

Supplement to LSC May 2011 Source Book

FY 2012 LSC Appropriation  
Public Law 112-55  
and Related Documents  
LSC Provisions and Excerpts

- Public Law No: 112-55, 125 Stat. 552 (2012).  
Consolidated and Further Continuing Appropriations Act, 2012.  
LSC FY 2012 appropriation and related general provisions.
- *House Report [Conference] 112-284 to accompany H.R. 2112 (Public Law 112-55).*
- S. 1572. Departments of Commerce and Justice, and Science, and Related Agencies, 2012.  
Reported by the Senate Committee on Appropriations, but not voted on by the Senate or the House.
- *Senate Report 112-078 to accompany S. 1572.*
- H. R. 2596. Departments of Commerce and Justice, and Science, and Related Agencies, 2012.  
Reported by the House Committee on Appropriations, but not voted on by the House or the Senate.
- *House Report 112-169 to accompany H.R. 2596.*

**Consolidated and Further Continuing Appropriations Act, 2012**

**H.R.2112**

**Public Law No: 112-55+014 R's-441 '1/01(**

**LSC FY 2012 Appropriation Excerpt and Related General Provisions**

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**SECTION 1. SHORT TITLE.**

This Act may be cited as the "Consolidated and Further Continuing Appropriations Act, 2012".

**DIVISION B--COMMERCE, JUSTICE, SCIENCE, AND RELATED AGENCIES**

**TITLE IV**

**RELATED AGENCIES**

**Legal Services Corporation**

**Payment to the Legal Services Corporation**

For payment to the Legal Services Corporation to carry out the purposes of the Legal Services Corporation Act of 1974, \$348,000,000, of which \$322,400,000 is for basic field programs and required independent audits; \$4,200,000 is for the Office of Inspector General, of which such amounts as may be necessary may be used to conduct additional audits of recipients; \$17,000,000 is for management and grants oversight; \$3,400,000 is for client self-help and information technology; and \$1,000,000 is for loan repayment assistance: *Provided*, That the Legal Services Corporation may continue to provide locality pay to officers and employees at a rate no greater than that provided by the Federal Government to Washington, DC-based employees as authorized by 5 U.S.C. 5304, notwithstanding section 1005(d) of the Legal Services Corporation Act, 42 U.S.C. 2996(d): *Provided further*, That the authorities provided in section 205 of this Act shall be applicable to the Legal Services Corporation.

**Administrative Provision--Legal Services Corporation**

None of the funds appropriated in this Act to the Legal Services Corporation shall be expended for any purpose prohibited or limited by, or contrary to any of the provisions of, sections 501, 502, 503, 504, 505, and 506 of Public Law 105-119, and all funds appropriated in this Act to the Legal Services Corporation shall be subject to the same terms and conditions set forth in such sections, except that all references in sections 502 and 503 to 1997 and 1998 shall be deemed to refer instead to 2011 and 2012, respectively.

## General Provisions--Department of Justice

Sec. 205. Not to exceed 5 percent of any appropriation made available for the current fiscal year for the Department of Justice in this Act may be transferred between such appropriations, but no such appropriation, except as otherwise specifically provided, shall be increased by more than 10 percent by any such transfers: Provided, That any transfer pursuant to this section shall be treated as a reprogramming of funds under section 505 of this Act and shall not be available for obligation except in compliance with the procedures set forth in that section.

## GENERAL PROVISIONS

Sec. 501. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not authorized by the Congress.

Sec. 502. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

Sec. 505. None of the funds provided under this Act, or provided under previous appropriations Acts to the agencies funded by this Act that remain available for obligation or expenditure in fiscal year 2012, or provided from any accounts in the Treasury of the United States derived by the collection of fees available to the agencies funded by this Act, shall be available for obligation or expenditure through a reprogramming of funds that: (1) creates or initiates a new program, project or activity; (2) eliminates a program, project or activity; (3) increases funds or personnel by any means for any project or activity for which funds have been denied or restricted; (4) relocates an office or employees; (5) reorganizes or renames offices, programs or activities; (6) contracts out or privatizes any functions or activities presently performed by Federal employees; (7) augments existing programs, projects or activities in excess of \$500,000 or 10 percent, whichever is less, or reduces by 10 percent funding for any program, project or activity, or numbers of personnel by 10 percent; or (8) results from any general savings, including savings from a reduction in personnel, which would result in a change in existing programs, projects or activities as approved by Congress; unless the House and Senate Committees on Appropriations are notified 15 days in advance of such reprogramming of funds.

