

MEMORANDUM

TO: Finance Committee

FROM: James J. Sandman

DATE: July 5, 2013

SUBJECT: Management's Recommendation for LSC's FY 2015 Budget Request

LSC management recommends that the Finance Committee consider a budget request of **\$486 million** for FY 2015 to address the overwhelming need for civil legal services. As the chart on the next page shows, this is the same amount that the Board of Directors voted to request of Congress for FY 2014.

LSC's FY 2014 request (\$481 million, to which \$5 million was added for the Pro Bono Innovation Fund) was calculated in part by increasing the FY 2013 request by 2.34% – the then-expected increase in the number of people financially eligible for civil legal assistance from 2012 to 2014. The most recent data from the Bureau of the Census show, however, that growth in the number of people living in poverty has flattened. Using the most recent data to project the size of the eligible population in 2015 and last year's methodology, and adjusting for predicted inflation, would result in a request of \$493 million, including \$5 million for the Pro Bono Innovation Fund. (Appendix 1 shows the population eligible for LSC-funded legal aid from 2000 through 2015, with the last four years' figures based on projections.) In light of budget pressures on the federal government, the realities of the appropriations process, the amount of the President's budget request for FY 2014, the imprecision of future estimates of the size of the poverty population, and the importance of maintaining credibility with our funders, we recommend maintaining our budget request at the same level as last year.

Under this recommendation, basic field grants would continue to represent the largest component of LSC's overall budget by far. Consistent with previous years, LSC management recommends that approximately 93% of the budget be allocated to basic field grants for FY 2015. Four percent, or \$19.5 million, would fund administrative costs, including compliance and management oversight costs, and 1% would fund LSC's Inspector General. As with LSC's appropriation request for FY 2014, our recommended FY 2015 request also includes \$5 million for a new grant program to encourage innovations in pro bono legal services, as proposed by the Pro Bono Task Force.

The chart below compares LSC’s actual FY 2013 appropriation with the President’s FY 2014 budget request, LSC’s FY 2014 budget request, and our recommended FY 2015 request:

Budget Category	FY 2013 Appropriation		FY 2014 President’s Request		FY 2014 LSC Request		FY 2015 LSC Request	
Basic Field	\$316,144,749	92.7%	\$400,300,000	93%	\$451,300,000	92.8%	\$451,300,000	92.8%
TIG	\$3,158,470	0.9%	\$3,500,000	0.8%	\$5,000,000	1%	\$5,000,000	1%
LRAP	\$928,962	0.3%	\$1,000,000	0.2%	\$1,000,000	0.2%	\$1,000,000	0.2%
MGO	\$15,792,345	4.6%	\$19,500,000	4.5%	\$19,500,000	4%	\$19,500,000	4%
OIG	\$3,901,639	1.1%	\$4,200,000	1%	\$4,200,000	0.9%	\$4,200,000	0.9%
PBIF	-	-	\$1,500,000	0.4%	\$5,000,000	1%	\$5,000,000	1%
Total	\$340,876,165	100%	\$430,000,000	100%	\$486,000,000	100%	\$486,000,000	100%

Last month, members of the public presented their recommendations for LSC’s FY 2015 budget request to the Finance Committee. Recommendations were submitted by:

- The National Legal Aid and Defenders Association (NLADA), recommending \$560 million.
- The Standing Committee on Legal Aid and Indigent Defendants (SCLAID) of the American Bar Association, recommending \$492.8 million.
- The Conference of Chief Justices (CCJ) and the Conference of State Court Administrators (COSCA), jointly urging LSC to request an amount “substantially above LSC’s current appropriations level.”

The Poverty Population Remains High, and Funding Continues to Decline

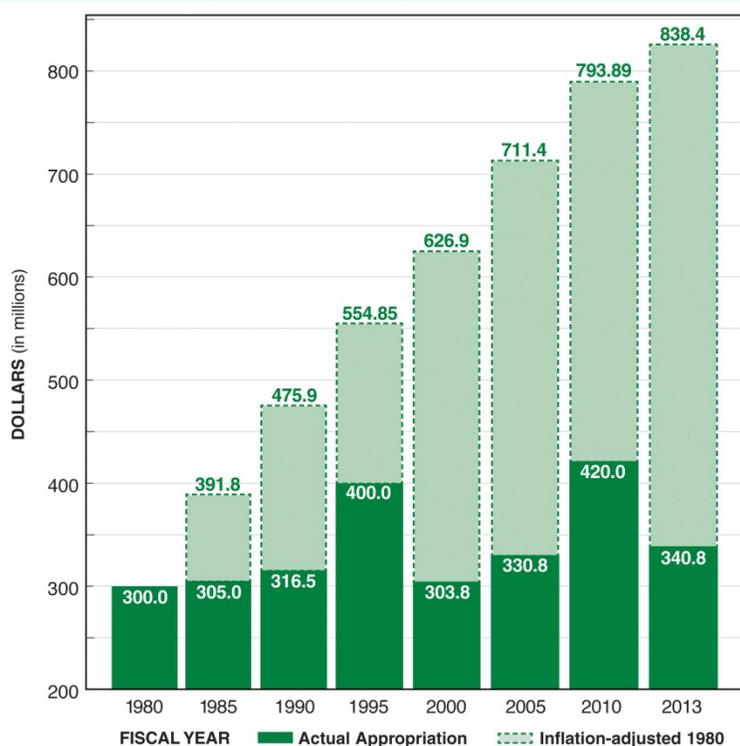
	Eligible Population	Percentage of Population
2007	50,876,000	16.9%
2008	53,805,000	17.7%
2009	56,840,000	18.6%
2010	60,443,000	19.6%
2011	63,324,000	20.3%
2012*	61,805,000	19.7%
2013*	61,635,000	19.5%
2014*	61,606,000	19.3%
2015*	61,771,000	19.2%

*Estimated

LSC estimates that the number of persons financially eligible for LSC-funded legal assistance, i.e., those with incomes at or below 125% of the federal poverty guideline (currently \$14,363 for an individual and \$29,438 for a family of four), will continue to be high in FY 2015. Based on the most recent information from the Bureau of the Census and the Congressional Budget Office, we estimate that 19.2% of Americans – or 61.7 million people – will be financially eligible for services at LSC-funded programs in FY 2015, a 21% increase since 2007. (See Appendix 2.)

While the overall poverty population remains high, funding for LSC-supported legal aid programs has declined since 2010, both in absolute terms and in inflation-adjusted dollars. LSC received its largest appropriation -- \$420 million,

LSC Appropriations From 1980 to 2013



Note: The inflation-adjusted figures in this table were derived using the Consumer Price Index (CPI) Inflation Calculator on the Bureau of Labor Statistics website (available here: http://www.bls.gov/data/inflation_calculator.htm) on February 26, 2013.

unadjusted for inflation, in FY 2010. Since that time, LSC’s appropriation has been reduced by 19%, to \$340.8 in FY 2013. LSC is currently funded at less than the 2008 level (LSC’s FY 2008 appropriation was \$350.5 million) and at just \$40 million more than the 1980 level. If LSC’s 1980 appropriation (\$300 million) were adjusted to keep pace with inflation, it would amount to \$838.4 million today. The chart to the left shows LSC’s funding history from 1980 to 2013, both in absolute dollars and adjusted for inflation. Total non-LSC revenue for all LSC-funded legal aid programs was about constant from 2011 to 2012. (See Appendices 3 and 4.)

Programs in 27 states experienced reductions in their non-LSC

funding in 2012, some by more than 15%. Programs in Maryland and New Jersey saw the biggest reductions: the loss in each state was approximately \$2.3 million between 2011 and 2012. Some of the hardest-hit states also had the highest percentage of client-eligible populations. For example, programs in Alabama, North Carolina, and Oregon all experienced reductions of 17% or more in their non-LSC funding sources, while 20% or more of their populations live at or below 125% of the federal poverty line.

These funding reductions have been compounded for some grantees by the census adjustment. Thirty jurisdictions have experienced census-based reductions in LSC funding; 16 have experienced cuts of at least 10%, and 10 have experienced cuts of more than 20%. It is important to note that all but two of these 30 jurisdictions saw *increases* in the absolute size of their poverty populations between 2000 and 2011; the reductions in 28 jurisdictions were only in their *share* of the U.S. poverty population. (Appendices 5 and 6 show the changes in the size of each state’s poverty population between 2000 and 2011 and the changes in each state’s share of the national poverty population.)

LSC Grantees Have Had to Reduce Services

LSC grantees have worked to leverage their resources through private support, state and local appropriations, partnerships, pro bono assistance, technology, and other creative delivery systems to maintain client services. But reduced funding has taken its toll.

