

## OHIO LEGAL ASSISTANCE FOUNDATION

### History of Legal Services Funding

The following summary provides a historical overview of events affecting the funding levels for legal services in the state of Ohio. Please see a companion document that summarizes funding revenue from the Legal Services Corporation and to the Ohio legal aid fund.

Early	1960's	Urban/Large metropolitan area legal services develop from federal "Urban Renewal" efforts; Council of Economic Opportunity funds local programs with federal dollars
Early	1960's	IOLTA concepts develop in Australia and Canada
	1974	Legal Services Corporation was created
	1976	National study of the funding levels of local legal services programs relative to the U.S. population found that more than forty percent of the nation's poor lived in areas not served by any legal services program – in response LSC developed a "minimum access" plan, with the goal of providing a level of funding in every area of the country that would support two lawyers per 10,000 low-income Americans
	1977	Congressional re-authorization of LSC for three more years; added "improving opportunities for low-income persons" to LSC's list of purposes and explicitly endorsed efforts to address the problems of the client community; client participation on local boards was mandated
Late	1970's	LSC expands monitoring and evaluation efforts; develops a centralized training program; and produces legal services poverty law practice manuals
	1978	First IOLTA program in the US began in Florida
Early	1980's	In addition to cuts in federal funding, two new rules to increase private attorney involvement were implemented (Reagan): <ul style="list-style-type: none"> <li>• Attorney appointed by state and local bar associations comprise at least fifty percent of each local program's board of directors; and</li> <li>• Every LSC-funded program devote 12.5% of its federal grant to activities that involved private attorneys providing pro bono or reduced-fee services to low income clients</li> </ul>
Early	1980's	<b>OHIO</b> Efforts begin to develop state funding of local legal services
During	1980's	Increase focus by local service providers to identify non-LSC funding for legal services (e.g., state and private funding)
	1984	<b>OHIO</b> IOLTA revenue collections and filing fee surcharges (\$10) established in Ohio and administered by the Public Defenders office
	1987	<b>OHIO</b> Original filing fee surcharge terminated pursuant to sunset provision; across-the-board surcharge reinstated (\$1)
	1988	Congress mandates the LSC Office of the Inspector General
	1989	<b>OHIO</b> Filing fee surcharge increased from \$1 to \$4
By	1990	Almost 2000 fewer legal services attorneys served low-income Americans than in 1981

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	1991	<b>OHIO</b> Ohio State Bar Association commissions the Spangenberg Report details the scope of the problem of the unmet civil legal needs of the poor in Ohio
	1992	<b>OHIO</b> Statewide implementation committee achieved the following: <ul style="list-style-type: none"> <li>❖ Analyze the findings from the report and develop a plan of action;</li> <li>❖ Convinced the General Assembly to increase the surcharge on civil filing fees;</li> <li>❖ Explore the promotion of pro bono services;</li> <li>❖ Convinced the Ohio Supreme Court to adopt a new rule that requires lawyers to report to the Court whether they have an IOLTA account; and</li> <li>❖ Proposed the creation of the Ohio Legal Assistance Foundation</li> </ul>
	1991	<b>OHIO</b> Filing fee surcharge modified by deleting small claims exclusion
Early	1990's	Congress and President (Bush) supports continued funding with small increases to LSC budget
Early	1990's	LSC and local efforts expanded to serve migrant farm-workers and their families and military veterans
	1993	<b>OHIO</b> Filing fee surcharge increased (\$15)
Mid	1990's	<b>OHIO</b> Ohio Supreme Court adopts rule to require attorneys to register their IOLTA accounts with OLAF
Mid	1990's	LSC experiences funding levels increase under Clinton Presidency/Democratic Congress
	1994	<b>OHIO</b> OLAF established
	1994	Republican-controlled Congress begin efforts to eliminate/slash funding for LSC
	1994	ABA national study found that 71% of the legal situations that low-income households face do not find their way to the judicial system
By	1995	All fifty states and the District of Columbia have IOLTA programs
	1996	<b>OHIO</b> Ohio General Assembly includes trust accounts held by title agents in the OLAF IOTA program; and extends sunset provision date on filing fee by five years (2002)
	1996	Congress mandates new rules for LSC-funding: <ul style="list-style-type: none"> <li>❖ LSC grants were to be awarded through a system of competition;</li> <li>❖ Federal funds were to be used to focus on individual cases, while certain types of advocacy were no longer permitted;</li> <li>❖ Strict guidelines limiting local legal services grantees use of non-LSC funding, including: <ul style="list-style-type: none"> <li>• Legal services attorneys are not permitted to initiate or participate in class action lawsuits,</li> <li>• Legal services attorneys may not collect court-awarded attorney's fees,</li> <li>• Legal services attorneys may not litigate on behalf of prisoners or represent undocumented and other categories of aliens,</li> <li>• Legal services attorneys may not participate in: <ul style="list-style-type: none"> <li>– Redistricting,</li> <li>– Cases involving evictions from public housing of individuals</li> </ul> </li> </ul> </li> </ul>