Sec. 509. Any costs incurred by a department or agency funded under this Act resulting from, or to prevent, personnel actions taken in response to funding reductions included in this Act shall be absorbed within the total budgetary resources available to such department or agency: *Provided*, That the authority to transfer funds between appropriations accounts as may be necessary to carry out this section is provided in addition to authorities included elsewhere in this Act: *Provided further*, That use of funds to carry out this section shall be treated as a reprogramming of funds under section 505 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

Sec. 514. None of the funds made available in this Act may be transferred to any department, agency, or instrumentality of the United States Government, except pursuant to a transfer made by, or transfer authority provided in, this Act or any other appropriations Act.

Sec. 515. Any funds provided in this Act used to implement E-Government Initiatives shall be subject to the procedures set forth in section 505 of this Act.

Sec. 517. (a) The Inspectors General of the Department of Commerce, the Department of Justice, the National Aeronautics and Space Administration, the National Science Foundation, and the Legal Services Corporation shall conduct audits, pursuant to the Inspector General Act (5 U.S.C. App.), of grants or contracts for which funds are appropriated by this Act, and shall submit reports to Congress on the progress of such audits, which may include preliminary findings and a description of areas of particular interest, within 180 days after initiating such an audit and every 180 days thereafter until any such audit is completed.

(b) Within 60 days after the date on which an audit described in subsection (a) by an Inspector General is completed, the Secretary, Attorney General, Administrator, Director, or President, as appropriate, shall make the results of the audit available to the public on the Internet website maintained by the Department, Administration, Foundation, or Corporation, respectively. The results shall be made available in redacted form to exclude--

(1) any matter described in section 552(b) of title 5, United States Code; and

(2) sensitive personal information for any individual, the public access to which could be used to commit identity theft or for other inappropriate or unlawful purposes.

(c) A grant or contract funded by amounts appropriated by this Act may not be used for the purpose of defraying the costs of a banquet or conference that is not directly and programmatically related to the purpose for which the grant or contract was awarded, such as a banquet or conference held in connection with planning, training, assessment, review, or other routine purposes related to a project funded by the grant or contract.

(d) Any person awarded a grant or contract funded by amounts appropriated by this Act shall submit a statement to the Secretary of Commerce, the Attorney General, the Administrator, Director, or President, as appropriate, certifying that no funds derived from the grant or contract will be made available through a subcontract or in any other manner to another person who has a financial interest in the person awarded the grant or contract.

(e) The provisions of the preceding subsections of this section shall take effect 30 days after the date on which the Director of the Office of Management and Budget, in consultation with the Director of the Office of Government Ethics, determines that a

uniform set of rules and requirements, substantially similar to the requirements in such subsections, consistently apply under the executive branch ethics program to all Federal departments, agencies, and entities.

Sec. 526. The Departments, agencies, and commissions funded under this Act, shall establish and maintain on the homepages of their Internet websites--

(1) a direct link to the Internet Web sites of their Offices of Inspectors General;  
and

(2) a mechanism on the Offices of Inspectors General Web site by which individuals may anonymously report cases of waste, fraud, or abuse with respect to those Departments, agencies, and commissions.

Sec. 527. None of the funds appropriated or otherwise made available by this Act may be used to enter into a contract in an amount greater than \$5,000,000 or to award a grant in excess of such amount unless the prospective contractor or grantee certifies in writing to the agency awarding the contract or grant that, to the best of its knowledge and belief, the contractor or grantee has filed all Federal tax returns required during the three years preceding the certification, has not been convicted of a criminal offense under the Internal Revenue Code of 1986, and has not, more than 90 days prior to certification, been notified of any unpaid Federal tax assessment for which the liability remains unsatisfied, unless the assessment is the subject of an installment agreement or offer in compromise that has been approved by the Internal Revenue Service and is not in default, or the assessment is the subject of a non-frivolous administrative or judicial proceeding.

Sec. 530. None of the funds made available in this Act may be used to purchase first class or premium airline travel in contravention of sections 301-10.122 through 301-10.124 of title 41 of the Code of Federal Regulations.

Sec. 534. None of the funds made available under this Act may be distributed to the Association of Community Organizations for Reform Now (ACORN) or its subsidiaries.

Sec. 535. To the extent practicable, funds made available in this Act should be used to purchase light bulbs that are "Energy Star" qualified or have the "Federal Energy Management Program" designation.

Sec. 542. (a) None of the funds made available in this Act may be used to maintain or establish a computer network unless such network blocks the viewing, downloading, and exchanging of pornography.

(b) Nothing in subsection (a) shall limit the use of funds necessary for any Federal, State, tribal, or local law enforcement agency or any other entity carrying out criminal investigations, prosecution, or adjudication activities.