Between 2010 and 2012, 923 full-time positions at LSC-funded programs – 385 attorneys, 180 paralegals, and 358 support staff – were eliminated. This represents a 10.3% loss of legal aid staff in just two years. (Appendix 7 shows staff size at LSC-funded programs from 2007 to 2012.) LSC grantees closed 30 offices in 2012 and reduced the level of services they offered. In 2012, LSC-funded programs closed 10% fewer cases than in 2011. That reduction includes 5.5% fewer domestic abuse cases, 10.1% fewer child custody and visitation cases, 13.5% fewer child support cases, 10.7% fewer landlord/tenant cases, and 38.7% fewer mental health/civil commitment cases than in 2011. The number of cases closed in 2012 – 810,000 – was by far the lowest in recent years. (See Appendix 8 for cases closed from 2007 to 2012.)

This reduced productivity is not surprising in light of staffing reductions. States with the greatest dependence on LSC funds saw a high rate of staff reductions and office closures between 2010 and 2012. Generally, southern and western states rely more heavily on LSC funding than northeastern and midwestern states. (In 2012, southern and western states received about 48% of their total funding from LSC; northeastern and mid-western states’ LSC funding accounted for a little over 34% of total funding. The percentage for all programs combined was 39.9.)

LSC-funded programs in southern states, which received a median of 48.3% of their total funding from LSC in 2012, eliminated 194 full-time positions. Georgia eliminated 18% of its attorney positions; Arkansas eliminated 33% of its support staff; Virginia eliminated 30% of its support staff; and Kentucky eliminated 19% of its total staff. At the same time, client-eligible populations in the south remain higher than the national median.

Similarly, LSC-funded programs in western states, which received a median of 48.5% of their total funding from LSC in 2012, saw a relatively high rate of office closures – 23 of the 30 offices closed. In addition, New Mexico and Oregon reduced their total staff by almost one third. Oregon eliminated over 30% of its attorney positions, while Montana eliminated two-thirds of its paralegal staff. (Appendices 9 and 10 correlate basic field grant funding from 2007 to 2012 with the number of cases closed and grantee attorney count during those years.)

The Cost of Returning to Pre-Recession Staffing and Office Levels

Year	Total Basic Field Funding	Eligible Persons	\$/Eligible Person
2007	\$371,361,640	50,876,000	\$7.30
2008	\$359,289,240	53,805,000	\$6.68
2009	\$396,591,900	56,840,000	\$6.98
2010	\$421,524,780	60,443,000	\$6.97
2011	\$391,700,500	63,324,000	\$6.19
2012	\$327,598,070	61,805,000	\$5.30
2013	\$316,144,749	61,635,000	\$5.13

Our FY 2015 budget recommendation aims to restore the same level of service that LSC grantees provided in 2007 – the last year before the recession began and the size of the population eligible for LSC-funded services increased dramatically.

In 2007, the basic field funding, \$371 million, was \$7.30 per eligible person in current (2013) dollars.¹ Basic field funding

¹ Basic field funding adjusted for inflation in 2013 Dollars using United States Department of Labor, Bureau of Labor Statistics, CPI Inflation Calculator, http://www.bls.gov/data/inflation_calculator.htm; Eligible persons 2007-2011, U.S. Bureau of the Census, Current Population Survey, Annual Social and Economic Supplements, Table 6. People Below 125 Percent of Poverty Level and the Near Poor: 1959 to 2011 (for persons below 125% poverty

per eligible person is now only \$5.13 in constant dollars. We project that basic field funding will need to be \$450.9 million in FY 2015 to return to FY2007 funding per eligible person. LSC management recommends a request of \$451.3 million for Basic Field funding in FY 2015.

Federal Budget Pressures

The federal government is under enormous pressure to bring down the deficit and limit spending. The House and Senate reached a bipartisan agreement on the debt limit in August 2011 that set discretionary spending limits for ten years, with sequestration beginning in January 2013 if no agreement was reached by November 2011 to limit the deficit. The Budget Control Act of 2011 (BCA) requires additional sequesters every year through 2021 to reduce future federal deficits.

FY 2013

On March 1, 2013 a 5% sequestration was implemented on all discretionary funding. As a result, LSC's \$350.1 million appropriation was reduced by 5%, resulting in a final appropriation of \$332.6 million during the first half of FY 2013. On March 27, Congress passed the Consolidated and Further Continuing Appropriations Act of 2013 (P.L. 11306) for the remainder of FY 2013. This provided LSC with an initial appropriation of \$365 million, which was reduced by two across-the-board rescissions (1.877% and .2%) and sequestration (5%), for a total of \$340.8 million.

FY 2014

The BCA set a spending cap of \$966 billion for FY 2014 – 1.8% below current levels. The House and the Senate have passed budget resolutions governing FY 2014 appropriations. The House resolution calls for discretionary spending of \$967 billion – almost 2% below this year's \$986 billion following the sequester. The Senate's FY 2014 budget resolution calls for discretionary spending of \$1.058 trillion, \$91 billion more than the spending plan moving in the House for FY 2014.

The House and Senate Appropriations Committees have set their "302(b)" allocations, which divide the discretionary funds among twelve subcommittees. The House 302(b) allocation provided \$47.4 billion for the Commerce, Justice, and Science (CJS) Subcommittee, which has jurisdiction over LSC's appropriation. This is 6.8% less than the CJS discretionary budget authority enacted for FY 2013. The Senate 302(b) allocation for the CJS Subcommittee is \$52.272 billion, \$2 billion more than was enacted for FY 2013, and \$4.872 billion more than the House CJS Subcommittee's allocation. The Senate has scheduled the CJS Appropriations Subcommittee markup for July 14; the House plans to mark up before the August recess.

1994-2011); LSC Projections for 2012, 2013, and 2015 client eligible populations using LSC estimates based on: Monea and Sawhill, "Simulating the Effect of the 'Great Recession' on Poverty" (<http://www.brookings.edu/research/papers/2009/09/10-poverty-monea-sawhill>); Unemployment, CBO, "CBO's Baseline Economic Forecast - February 2013 Baseline Projections", (<http://www.cbo.gov/publication/43902>); Total Population, US Census, "2012 National Population Projections - Table 1"; Poverty Population, U.S. Bureau of the Census, Current Population Survey, Annual Social and Economic Supplements.

Although we believe the need for civil legal services would certainly justify an increase over LSC's appropriations request for FY 2014, our recommendation to make the same request as last year reflects our sensitivity to the current budget climate and the importance of maintaining credibility with our appropriators.

Conclusion

A persistently high level of the client-eligible population, coupled with significant funding cuts – a 19% decline in LSC funding in just three years' time, decreasing revenues from some non-LSC funding sources, and the number of LSC-funded programs that have lost funding because of the census adjustment, despite increases in the number of people in poverty in their services areas – have made it impossible for LSC grantees to continue to do more with less. LSC grantees have been forced to eliminate 10% of their staff and close 30 of their offices, resulting in a 10% decline in the number of cases they were able to close in 2012. We believe that LSC needs a substantial increase from its current funding level to be able to support basic civil legal services for low-income Americans.

Following are explanations of the portions of the recommended budget other than basic field grants.

Pro Bono Innovation Fund

LSC management recommends requesting \$5,000,000 for FY 2015 to establish a Pro Bono Innovation Fund. The Pro Bono Task Force urged the creation of the Innovation Fund to expand legal aid by engaging private attorneys in new and innovative pro bono projects across the country. The Board voted to include this amount in LSC's FY 2014 budget request.

Management and Grants Oversight

Congress appropriated \$17 million for Management and Grants Oversight (MGO) for FY 2013 (which, after two rescissions and sequestration, was reduced to \$15,792,345). Last year, the Board approved a request of \$19,500,000 for MGO. We recommend the same request for FY 2015.

As part of its commitment to sound fiscal oversight and a more efficient and effective system for evaluating and monitoring internal controls related to the proper use of funding by LSC's grantees, the LSC Board adopted the recommendations of the Task Force on Fiscal Oversight and directed management to begin implementation in 2012.

The proposed MGO budget would allow LSC to continue implementation of the Task Force's recommendations and improve fiscal oversight. We also plan to continue projects to improve and upgrade our information technology systems, website functionality, and communications.

Our proposed budget would allow LSC to increase the number of grantee visits, hire additional fiscal staff and auditors, enhance program oversight to ensure compliance with regulatory and statutory requirements, and improve service delivery to clients. It would also permit implementation of recommendations resulting from the data project currently being funded by the Public Welfare Foundation.

Technology Initiative Grants

Currently, the Technology Initiative Grants (TIG) program is funded at \$3,158,470. For the past two years (FY 2013 and FY 2014), the Board has approved a request of \$5,000,000. We recommend the same request for FY 2015.

Since its start in 2000, TIG has funded more than 525 projects totaling more than \$40 million. With these grants, legal services grantees have been able to build a foundation for better service delivery that includes national systems for statewide websites, enhanced capacity for intake and case management systems, and automated forms to support clients, staff, and pro bono efforts. With that foundation in place, LSC is poised to expand access to justice through technology innovations.

Continuation of the TIG program and the development of resources for the poor to take advantage of mobile devices in particular is an important tool for LSC to use in the implementation of this vision. Mobile devices are the fastest growing access low-income persons have to the Internet, and we intend to work with our grantees to be sure that websites and automated forms are optimized for use on mobile devices. The use of text messaging needs to be integrated into delivery systems to provide legal information on demand and reminders for appointments, deadlines, and court hearings.

