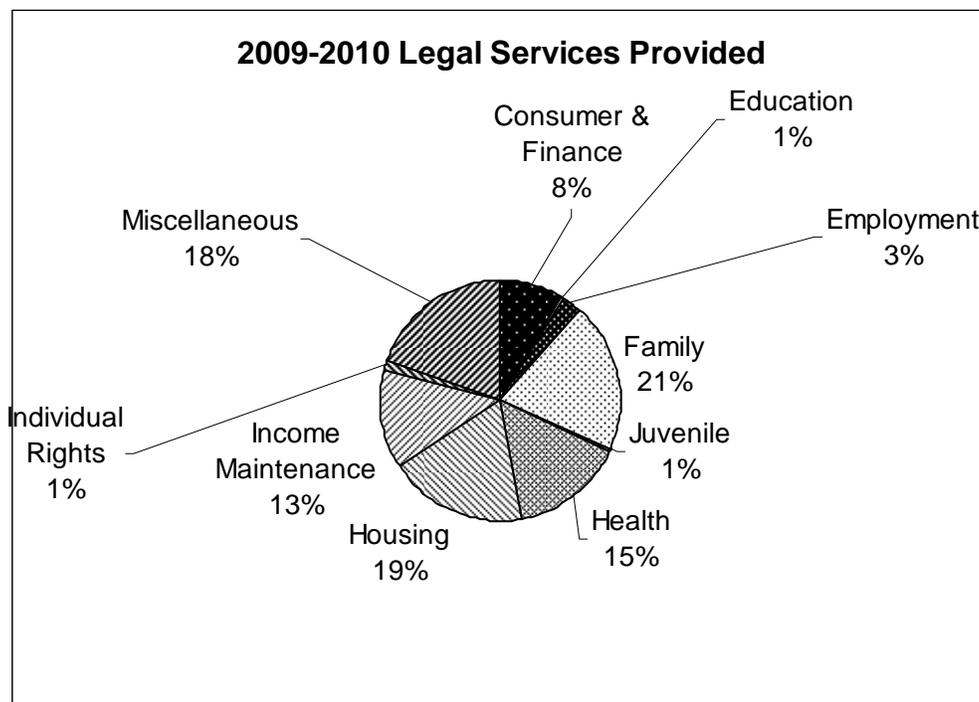
In order to provide the most accurate information about case outcomes, WisTAF requires grantees receiving state appropriation civil legal services grants to track only the individuals directly served, and only cases closed, not active or pending, for any given time period. This

means that any reporting is necessarily conservative, since there are always open cases carried from one time period to another, many for several years, which receive funding from multiple state appropriation grants during that period of time. It is reasonable to assume that the actual impact of the state appropriation is therefore greater, since active open cases from prior periods are not reported, though those clients are still provided services.

In order to best determine the number, type and financial impact of civil legal services provided with state funding, WisTAF devised an outcome-based reporting system based on similar systems used to report civil legal services to the federal Legal Services Corporation.

WisTAF broke the outcome measurements into ten civil legal services categories, each of which measured multiple case outcomes for services provided and funds successfully received or recovered for clients (see Chart 1. 2009-2010 Service Outcomes by Area of Law).

**Chart 1: 2009-2010 Service Outcomes by Area of Law**



The following are the most common types of services provided in each of the ten categories of civil legal law (though many additional outcomes are tracked as well).

1. Consumer/Finance – halted debt collection; prevented foreclosures; prevented or overcame utility termination.
2. Education – obtained right to special services (including special education); at risk programming and IEP plan; obtained services for transition from school to work.

3. Employment – overcame job discrimination.
4. Family – provided representation in litigation on a family matter; obtained custody or visitation rights; obtained, preserved or increased child support.
5. Juvenile – obtained guardianship or adoption for a dependant child; obtained benefits for a relative caretaker.
6. Health – obtained, preserved or increased Medicare or Medicaid benefits/rights; obtained payment reimbursement or write-off of Medicaid costs and/or private health insurance providers costs; obtained health or disability insurance.
7. Housing – prevented evictions, prevented homelessness, and prevented denial of tenants' rights.
8. Income Maintenance – assisted with, obtained, preserved or increased SSI/SSD benefits, Medicaid and food stamps.
9. Individual Rights – obtained autonomy of living or decision-making rights, primarily for disabled and/or institutionalized persons.
10. Miscellaneous – assisted with wills, living wills, health proxy or power of attorney; retained driver's license for access to employment purposes.