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		charged with or convicted of drug violations, and – Government rulemaking or lobbying.
	1997	<b>OHIO</b> Ohio Supreme Court increases attorney registration fees and allocates a portion to support OLAF's efforts to strengthen access to justice
Late	1990's	LCS implements state-level planning and coordination initiatives
	1998	<b>OHIO</b> State-wide planning and coordination process completed – <i>The Ohio State Plan: Toward Achieving a Comprehensive, Integrated Legal Services Delivery System</i>
	2000	<b>OHIO</b> State-wide service provider mergers and consolidations, based on the <i>Ohio State Plan</i> , was completed
	2001	<b>OHIO</b> Ohio General Assembly permanently removes sunset provision on filing fee surcharge
	2001	<b>OHIO</b> OLAF Board of Trustees adopts administrative Rules to govern Ohio's IOLTA/IOTA Program.
Fall	2002	<b>OHIO</b> OLAF staff assesses participating financial institution compliance with new rules and sought immediate and retroactive compliance when needed.
Fall	2002	<b>OHIO</b> OLAF staff assesses Ohio's approximately 345 courts (common pleas, municipal, and county courts) for compliance with legal aid filing fee surcharge requirements, and sought immediate and retroactive compliance when necessary.
Winter	2004	<b>OHIO</b> OLAF establishes a new benchmark to measure compliance with the statutory requirement that IOLTA rates are comparable to the rates offered on a depository's non-IOLTA demand deposit accounts.
Summer	2005	<b>OHIO</b> OLAF secures a filing fee surcharge increase. (Major changes: An increase from \$15 to \$26 on civil filings and from \$7 to \$11 for small claims filings; \$1 or 4% of the new surcharge will be set aside by the Treasurer of State to support the state public defender's office. All courts are required to remit collections on or before the twentieth day of the month following the month the surcharge was collected; For example, if the surcharge was collected in October, then the surcharge must be remitted to the Treasurer of State by the 20th of November. For probate courts, the legal aid surcharge now applies to decedent estate proceedings, as well as name change, guardianship, and adoption proceedings. The effective date for these changes is October 1, 2005.)