In addition, the technology working group of the LSC Pro Bono Task Force has recommended adopting best practices such as case management systems optimized to support pro bono, automated forms and use of mobile apps, facilitating integration and centralization for both attorneys and clients, providing and ensuring support for pro bono attorneys, and encouraging innovative approaches, including providing opportunities for non-lawyer volunteers. Increased TIG funding will allow LSC to fund these projects.

Herbert S. Garten Loan Repayment Assistance Program

Last year, the Board adopted a request of \$1,000,000 for the Herbert S. Garten Loan Repayment Assistance Program (LRAP) for FY 2014; we recommend the same amount in FY 2015.

Starting as a pilot program in 2005, LRAP has enabled LSC grantees to recruit and retain high-quality attorneys. Past evaluations of the program show that large law school loan debts for legal aid attorneys, coupled with low salaries, constitute major barriers for grantees in hiring and retaining talented lawyers. The evaluations found that LRAP mitigates the economic hardships confronting grantee attorneys and increases their ability and willingness to stay with their legal services programs.

With the appropriation of \$928,962 in FY 2013, LSC was able to provide loan repayment assistance to a new class of 76 attorneys. To date, loan repayment assistance has been provided to a total of 480 attorneys at 106 LSC programs. This year, six new LSC grantees have LRAP recipients. An appropriation of \$1,000,000 for FY 2015 would permit LSC to assist a new class of 80 attorneys.

Office of Inspector General

(This section was prepared by the OIG and included without change.)

The Inspector General Act established independent Offices of Inspector General (OIG) within federal agencies and certain federally-funded corporations, charged with the dual mission of preventing and detecting fraud and abuse, and improving the economy, efficiency, and effectiveness of their respective agencies' and corporations' programs.

For FY 2015, the LSC OIG is requesting \$4,200,000, the same amount appropriated annually (pre-sequestration or rescission adjustments) since FY 2009, and less than 1 percent of the total LSC budget request. The OIG request takes into consideration existing funding constraints while conservatively planning to spend down anticipated carryover. The requested amount will facilitate vital flexibility in the OIG's work plan, allowing the OIG to remain an effective oversight resource for Congress, LSC and the American taxpayer.

The requested funds will enable the OIG to thoroughly address current concerns and program priorities while responding quickly and effectively to requests for reviews from Congress, the LSC Board and LSC management. With these funds, the OIG will continue to review LSC grantees' operations with an eye toward improving accountability for LSC funds while simultaneously maintaining its focus on internal LSC operations. The OIG will also continuously identify opportunities for LSC to be more effective and efficient in carrying out its statutory mission by providing LSC management with current and relevant information to assist them in their grant competition and administration activities.

In addition, the funds will support the OIG's comprehensive program of audit quality control reviews, which is intended to ensure that the work of grantees' independent public accountants meets all relevant auditing standards. The funds will also support the OIG's ongoing efforts to combat fraud, waste, and abuse through a wide range of fraud and compliance investigations; outreach and educational initiatives such as fraud awareness briefings, webinars and assessments; and by operating a nationwide hotline for reporting suspected malfeasance. Moreover, the funds will enable OIG to continue its program of grantee regulatory vulnerability reviews designed to improve grantees' regulatory compliance. Finally, the requested funds will allow the OIG to upgrade its information systems to improve the sharing of information regarding OIG audits and investigations and facilitate office-wide planning.

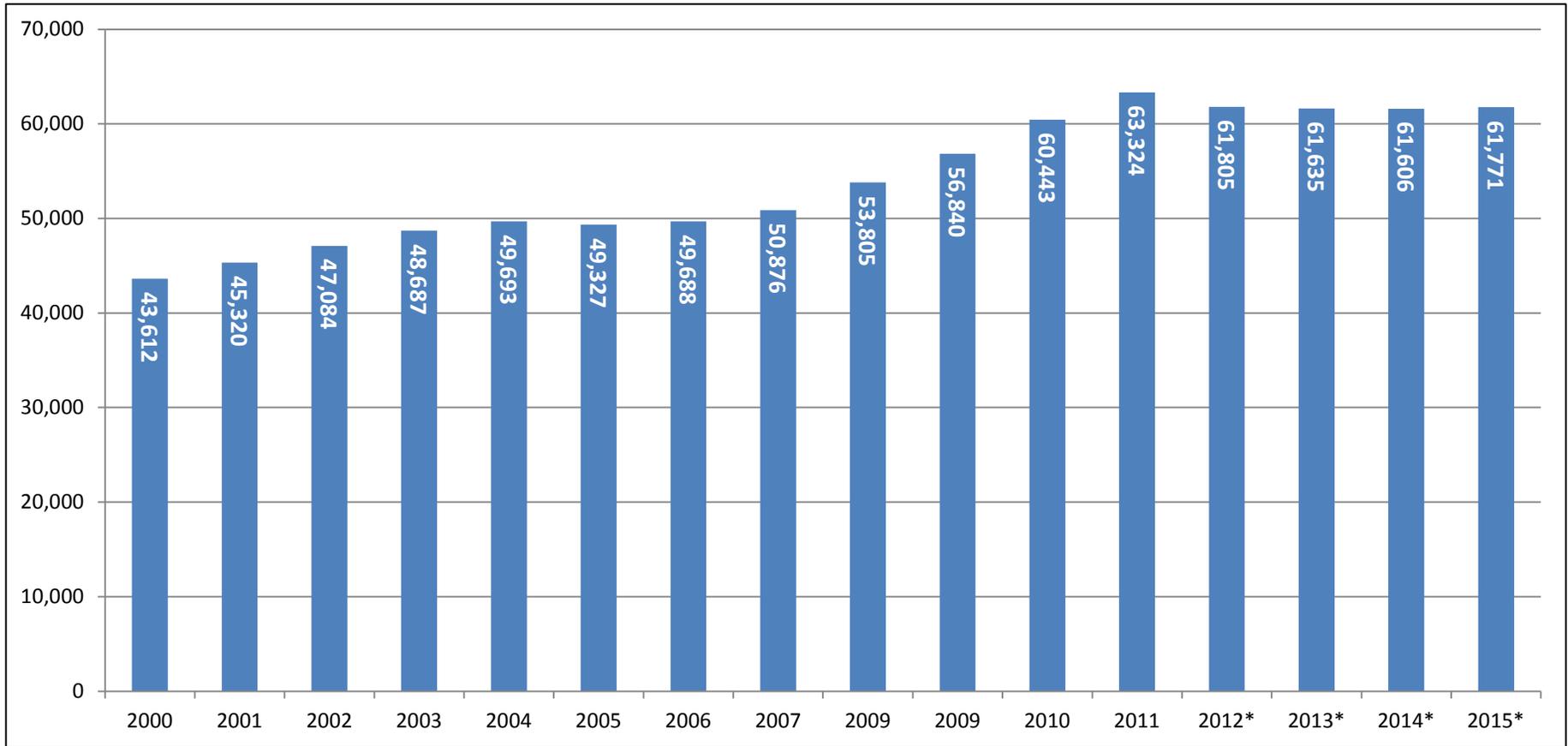
As required by the Inspector General Act of 1978, as amended, I, Jeffrey E. Schanz, Inspector General of the Legal Services Corporation, certify that the request includes \$60,000 to satisfy foreseeable OIG professional training needs for FY 2015. The request also includes \$12,000 for the OIG's projected pro rata contribution in support of the Council of Inspectors General on Integrity and Efficiency.

The OIG requires the requested funds to adequately perform its mission in FY 2015 and to maintain the utmost flexibility to redirect resources – whenever and wherever they may be needed – in a timely and effective manner. In addition, the requested appropriation will enable the OIG to prioritize its resources to address the most significant and relevant issues and provide timely reporting to LSC and the Congress, with the shared goal of increasing accountability and public confidence in the LSC’s expenditure of federal funds.