Sec. 543. None of the funds made available by this Act may be used to enter into a contract, memorandum of understanding, or cooperative agreement with, make a grant to, or provide a loan or loan guarantee to, any corporation that was convicted of a felony criminal violation under any Federal law within the preceding 24 months, unless an agency has considered suspension or debarment of the corporation and made a determination that this further action is not necessary to protect the interests of the Government.

Sec. 544. None of the funds made available by this Act may be used to enter into a contract, memorandum of understanding, or cooperative agreement with, make a grant to, or provide a loan or loan guarantee to, any corporation that has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability, unless an agency has considered suspension or debarment of the corporation and made a determination that this further action is not necessary to protect the interests of the Government.

This division may be cited as the “Commerce, Justice, Science, and Related Agencies Appropriations Act, 2012”.

**House Report [Conference] 112-284 to accompany H.R. 2112 (Public Law 112-55) the FY 2012 “Minibus” Appropriation including the FY 2012 LSC Appropriation.**

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***Report 112-284***

***AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG  
ADMINISTRATION, AND RELATED AGENCIES PROGRAMS FOR THE FISCAL  
YEAR ENDING SEPTEMBER 30, 2012, AND FOR OTHER PURPOSES  
CONFERENCE REPORT***

*to accompany*

*H.R. 2112*

***LEGAL SERVICES CORPORATION***

***PAYMENT TO THE LEGAL SERVICES CORPORATION***

*The conference agreement includes \$348,000,000 for the Legal Services Corporation (LSC).*

*Pro bono legal services- The conferees are pleased that LSC launched a pro bono task force in 2011 and urge the LSC to implement the recommendations of this task force as it continues to work with LSC-funded programs to adopt measures aimed at increasing the involvement of private attorneys in the delivery of legal services to its clients.*

*Legal aid fellowships- The conferees understand that LSC is considering a proposal to create a fellowship program for retirees or recent law school graduates who will commit to working in legal aid for a designated period of time. The conferees direct LSC to conduct a study of this proposal in order to further develop how such a fellowship program would work and how much it would cost to implement. LSC shall report to the Committees on Appropriations with the results of that study not later than 120 days after the enactment of this Act.*

***ADMINISTRATIVE PROVISION--LEGAL SERVICES CORPORATION***

*Unauthorized uses of funds- The conferees encourage the Inspector General of the LSC to conduct annual audits of LSC grantees to ensure that funds are not being used in contravention of the restrictions on engaging in political activities or any of the other restrictions by which LSC grantees are required to abide. The conferees also recommend the removal of funds from any LSC grantee determined by the Inspector General to have engaged in political activity.*

112th CONGRESS  
1st Session  
**S. 1572**  
[Report No. 112-78]

Reported by the Senate Committee on Appropriations, but not voted on by the Senate or the House.

Making appropriations for Departments of Commerce and Justice, and Science, and Related Agencies for the fiscal year ending September 30, 2012, and for other purposes.

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## **Legal Services Corporation**

### **Payment to the Legal Services Corporation**

For payment to the Legal Services Corporation to carry out the purposes of the Legal Services Corporation Act of 1974, \$396,106,000, of which \$370,506,000 is for basic field programs and required independent audits; \$4,200,000 is for the Office of Inspector General, of which such amounts as may be necessary may be used to conduct additional audits of recipients; \$17,000,000 is for management and grants oversight; \$3,400,000 is for client self-help and information technology; and \$1,000,000 is for loan repayment assistance: *Provided*, That the Legal Services Corporation may continue to provide locality pay to officers and employees at a rate no greater than that provided by the Federal Government to Washington, DC-based employees as authorized by 5 U.S.C. 5304, notwithstanding section 1005(d) of the Legal Services Corporation Act, 42 U.S.C. 2996(d): *Provided further*, That the authorities provided in section 205 of this Act shall be applicable to the Legal Services Corporation.

### **Administrative Provision--Legal Services Corporation**

None of the funds appropriated in this Act to the Legal Services Corporation shall be expended for any purpose prohibited or limited by, or contrary to any of the provisions of, sections 501, 502, 503, 504, 505, and 506 of Public Law 105-119, and all funds appropriated in this Act to the Legal Services Corporation shall be subject to the same terms and conditions set forth in such sections, except that all references in sections 502 and 503 to 1997 and 1998 shall be deemed to refer instead to 2011 and 2012, respectively.

Section 504 of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1996 (as contained in Public Law 104-134) is amended:

- (1) in subsection (a), in the matter preceding paragraph (1), by inserting after “)” the following: “that uses Federal funds (or funds from any source with regard to paragraphs (14) and (15) in a manner”;
- (2) by striking subsection (d); and
- (3) by redesignating subsections (e) and (f) as subsections (d) and (e), respectively.