**Financial Impact: Funds Received or Recovered**

*Client story: Kristy, who was pregnant with her and her husband's first baby, was covered by her mother's comprehensive health insurance, which she received through her employer. When Kristy was close to her due date, however, her mother changed jobs and Kristy lost her health care coverage. At the same time, a routine ultrasound revealed that the baby would have special health care needs when it was born. A legal services attorney worked with Kristy to identify health care coverage options to pre-empt the medical bills that would accompany the baby's treatment. Within 48 hours of being born, the baby was admitted into all three hospitals in the Madison area because of the seriousness of his condition. Multiple insurance denials followed, but the legal services attorney successfully challenged all of them. The little boy, now seven months old, is recovering quickly. The intervention of the legal services attorney saved the family \$480,000 in medical bills. ABC for Health.*

In 2009-2010, civil legal services providers receiving state appropriation grants closed cases that generated financial outcomes for clients of over twenty-two million dollars (please see Table 1: 2009-2010 Funds Recovered or Received by Area of Law). The sectors from which the funds were generated were:

**Private sector** (individuals, primarily in child support increases or tenant security deposit recoveries): \$1,176,912

**Private sector** (businesses or corporations, primarily through recoveries from predatory lending practices, and wrongful denials of private health insurance benefits): \$11,600,419

**Public sector** (SSI/SSD, Medicaid/Medicare, Food Share benefits): \$8,166,572

There was an additional \$1,296,798 of financial recoveries reported, but not designated by detailed area of law, so financial sectors could not be determined.

**Table 1. 2009-2010 Funds Recovered or Received by Area of Law**

Case Outcome Code (General)	Monetary Value Received / Recovered (if applicable)
Consumer/Finance	\$1,038,970
Education	None reported
Employment	\$372,945
Family	\$1,176,912
Juvenile	None reported
Health	\$8,663,993
Housing	\$1,508,437
Income Maintenance	\$8,166,572
Individual Rights	\$16,074
Miscellaneous	\$1,296,798
<b>Totals:</b>	<b>\$22,240,701</b>

For every dollar of state appropriation funding, Wisconsin's civil legal services providers received or recovered \$11.36 for their clients (a net gain for the state of more than ten dollars for every dollar invested). This represents new income, relieving the state's actual or potential burden of care for many of these clients. In the vast majority of cases, that income flows directly into the economies of Wisconsin's towns and cities. Once indirect savings are factored in, such as fewer domestic violence situations that require a police response, or shelter space available because legal services clients are able to successfully retain their homes, the combined income and cost savings for the state is substantial. The program continues to demonstrate its value.

### **Conclusion**

Looking ahead into 2011 and beyond, the program seems well-situated to provide cost-efficient and effective services as well as to track the services provided to clients and funds recovered or received on their behalf. It also appears to be well-situated to contribute to a healthier Wisconsin

Wisconsin Trust Account Foundation, Inc.

Report to the Department of Administration: 2009-2010 Low-Income Civil Legal Services  
Appropriation

August 30, 2010

Page 13 of 14

economy, with client awards received or recovered being roughly ten times the amount of money invested by the state in the low-income civil legal services fund. All grantees report that since the summer of 2008 and the start of the current economic crisis, the number of requests for civil legal services has sky-rocketed, while funding for civil legal services has dramatically decreased. State funding is more important than ever to help Wisconsin residents get the civil legal help that they need to retain their homes, their jobs, their families and their right to access the state's justice system.

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*Note: All of the names used in client stories contained in this report have been changed to protect individual identities.*

Submitted by:

Date: August 30, 2010

De Ette Tomlinson, Executive Director

**Appendix Table 1: WisTAF 2009-2010 Civil Legal Services State Appropriation Grants**

<b>Agency</b>	<b>Received</b>
ABC for Health	146,900
Aids Network	40,000
Aids Resource Center of Wisconsin	19,600
Catholic Charities of the Arch. Of Milwaukee	24,500
Center Against Sexual and Domestic Abuse	39,200
Centro Legal por Derechos Humanos	62,500
Community Justice	39,200
Disability Rights of Wisconsin	299,550
Legal Action of Wisconsin	733,800
Legal Aid Society of Milwaukee	299,550
Portage County Legal Aid Society	4,000
WI Judicare	249,800
	<b>\$ 1,958,600</b>

**Appendix Table 2: 2009-2010 Distribution of Low-Income Civil Legal Services Funds by Judicial District**

<b>Judicial District</b>	<b>Percent Poverty Population Within Judicial District</b>	<b>Percent Funds Received per Judicial District through WisTAF's 2009-2010 State Appropriation Grant Allocations</b>
1	31%	42%
2	7%	4%
3	4%	3%
4	6%	3%
5	12%	17%
6	8%	6%
7	8%	6%
8	8%	4%
9	6%	5%
10	10%	10%
Total:	100%	100%