Appendix 1

Americans Eligible for LSC-Funded Legal Aid

Defined as those living below 125% of the federal poverty level

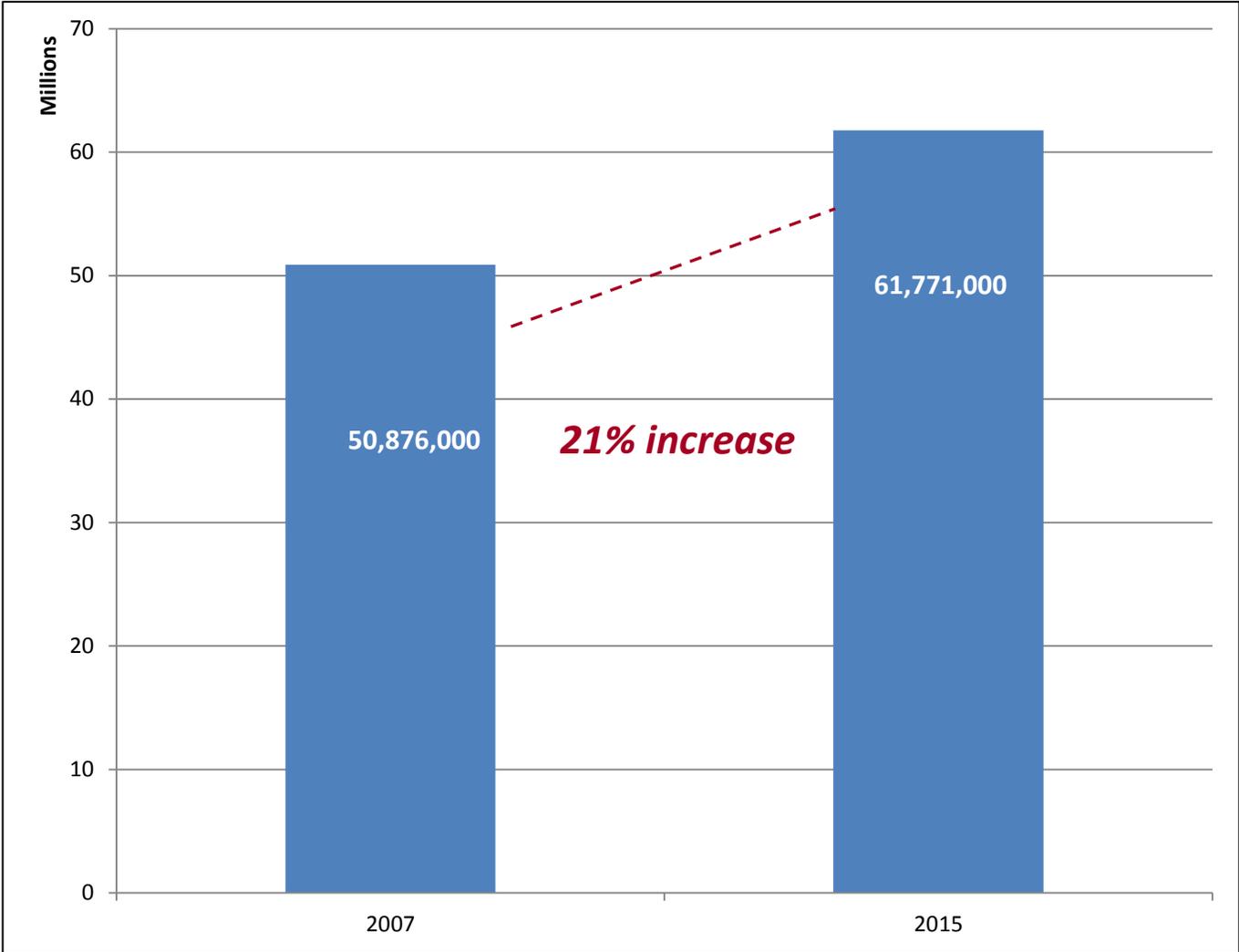


*Projections.

Sources: 2000-2010 data from U.S. Bureau of the Census, Current Population Survey, Annual Social and Economic Supplements. 2011 data from U.S. Census Bureau, 2011 American Community Survey 1-year estimates, Table S1701, Poverty Status in the Past 12 months. 2012-2015 estimates based on 2011 and prior year data from U.S. Bureau of the Census, Current Population Survey, Annual Social and Economic Supplements; Emily Monea and Isabel Sawhill, "An Update to 'Simulating the Effect of the 'Great Recession' on Poverty,'" The Brookings Institution, September 13, 2011, Figure A; and U.S. Census Bureau, Population Division, Table 1-C. Projections of the Population and Components of Change for the United States: 2010 to