**Senate Report 112-078 to accompany S. 1572 including the  
Senate's FY 2012 LSC Appropriation**

Reported by the Senate Committee on Appropriations, but not voted on by the  
Senate or the House.

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*Senate Report 112-078*  
**DEPARTMENTS OF COMMERCE AND JUSTICE, AND SCIENCE, AND  
RELATED AGENCIES APPROPRIATIONS BILL, 2012**

**LEGAL SERVICES CORPORATION**

**PAYMENT TO THE LEGAL SERVICES CORPORATION**

<i>Appropriations, 2011</i>	<i>\$404,190,000</i>
<i>Budget estimate, 2012</i>	<i>450,000,000</i>
<i>Committee recommendation</i>	<i>396,106,000</i>

*The Committee recommendation provides \$396,106,000 for payment to the Legal Services Corporation [LSC]. The recommendation is \$8,084,000 below the fiscal year 2011 enacted level, and \$53,894,000 below the budget request.*

*The Committee recommendation provides \$370,506,000 for basic field programs, to be used for competitively awarded grants and contracts; \$17,000,000 for management and administration; \$3,400,000 for client self-help and information technology; \$4,200,000 for the Office of the Inspector General; and \$1,000,000 for loan repayment assistance.*

*Governance and Management- Continuing reports of governance and management issues at LSC undermine the credibility of the organization and complicate efforts to direct additional funds into legal aid, where they are desperately needed. Progress has been made in completing action on reform recommendations identified by GAO and the LSC Inspector General, but some recommendations remain outstanding and additional issues have been raised. The timely resolution of these issues must be a priority of the Corporation so that management and governance questions do not continue to overshadow the good work being done by LSC and its grantees.*

*Cost Effectiveness Studies- The Committee directs LSC to continue its collaboration with the Department of Justice to conduct a national level economic study of the cost effectiveness of legal aid that would expand on existing state models and establish more broadly applicable results.*

*Private Attorney Involvement- All LSC grantees are required to take steps to incentivize private attorney involvement in their programs, but these efforts are not performing up to their potential.*

*By making a more aggressive push for pro bono private attorney services, grantees could alleviate some pressure on their own budgets and increase the number of clients served. LSC is urged to seek further action from its grantees to improve private attorney participation.*

*Legal Aid Fellowships- LSC is reportedly considering a proposal to create a fellowship program for retirees or recent law school graduates who will commit to working in legal aid for a designated period of time. LSC is directed to conduct a study of this proposal in order to further develop how such a fellowship program would work and how much it would cost to implement. LSC shall report to the Committee with the results of that study no later than 120 days after the enactment of this act.*

### **ADMINISTRATIVE PROVISION--LEGAL SERVICE CORPORATION**

*The Committee recommendation continues the administrative provisions contained in the fiscal year 1998 appropriations act (Public Law 105-119) regarding operation of this program to provide basic legal services to disadvantaged individuals and the restrictions on the use of LSC funds.*

*LSC funds cannot be used to engage in litigation and related activities with respect to a variety of matters including: (1) redistricting; (2) class action suits; (3) representation of illegal aliens; (4) political activities; (5) abortion; (6) prisoner litigation; (7) welfare reform; (8) representation of charged drug dealers during eviction proceedings; and (9) solicitation of clients. The exception to the restrictions occurs in a case where there is imminent threat of physical harm to the client or prospective client.*

*The bill makes no changes to the permanent restrictions established under the Legal Services Corporation Act (42 U.S.C. 2996 et seq.). As it did in fiscal years 2010 and 2011, the Committee provides language that affects only the 1996 appropriations rider in the following manner: (1) keeps the restriction on use of funds from all private and public sources for abortion-related litigation and representation of prisoners; and (2) lifts the restriction on use of funds from all private sources--but keeps the restriction on use of all public sources--for all other activities currently restricted by the rider. This provision was included to level the playing field between legal aid attorneys and their counterparts in the private sector and open potentially crucial sources of additional revenue to legal aid providers in a year in which State and private funding sources are decreasing.*

*The manner in which the LSC grantees are audited through contracts with certified public accountants for financial and compliance audits are continued, along with the provisions on recompetition and debarment.*

*The Committee recognizes that the LSC current percentage locality pay represents reasonable compensation for LSC officers and employees. The Committee expects that any locality pay will continue to be paid at that percentage.*

112th CONGRESS  
1st Session  
**H. R. 2596**  
[Report No. 112-169]

Reported by the House Committee on Appropriations, but not voted on by the House or the Senate.

