



## LSC's FY 2014 Budget Request Executive Summary

LSC requested an appropriation of \$486,000,000 for FY 2014 based on LSC's assessment of the need for legal aid and the decline in some non-LSC funding sources. Approximately 95%, or \$461.3 million, of this amount would fund grants to legal aid organizations serving indigent clients. The request also includes \$5 million for a new grant encouraging innovations in the delivery of pro bono legal services.

Budget Category	FY 2010 Appropriation	FY 2012 (PL 112-55)	FY 2013 Request	FY 2013 (PL 112-175)	FY 2014 Request
Basic Field Grants	\$394,400,000	\$322,400,000	\$440,300,000	\$324,373,088	\$451,300,000
Technology Initiative Grants	\$3,400,000	\$3,400,000	\$5,000,000	\$3,400,000	\$5,000,000
Loan Repayment Assistance Program	\$1,000,000	\$1,000,000	\$1,000,000	\$1,006,120	\$1,000,000
Management and Grants Oversight	\$17,000,000	\$17,000,000	\$19,500,000	\$17,104,040	\$19,500,000
Office of Inspector General	\$4,200,000	\$4,200,000	\$4,200,000	\$4,225,704	\$4,200,000
Pro Bono Innovation Fund	-	-	-	-	\$5,000,000
<b>TOTAL</b>	<b>\$420,000,000</b>	<b>\$348,000,000</b>	<b>\$470,000,000</b>	<b>\$350,129,760</b>	<b>\$486,000,000</b>

### Civil Legal Aid Is a Good Investment of Taxpayer Dollars

Providing civil legal services to the poor consistently yields significant economic benefits for communities and government alike. These benefits accrue from clients' reduced reliance on other, more costly types of governmental aid and their enhanced ability to participate in the economic marketplace.

A number of states have recently studied the economic benefits of providing civil legal services to low-income constituents. For example, the Texas Access to Justice Foundation's February 2013 report found that every dollar spent on legal aid generated an estimated \$7.48 in consumer spending (for a total of \$722.4 million annually), \$3.59 in increased production of goods and services (\$346.9 million annually), and \$2.22 in personal income. Civil legal aid also generated about 4,528 jobs and \$47.5 million in yearly revenues for Texas governmental entities.

Further economic benefits cited in several of the state reports include reductions in the health care costs of treating victims of domestic violence, savings in social services costs resulting from increased child support recoveries, and tax revenues from jobs preserved as a result of legal aid employment cases.

### LSC Grantees Provide a Premier Constituent Service

LSC's grantees have offices in every congressional district across America and work to eliminate the justice gap by providing quality legal counsel—at no cost—to low-income constituents. LSC grantees handle the basic civil legal needs of the poor, addressing matters involving safety, subsistence, and family stability:

- **Family law:** LSC grantees help parents obtain and keep custody of their children, family members secure guardianship of orphaned and abused children, and victims of domestic

violence get protective orders. More than a third of all cases closed by LSC grantees are family law cases.

- **Eviction and Foreclosure Cases:** The second largest category of all cases closed, these matters involve helping to resolve landlord-tenant disputes, avoid wrongful foreclosures or renegotiate their mortgages, and assisting renters whose landlords are being foreclosed upon.
- **Income Maintenance:** LSC grantees also help clients obtain duly earned veterans, unemployment, disability, and healthcare benefits for which they are eligible and appeal wrongfully denied benefits.

## LSC Grantees Can no Longer Do More with Less

The number of constituents eligible for LSC-funded legal assistance, i.e. those living at or below 125% of the federal poverty line (\$13,963 for an individual and \$28,813 for a family of four), continues to be at an all-time high. Nearly one in five—61.8 million Americans—are eligible for services, a 21% increase since 2007.

At the same time, funding for civil legal aid is declining. LSC received its largest appropriation, \$420 million, in FY 2010. Since that time, LSC's appropriation has been reduced by more than 17%, the devastating effects of which have been compounded by sequestration. In addition, 27 states cut funding for legal aid in 2012, some by more than 15%. And revenue from Interest on Lawyers Trust Accounts (IOLTA) programs—a source of significant support for civil legal aid providers—has collapsed due to historically low interest rates, falling 54.4% from its 2008 levels.

LSC grantees have worked tirelessly to leverage their limited resources through public-private-partnerships, pro bono contributions, technology, and other creative delivery systems to maintain the same level of client services as in years past. But reduced funding has taken its toll. LSC grantees can no longer provide more services with less funding.

In 2012, LSC-funded programs closed 809,830 cases—a 10% decline from the previous year. That reduction reflects 5.5% fewer domestic abuse cases; 10.1% fewer child custody and visitation cases; 13.5% fewer child support cases; 9.6% fewer paternity cases; 10.7% fewer landlord/tenant cases; 22.8% fewer housing discrimination cases; and 38.7% fewer mental health/civil commitment cases.

Between 2010 and 2012, 923 full-time positions—385 attorneys, 180 paralegals, and 358 support staff—were eliminated due to funding cuts. This represents a 10.3% loss of legal aid staff in just two years. LSC grantees also closed 30 offices and reduced the level of services offered.

## LSC's Business-Oriented Leadership Improves Performance & Accountability

LSC's leadership is committed to strong management and prudent stewardship of federal funds. Since the Board of Directors' confirmation in 2010, LSC has taken the following actions to improve its performance, enhance fiscal responsibility, and leverage the federal investment in legal services with private support:

- **Hired a new President with significant management experience.** James J. Sandman, a former longtime managing partner at the international law firm of Arnold & Porter LLP, joined LSC as its 20th President in 2011. While LSC has always placed a premium on assessing the quality of services provided by its grantees, LSC has increased the emphasis on the fiscal oversight and compliance aspects of its grantmaking responsibilities under Jim's leadership. Jim's management goals focus on performance measures and clear expectations. His new management team reflects these values.
- **Adopted a five-year (2012-2016) strategic plan.** The plan establishes three major goals and identifies specific implementation initiatives.

**Goal No. 1:** Maximize the availability, quality, and effectiveness of the civil legal services that LSC grantees provide to eligible low-income individuals.

**Goal No. 2:** Become a leading voice for access to justice and quality legal assistance in the United States.

**Goal No .3:** Achieve the highest standards of fiscal responsibility, both for LSC and its grantees.

- **Appointed and adopted the recommendations of a blue-ribbon Fiscal Oversight Task Force.**
- **Established a Pro Bono Task Force** to recommend ways to expand the use of pro bono lawyers to serve the civil legal needs of low-income Americans.
- **Convened a Technology Summit** to explore how technology can expand access to civil legal assistance for low-income Americans.
- **Expanded the enforcement options available to LSC** to deal with grantees that violate legal requirements and grant conditions.
- **Obtained a private grant of \$276,000 from the Public Welfare Foundation to improve LSC's data collection** and reporting systems and to educate LSC grantees about their own collection, analysis, and use of data.
- **Formed an Institutional Advancement Committee** to identify private funding resources and increase public-private partnerships in the delivery

## Going Forward

With millions of Americans in poverty or at risk of sliding into poverty, increased appropriations for civil legal aid have never been more critical. In FY 2014, Increased funding will help meet the critical needs of grantees and enable LSC to serve as the leading voice for civil legal aid to poor Americans while achieving high standards of fiscal responsibility.