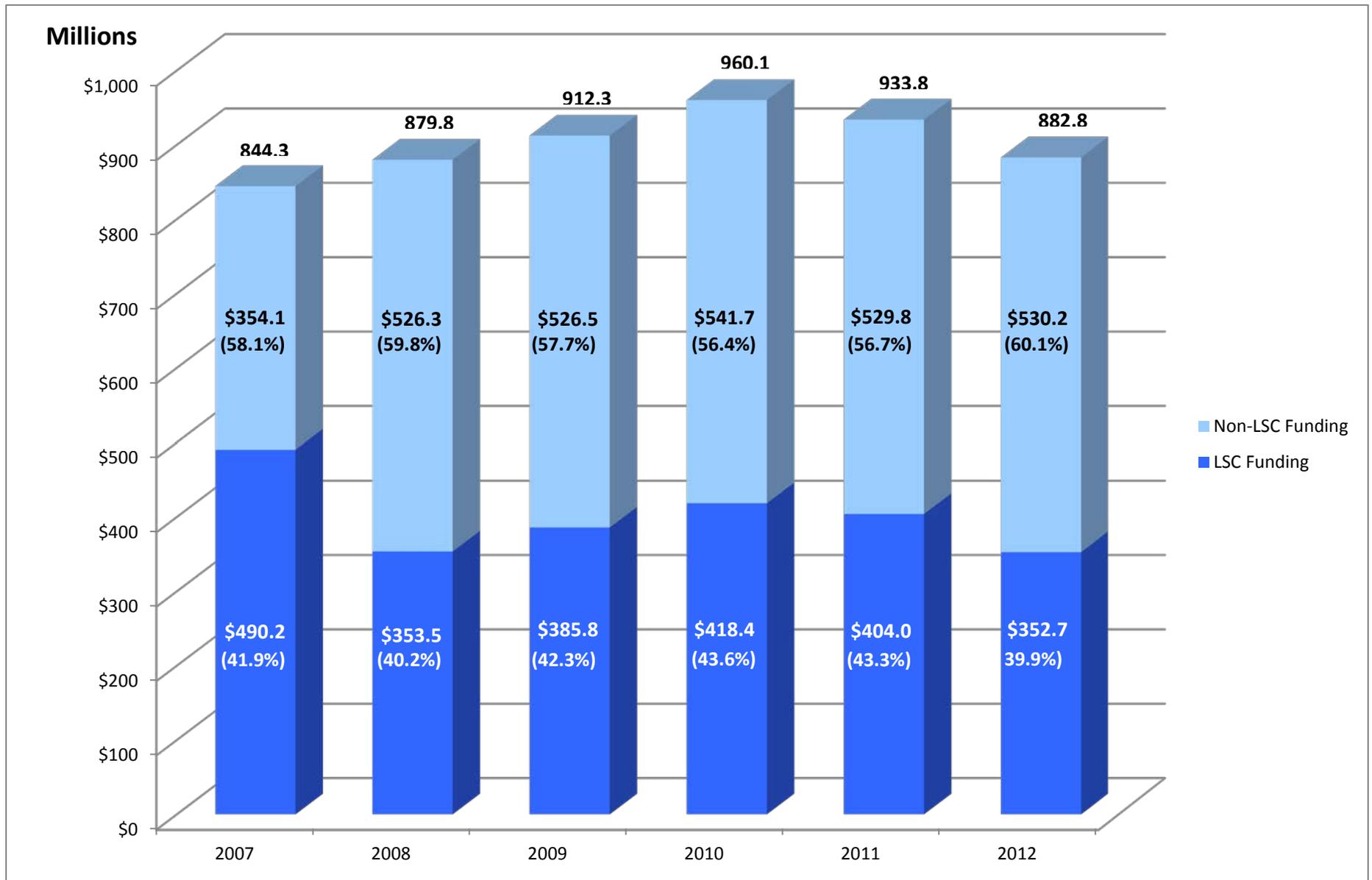
Appendix 2

Eligible Poverty Population*



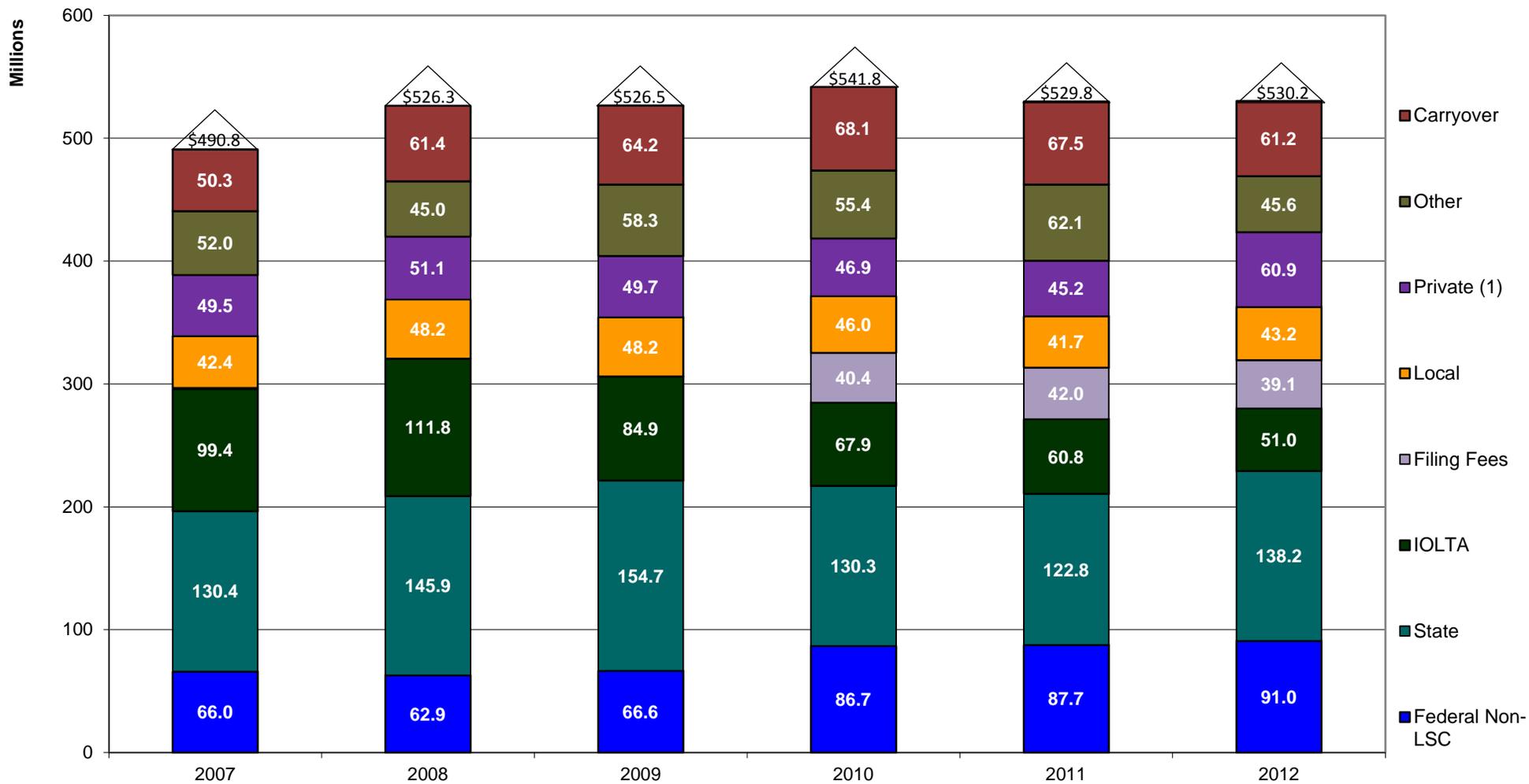
*FY2015 is a projection by LSC

Appendix 3 Funding Sources, 2008-2012



Appendix 4

Sources of Non-LSC Funding, 2007-2012



APPENDIX 5

Changes in LSC Funding by State Based on 2013 and 2014 Census Adjustments

State	Poverty Population Change: 2000 Census to 2011 ACS		FY13 Actual Funding		Funding with Full Census Adjustment Based on FY2013 Appropriation	Funding Change: FY13 Funding Before Census Adjustment Plus/Minus Full Census Adjustment Based on FY2013 Appropriation
	Increase/ Decrease in Size of State's Poverty Population	Change in % State's Share of U.S. Poverty Population	FY13 Funding Before Census Adjustment	FY13 Funding with Phase-In of Census Adjustment		
Alabama	161,798	-7.03%	5,957,639	\$5,829,433	\$5,532,721	-\$424,918
Alaska	14,080	-11.30%	\$1,185,659	\$1,161,903	\$1,107,408	-\$78,251
Arizona	409,995	18.29%	\$8,961,196	\$9,314,750	\$10,107,158	\$1,145,962
Arkansas	126,253	-1.38%	\$3,514,152	\$3,499,331	\$3,461,782	-\$52,370
California	970,055	-8.96%	\$40,978,603	\$39,876,156	\$37,337,558	-\$3,641,045
Colorado	262,688	26.46%	\$3,408,055	\$3,677,091	\$4,281,464	\$873,409
Connecticut	90,926	1.93%	\$2,213,810	\$2,226,881	\$2,253,901	\$40,091
Delaware	32,454	10.53%	\$596,542	\$615,781	\$658,571	\$62,029
DC	-1,465	-25.53%	\$934,486	\$861,407	\$695,117	-\$239,369
Florida	1,017,361	14.81%	\$16,663,958	\$17,419,851	\$19,109,456	\$2,445,498
Georgia	652,242	23.10%	\$8,822,507	\$9,446,901	\$10,848,255	\$2,025,748
Hawaii	23,352	-12.80%	\$1,495,419	\$1,445,068	\$1,329,759	-\$165,660
Idaho	87,148	19.71%	\$1,329,298	\$1,405,928	\$1,577,696	\$248,398
Illinois	457,357	2.20%	\$11,025,719	\$11,100,057	\$11,255,411	\$229,692
Indiana	395,936	28.90%	\$4,774,701	\$5,197,360	\$6,147,346	\$1,372,645
Iowa	106,262	6.57%	\$2,201,870	\$2,246,174	\$2,343,779	\$141,909
Kansas	117,866	9.99%	\$2,200,342	\$2,267,659	\$2,417,290	\$216,948
Kentucky	169,429	-3.93%	\$5,300,504	\$5,236,717	\$5,086,382	-\$214,122
Louisiana	-26,208	-26.84%	\$7,263,495	\$6,666,221	\$5,307,589	-\$1,955,906
Maine	32,869	-6.21%	\$1,264,911	\$1,242,910	\$1,191,801	-\$73,110
Maryland	107,809	-5.97%	\$3,743,711	\$3,675,253	\$3,516,184	-\$227,527
Massachusetts	135,884	-6.63%	\$4,878,287	\$4,778,860	\$4,548,458	-\$329,829
Michigan	591,795	19.21%	\$8,870,526	\$9,383,445	\$10,532,942	\$1,662,416
Minnesota	220,724	19.27%	\$3,467,739	\$3,659,394	\$4,088,943	\$621,204
Mississippi	90,291	-12.08%	\$4,754,142	\$4,580,983	\$4,184,161	-\$569,981
Missouri	243,589	4.30%	\$5,443,836	\$5,515,619	\$5,671,603	\$227,767
Montana	15,965	-15.13%	\$1,242,451	\$1,191,677	\$1,075,636	-\$166,815
Nebraska	63,146	5.04%	\$1,406,816	\$1,428,051	\$1,474,454	\$67,638
Nevada	179,435	41.33%	\$1,878,149	\$2,100,382	\$2,600,742	\$722,593
New Hampshire	29,270	3.61%	\$661,010	\$668,428	\$684,443	\$23,433
New Jersey	159,317	-7.33%	\$5,971,046	\$5,836,925	\$5,526,866	-\$444,180
New Mexico	74,608	-6.04%	\$3,257,254	\$3,201,254	\$3,071,420	-\$185,834
New York	152,818	-20.23%	\$22,975,559	\$21,551,398	\$18,305,382	-\$4,670,177
North Carolina	638,218	25.73%	\$8,382,936	\$9,027,806	\$10,476,211	\$2,093,275
North Dakota	7,233	-17.09%	\$875,672	\$842,856	\$767,955	-\$107,717
Ohio	606,717	14.60%	\$9,990,872	\$10,437,677	\$11,436,211	\$1,445,339
Oklahoma	121,070	-5.92%	\$4,948,456	\$4,872,473	\$4,695,881	-\$252,575
Oregon	206,075	15.49%	\$3,488,041	\$3,645,502	\$3,997,637	\$509,596
Pennsylvania	317,103	-6.17%	\$11,129,485	\$10,919,273	\$10,431,223	-\$698,262
Rhode Island	15,822	-14.61%	\$1,027,140	\$981,098	\$875,802	-\$151,338
South Carolina	268,616	12.49%	\$4,675,576	\$4,854,445	\$5,253,413	\$577,837
South Dakota	14,540	-13.08%	\$1,680,750	\$1,647,961	\$1,572,919	-\$107,831
Tennessee	350,786	10.94%	\$6,373,182	\$6,586,689	\$7,061,997	\$688,815
Texas	1,261,561	6.02%	\$26,634,936	\$27,125,954	\$28,205,280	\$1,570,344
Utah	139,402	26.48%	\$1,836,809	\$1,979,626	\$2,300,472	\$463,663
Vermont	15,364	-3.63%	\$466,219	\$460,958	\$448,520	-\$17,699
Virginia	205,309	-0.92%	\$5,603,849	\$5,588,063	\$5,545,944	-\$57,905
Washington	264,475	8.08%	\$5,489,128	\$5,618,481	\$5,904,872	\$415,744
West Virginia	6,881	-22.87%	\$2,695,022	\$2,506,173	\$2,076,150	-\$618,872
Wisconsin	264,707	19.73%	\$3,996,740	\$4,229,639	\$4,751,715	\$754,975
Wyoming	4,908	-17.76%	\$627,067	\$601,640	\$543,618	-\$83,449
TERRITORIES						
American Samoa	-2,936	-30.90%	\$296,518	\$268,460	\$204,665	-\$91,853
Guam	1,056	-22.23%	\$296,919	\$276,701	\$230,653	-\$66,266
Micronesia	1,462	-23.90%	\$1,521,778	\$1,410,365	\$1,156,731	-\$365,047
Puerto Rico	-152,087	-30.83%	\$15,520,882	\$14,054,986	\$10,723,207	-\$4,797,675
Virgin Islands	-11,308	-48.95%	\$298,105	\$253,400	\$151,995	-\$146,110
TOTAL	11,710,023	0.00%	\$316,499,474	\$316,499,474	\$316,144,749	-\$354,725