Making appropriations for Departments of Commerce and Justice, and Science, and Related Agencies for the fiscal year ending September 30, 2012, and for other purposes.

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## **Legal Services Corporation**

### **Payment to the Legal Services Corporation**

For payment to the Legal Services Corporation to carry out the purposes of the Legal Services Corporation Act of 1974, \$300,000,000, of which \$274,400,000 is for basic field programs and required independent audits; \$4,200,000 is for the Office of Inspector General, of which such amounts as may be necessary may be used to conduct additional audits of recipients; \$17,000,000 is for management and grants oversight; \$3,400,000 is for client self-help and information technology; and \$1,000,000 is for loan repayment assistance: *Provided*, That the Legal Services Corporation may continue to provide locality pay to officers and employees at a rate no greater than that provided by the Federal Government to Washington, DC-based employees as authorized by 5 U.S.C. 5304, notwithstanding section 1005(d) of the Legal Services Corporation Act, 42 U.S.C. 2996(d).

### **Administrative Provision--Legal Services Corporation**

None of the funds appropriated in this Act to the Legal Services Corporation shall be expended for any purpose prohibited or limited by, or contrary to any of the provisions of, sections 501, 502, 503, 504, 505, and 506 of Public Law 105-119, and all funds appropriated in this Act to the Legal Services Corporation shall be subject to the same terms and conditions set forth in such sections, except that all references in sections 502 and 503 to 1997 and 1998 shall be deemed to refer instead to 2011 and 2012, respectively.

**House Report 112-169 to accompany H. R. 2596**  
Reported by the House Committee on Appropriations, but not voted  
on by the House or the Senate.

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*House Report 112-169*  
**COMMERCE, JUSTICE, SCIENCE, AND RELATED AGENCIES**  
**APPROPRIATIONS BILL, 2012**

**LEGAL SERVICES CORPORATION**

**PAYMENT TO THE LEGAL SERVICES CORPORATION**

*The Committee recommends \$300,000,000 for the Legal Services Corporation (LSC), which is \$104,190,000 below fiscal year 2011 and \$150,000,000 below the request.*

*Pro Bono Legal Services- Obtaining more services at no or low cost through private attorney involvement is one means for LSC to increase legal aid services. In January, the Committee contacted the American Bar Association (ABA) and all fifty State bar associations to underscore the need for additional pro bono legal assistance during times of budget austerity. The Committee's correspondence noted that the American people have made clear that they want Congress to rein in Federal spending, and that reductions would be felt by all recipients of Federal funds, including LSC. The Committee requested that the ABA and the State bar associations reemphasize the importance of private attorney involvement with LSC-funded programs and work closely with LSC to help address unmet needs for civil legal assistance in order to help mitigate the effects of future funding reductions. Unfortunately, only three States and the American Bar Association responded to the Committee's letter.*

*The Committee is pleased that LSC launched a pro bono task force in 2011, and urges the LSC to implement the recommendations of this task force as it continues to work with LSC-funded programs to adopt measures aimed at increasing the involvement of private attorneys in the delivery of legal services to its clients.*

**ADMINISTRATIVE PROVISION--LEGAL SERVICES CORPORATION**

*None of the funds appropriated in this Act to the Legal Services Corporation shall be expended for any purpose prohibited or limited by, or contrary to any of the provisions of, sections 501, 502, 503, 504, 505, and 506 of Public Law 105-119, and all funds appropriated in this Act to the Legal Services Corporation shall be subject to the same terms and conditions set forth in such sections, except that all references in sections 502 and 503 to 1997 and 1998 shall be deemed to refer instead to 2011 and 2012, respectively.*

*Unauthorized uses of funds- The Committee was dismayed to learn that a recent publication by an LSC grantee contained needless political representations and evidenced ideological biases. On June 28, 2011, the Inspector General of LSC reinforced the Committee's concerns when he announced his determination that the grantee, Legal Aid of North Carolina, engaged in political*

*activity which would be prohibited by section 1007(a)(6)(A) of the Legal Services Corporation Act if LSC funds, or non-LSC private funds, were used to support the creation and distribution of the publication. Because LSC routinely testifies that it lacks funds to serve all of the many low income Americans in need of civil legal assistance, it is all the more important that LSC grantees not squander funds on political activism. Using Federal funds in violation of the LSC statute undermines the confidence necessary to sustain annual funding for the LSC. The Committee encourages the Inspector General of the LSC to conduct annual audits of LSC grantees to ensure that funds are not being used in contravention of the restrictions on engaging in political activities or any of the other restrictions by which LSC grantees are required to abide. The Committee further recommends the removal of funds from any LSC grantee found engaging in political activity.*