**Ohio Legal Services Historical Revenue Summary**  
Calendar Years 1976 to 2005

Year	LSC - Ohio	IOLTA/IOTA	Filing Fee	Legal Aid Fund Total <sup>2</sup>
1976	\$2,780,000			
1977	\$3,740,000			
1978	\$6,230,000			
1979	\$7,550,000			
1980	\$8,630,000			
1981	\$9,340,000			
1982	\$7,080,000			
1983	\$7,080,000			
1984	\$8,220,000			
1985 <sup>3</sup>	\$8,260,000	\$768,454	\$1,590,337	\$2,358,791
1986	\$9,270,000	\$4,572,357	\$2,274,792	\$6,847,149
1987 <sup>4</sup>	\$10,060,000	\$3,129,603	\$351,556	\$3,481,159
1988	\$10,040,000	\$3,298,660	\$416,851	\$3,715,511
1989 <sup>5</sup>	\$10,160,000	\$3,555,226	\$804,731	\$4,359,957
1990	\$10,510,000	\$3,741,330	\$1,584,962	\$5,326,292
1991 <sup>6</sup>	\$10,940,000	\$3,795,811	\$1,699,640	\$5,495,451
1992	\$11,610,000	\$3,350,197	\$1,859,355	\$5,209,552
1993 <sup>7</sup>	\$11,800,000	\$2,641,833	\$5,071,360	\$7,713,193
1994	\$13,730,000	\$2,675,201	\$5,461,757	\$8,136,958
1995	\$13,840,000	\$2,886,338	\$5,422,074	\$8,308,412
1996 <sup>8</sup>	\$10,220,000	\$6,055,494	\$5,772,989	\$11,828,483
1997	\$10,410,000	\$7,354,521	\$6,252,679	\$13,607,200
1998	\$10,410,000	\$8,499,535	\$6,046,915	\$14,546,450
1999	\$10,830,000	\$8,453,457	\$6,088,011	\$14,541,468
2000 <sup>9</sup>	\$10,950,000	\$7,628,002	\$6,288,940	\$13,916,942
2001 <sup>10</sup>	\$11,700,000	\$7,892,350	\$6,903,911	\$14,796,261
2002 <sup>11</sup>	\$11,700,000	\$6,347,664	\$7,148,635	\$13,496,299
2003 <sup>12</sup>	\$10,708,687	\$6,926,156	\$8,005,575	\$14,931,731
2004	\$10,284,385	\$6,486,830	\$7,886,400	\$14,373,230
2005 <sup>13</sup>	\$10,000,993	\$11,346,690	\$8,932,250	\$20,278,940

Updated: February 2006

<sup>1</sup> Provided by Legal Services Corporation, Office of Information Management; federal fiscal year figures.

<sup>2</sup> Total of Ohio's IOLTA/IOTA, Filing Fee, and Interest Revenue

<sup>3</sup> Am. Sub. S.B. 219 signed January 1985. IOLTA revenue collections began July 1985 following extensive efforts to register 30,000 attorneys and over 200 financial institutions. Filing fee surcharges of \$10 in Common Pleas and \$5 in Municipal courts commenced in March 1985.

<sup>4</sup> Original filing fee surcharge terminated in early 1987 pursuant to a sunset provision. An across-the-board fee surcharge of \$1 was reinstated in July 1987 as part of the 1988 biennial budget.

<sup>5</sup> Filing fee surcharge increased from \$1 to \$4 effective July 1989 as part of the 1990 biennial budget.

<sup>6</sup> Filing fee surcharge modified by deleting the small claims exclusion in July 1991 as part of the 1992 biennial budget.

<sup>7</sup> Filing fee surcharge amended effective January 1, 1993: small claims (\$4 to \$7) and all other fees (\$4 to \$15).

<sup>8</sup> Title agents required to process escrow accounts through IOTA accounts and proceeds flow to the legal aid fund.

<sup>9</sup> Ohio General Assembly eliminates the sunset provision on the filing fee surcharge, which was scheduled to end in 2002.

<sup>10</sup> OLAF Board adopts Rules governing IOLTA/IOTA Program – effective April 1, 2002.

<sup>11</sup> Implementation of Rules and assessment of filing fee compliance result in corrective, retroactive payments.

<sup>12</sup> Includes one-time \$1 million additional funding to help offset a \$1.9 million loss of federal LSC funds due to a formula change.

<sup>13</sup> Continued rate increases combined by implementation of rate benchmark; filing fee increase effective October 1, 2005.

# Ohio Legal Services Funding Summary (1976 to 2005)