Sources. Funding data: Legal Services Corporation, Office of Information Management; Poverty population data: U.S. Census Bureau: Census 2000: P87. POVERTY STATUS IN 1999 BY AGE: Data Set: Census 2000 Summary File 3 (SF 3) - Sample Data (with statutorily required adjustments for AK and HI); 2011 American Community Survey 3-Year Estimates, data provided LSC pursuant to P.L. (with statutorily required adjustments for AK and HI); Population data for territories other than Puerto Rico from U.S. Census Bureau, 2010 Census, DP-3-Geography [for each territory], Profile of Selected Economic Characteristics: 2010. Poverty population data for Micronesia based on U.S. Census Bureau, 2010 Census, DP-3-Geography for Commonwealth of the Northern Marianas, Profile of Selected Economic Characteristics: 2010, and data from the governments of the Federated States of Micronesia, the Republic of Palau, and the Republic of the Marshall Islands. **Notes:** (1) "2013 Actual Funding" and "Funding with Full Census Adjustment Based on FY2013 Appropriation" total funding amounts differ because 2013 Actual Funding includes supplement of \$354,725 of 2011 funds for American Samoa that had been unallocated. (2) 2013 Actual Funding for Wyoming does not include a one-time payment of \$114,609 in prior-year unexpended funds received by the Wyoming grantee in 2013.

APPENDIX 6

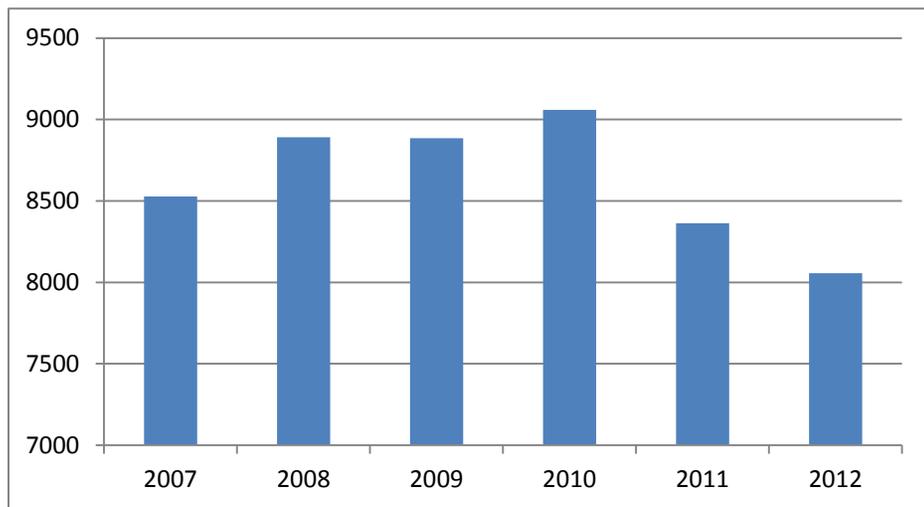
Change in States' Poverty Populations: 2000 Census to American Community Survey 2011 3-Year Estimates							
State	2000 Census		2011		2000 - 2011 Change		
	Poverty Population	% Share of Total U.S. Poverty Population	Poverty Population	% Share of Total U.S. Poverty Population	Changes in Size of Poverty Population	% Change in Size of Poverty Population	% Change in Share of U.S. Poverty Population
Alabama	698,097	1.94%	859,895	1.80%	161,798	23.18%	-7.03%
Alaska	80,405	0.22%	94,485	0.20%	14,080	17.51%	-11.30%
Arizona	722,865	2.01%	1,132,860	2.37%	409,995	56.72%	18.29%
Arkansas	411,777	1.14%	538,030	1.13%	126,253	30.66%	-1.38%
California	4,706,130	13.06%	5,676,185	11.89%	970,055	20.61%	-8.96%
Colorado	388,952	1.08%	651,640	1.36%	262,688	67.54%	26.46%
Connecticut	259,514	0.72%	350,440	0.73%	90,926	35.04%	1.93%
Delaware	69,901	0.19%	102,355	0.21%	32,454	46.43%	10.53%
DC	109,500	0.30%	108,035	0.23%	-1,465	-1.34%	-25.53%
Florida	1,952,629	5.42%	2,969,990	6.22%	1,017,361	52.10%	14.81%
Georgia	1,033,793	2.87%	1,686,035	3.53%	652,242	63.09%	23.10%
Hawaii	150,439	0.42%	173,791	0.36%	23,352	15.52%	-12.80%
Idaho	148,732	0.41%	235,880	0.49%	87,148	58.59%	19.71%
Illinois	1,291,958	3.58%	1,749,315	3.66%	457,357	35.40%	2.20%
Indiana	559,484	1.55%	955,420	2.00%	395,936	70.77%	28.90%
Iowa	258,008	0.72%	364,270	0.76%	106,262	41.19%	6.57%
Kansas	257,829	0.72%	375,695	0.79%	117,866	45.71%	9.99%
Kentucky	621,096	1.72%	790,525	1.66%	169,429	27.28%	-3.93%
Louisiana	851,113	2.36%	824,905	1.73%	-26,208	-3.08%	-26.84%
Maine	135,501	0.38%	168,370	0.35%	32,869	24.26%	-6.21%
Maryland	438,676	1.22%	546,485	1.14%	107,809	24.58%	-5.97%
Massachusetts	573,421	1.59%	709,305	1.49%	135,884	23.70%	-6.63%
Michigan	1,021,605	2.83%	1,613,400	3.38%	591,795	57.93%	19.21%
Minnesota	380,476	1.06%	601,200	1.26%	220,724	58.01%	19.27%
Mississippi	548,079	1.52%	638,370	1.34%	90,291	16.47%	-12.08%
Missouri	637,891	1.77%	881,480	1.85%	243,589	38.19%	4.30%
Montana	128,355	0.36%	144,320	0.30%	15,965	12.44%	-15.13%
Nebraska	161,269	0.45%	224,415	0.47%	63,146	39.16%	5.04%
Nevada	205,685	0.57%	385,120	0.81%	179,435	87.24%	41.33%
New Hampshire	78,530	0.22%	107,800	0.23%	29,270	37.27%	3.61%
New Jersey	699,668	1.94%	858,985	1.80%	159,317	22.77%	-7.33%
New Mexico	304,737	0.85%	379,345	0.79%	74,608	24.48%	-6.04%
New York	2,692,202	7.47%	2,845,020	5.96%	152,818	5.68%	-20.23%
North Carolina	958,667	2.66%	1,596,885	3.34%	638,218	66.57%	25.73%
North Dakota	73,457	0.20%	80,690	0.17%	7,233	9.85%	-17.09%
Ohio	1,170,698	3.25%	1,777,415	3.72%	606,717	51.83%	14.60%
Oklahoma	491,235	1.36%	612,305	1.28%	121,070	24.65%	-5.92%
Oregon	388,740	1.08%	594,815	1.25%	206,075	53.01%	15.49%
Pennsylvania	1,304,117	3.62%	1,621,220	3.39%	317,103	24.32%	-6.17%
Rhode Island	120,548	0.33%	136,370	0.29%	15,822	13.13%	-14.61%
South Carolina	547,869	1.52%	816,485	1.71%	268,616	49.03%	12.49%
South Dakota	95,900	0.27%	110,440	0.23%	14,540	15.16%	-13.08%
Tennessee	746,789	2.07%	1,097,575	2.30%	350,786	46.97%	10.94%
Texas	3,117,609	8.65%	4,379,170	9.17%	1,261,561	40.47%	6.02%
Utah	206,328	0.57%	345,730	0.72%	139,402	67.56%	26.48%
Vermont	55,506	0.15%	70,870	0.15%	15,364	27.68%	-3.63%
Virginia	656,641	1.82%	861,950	1.80%	205,309	31.27%	-0.92%
Washington	612,370	1.70%	876,845	1.84%	264,475	43.19%	8.08%
West Virginia	315,794	0.88%	322,675	0.68%	6,881	2.18%	-22.87%
Wisconsin	451,538	1.25%	716,245	1.50%	264,707	58.62%	19.73%
Wyoming	54,777	0.15%	59,685	0.12%	4,908	8.96%	-17.76%
TERRITORIES							
American Samoa	34,745	0.10%	31,809	0.07%	-2,936	-8.45%	-30.90%
Guam	34,792	0.10%	35,848	0.08%	1,056	3.04%	-22.23%
Micronesia	178,317	0.49%	179,779	0.38%	1,462	0.82%	-23.90%
Puerto Rico	1,818,687	5.05%	1,666,600	3.49%	-152,087	-8.36%	-30.83%
Virgin Islands	34,931	0.10%	23,623	0.05%	-11,308	-32.37%	-48.95%
TOTAL	36,048,372	100.00%	47,758,395	100.00%	11,710,023	32.48%	0.00%

Sources. U.S. Census Bureau: *Census 2000*: P87. POVERTY STATUS IN 1999 BY AGE: Data Set: Census 2000 Summary File 3 (SF 3) - Sample Data (with statutorily required adjustments for AK and HI); 2011 *American Community Survey 3-Year Estimates*, data provided LSC pursuant to P.L. (with statutorily required adjustments for AK and HI); Population data for territories other than Puerto Rico from U.S. Census Bureau, *2010 Census*, DP-3-Geography [for each territory], *Profile of Selected Economic Characteristics: 2010*. Poverty population data for Micronesia based on U.S. Census Bureau, *2010 Census*, DP-3-Geography for Commonwealth of the Northern Marianas, *Profile of Selected Economic Characteristics: 2010*, and data from the governments of the Federated States of Micronesia, the Republic of Palau, and the Republic of the Marshall Islands.

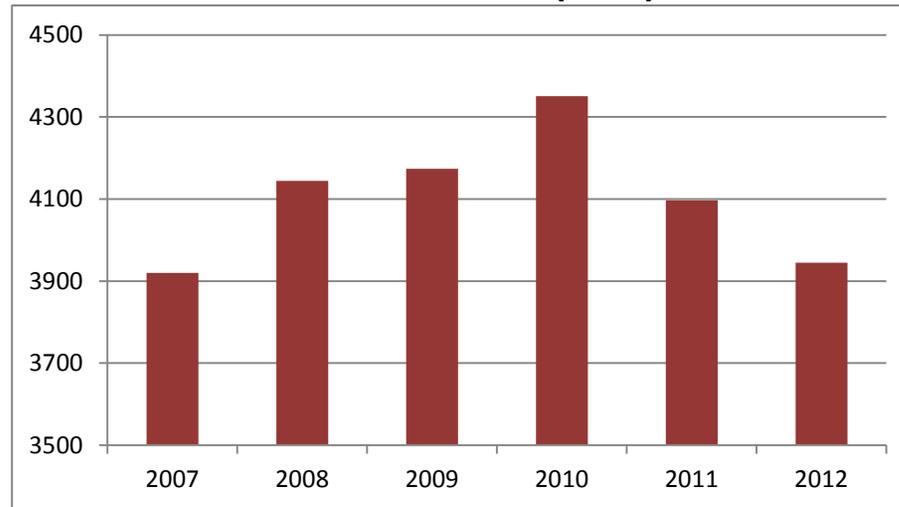
Appendix 7

Staff Size at LSC Grantees, 2007-2012

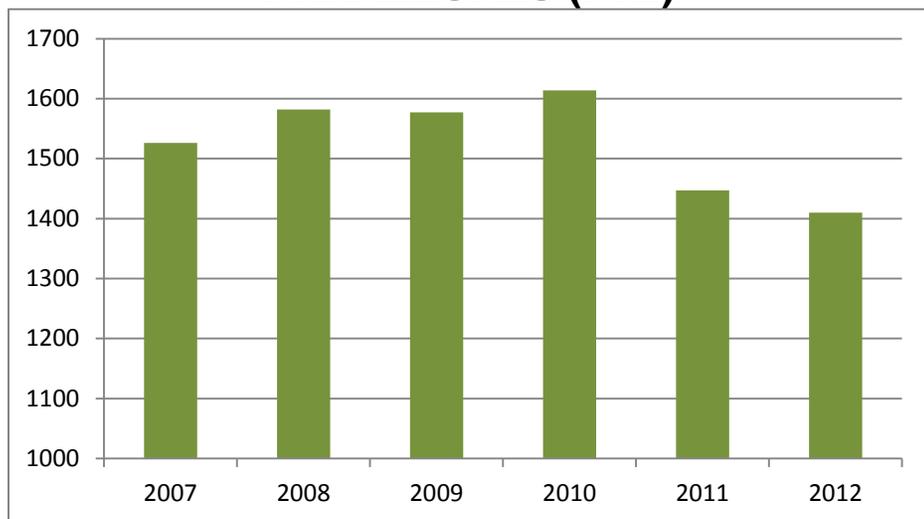
TOTAL FTE STAFF



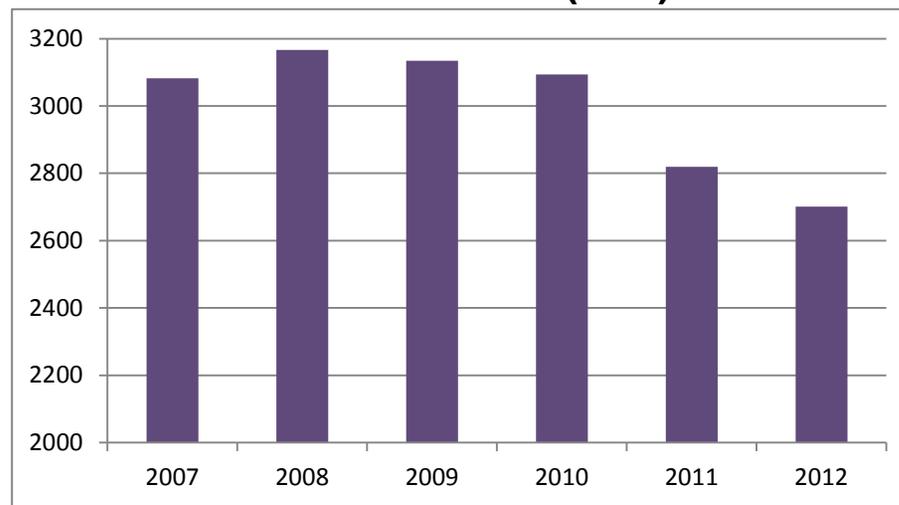
ATTORNEYS (FTE)



PARALEGALS (FTE)



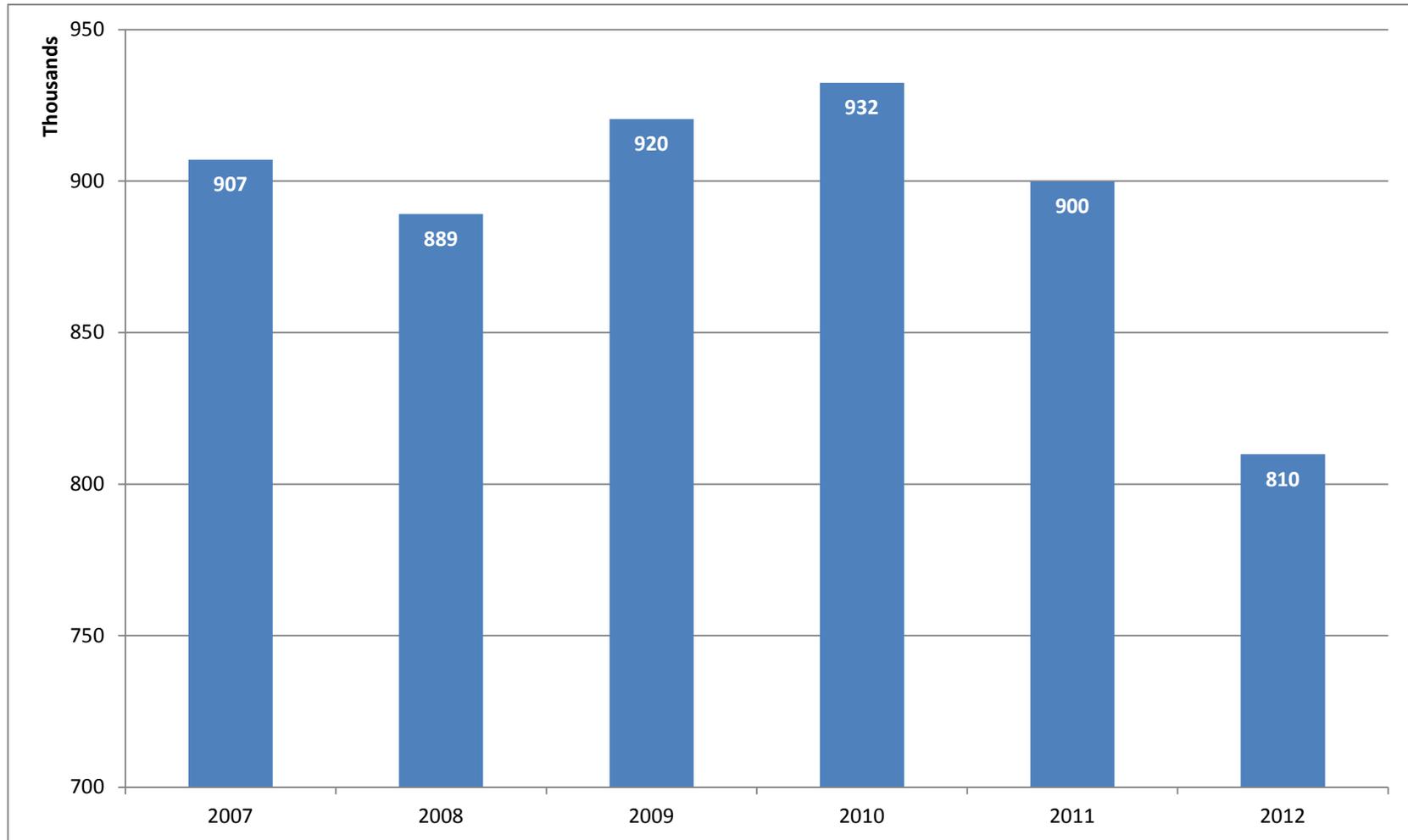
OTHER STAFF (FTE)



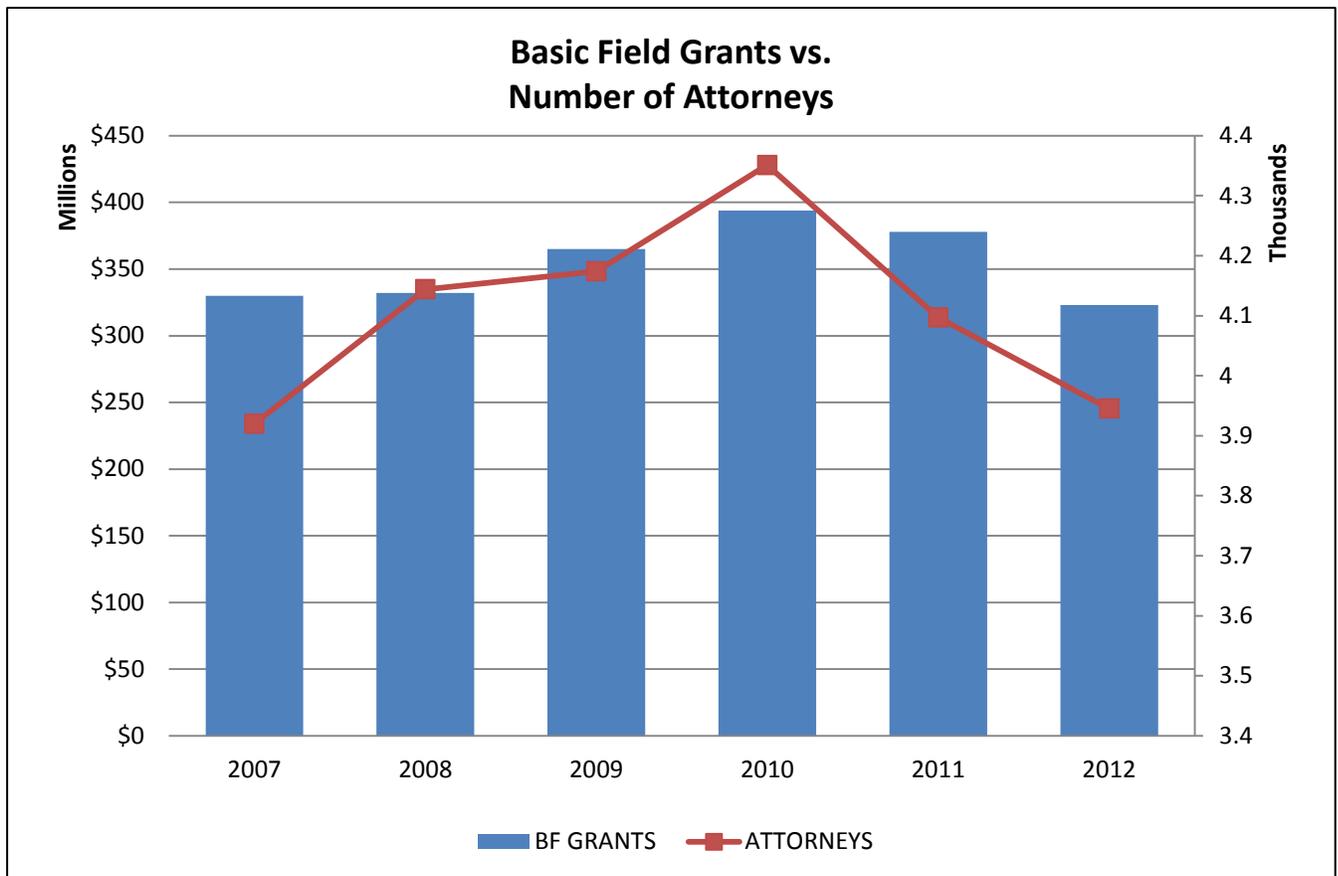
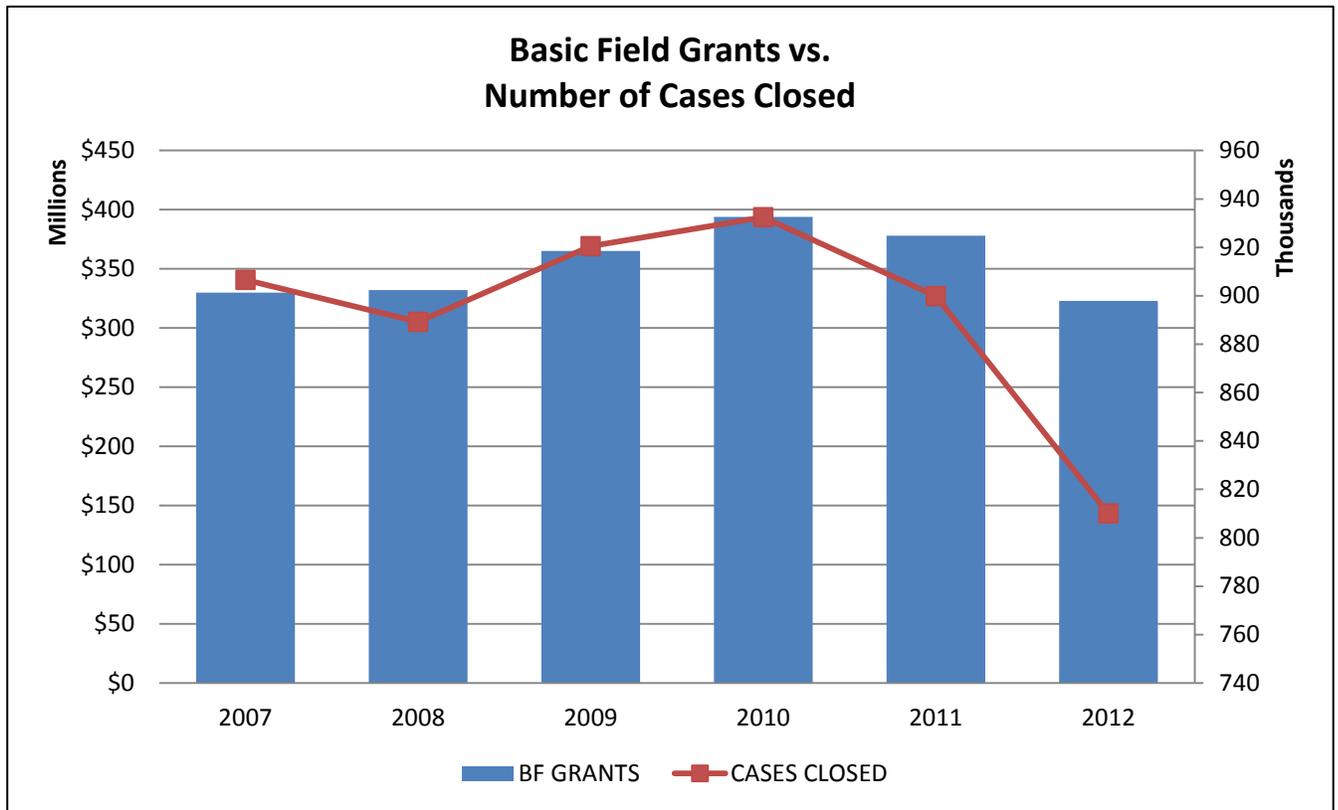
Appendix 8

Cases Closed, 2007-2012

(in Thousands)



Appendix 9



APPENDIX 10

Correlation of Basic Field Funding with Cases Closed, Attorney Count, and People Served

Year	Basic Field Funding	Percent Change	Full-Time Attorneys	Percent Change	Cases Closed	Percent Change	Cases Per Attorney	Total People Served	People Served per \$1 million
2007	\$330,545,259	6.60%	3,920	4.60%	906,507	1.20%	231	2,266,268*	6,856
2008	\$332,078,605	0.50%	4,144	5.70%	889,155	-1.90%	215	2,222,888*	6,694
2009	\$365,252,044	10.00%	4,174	0.70%	920,447	3.50%	221	2,301,118*	6,300
2010	\$394,582,437	8.00%	4,351	4.20%	932,406	1.30%	214	2,331,015*	5,908
2011	\$378,238,288	-4.10%	4,097	-5.80%	899,817	-3.50%	220	2,284,163**	6,039
2012	\$322,885,454	-14.60%	3,945	-3.70%	809,955	-10.00%	205	1,996,860**	6,186

*Estimate based on the average of 2.5 people served per case.

**Actual number of people served in 2011 and 2012 reported by grantees.