

MEMORANDUM

TO: The Finance Committee

FROM: James J. Sandman 

DATE: July 24, 2012

SUBJECT: Response to Finance Committee Request for Additional Information

Following are Management's responses to the questions the Committee raised during its telephonic meeting on July 17.

1. What is the relationship between increased funding and the number of people who can be served?

Response: The chart and graphs below show the relationship between basic field funding and cases closed, number of grantee staff attorneys, and people served from 2006 to 2011.

As a general matter, the number of cases closed and the number of people served have increased when funding increases and decreased when funding decreases, although 2008 was an exception. The number of program staff attorneys has regularly increased as funding has increased and decreased as funding has decreased. The extent of the correlation has varied from year to year, and we do not believe these data provide a reliable basis for projecting a specific count of cases closed or people served for any particular future funding level.

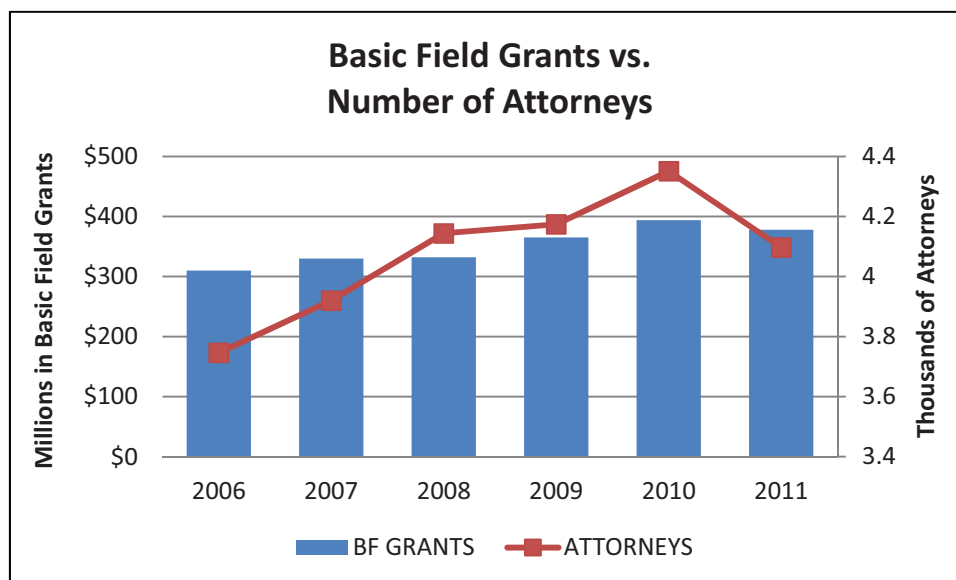
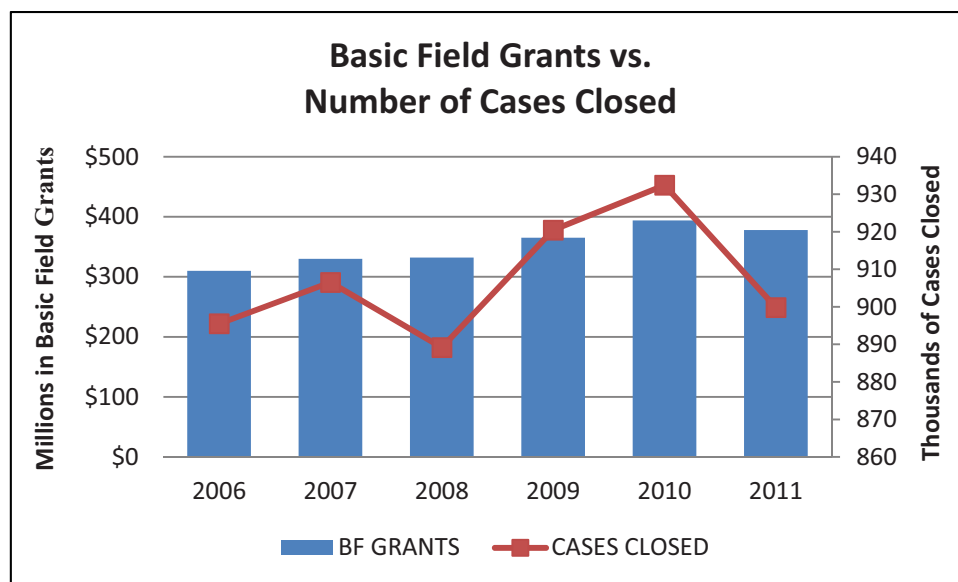
"Cases closed," the primary metric that LSC has used to measure output in a particular year is, by definition, a lagging indicator, and may often reflect activity begun in a prior year. It also encompasses a wide range of activities, from limited counsel and advice to full-scale litigation. Year-to-year comparisons of numbers of cases closed can have significant limitations. With these caveats, we note that, over the past six years, LSC grantees have served between 5,900 and 7,200 people for each \$1 million in basic field funding, or an average of 6,500 for each \$1 million in basic field funding over that period.

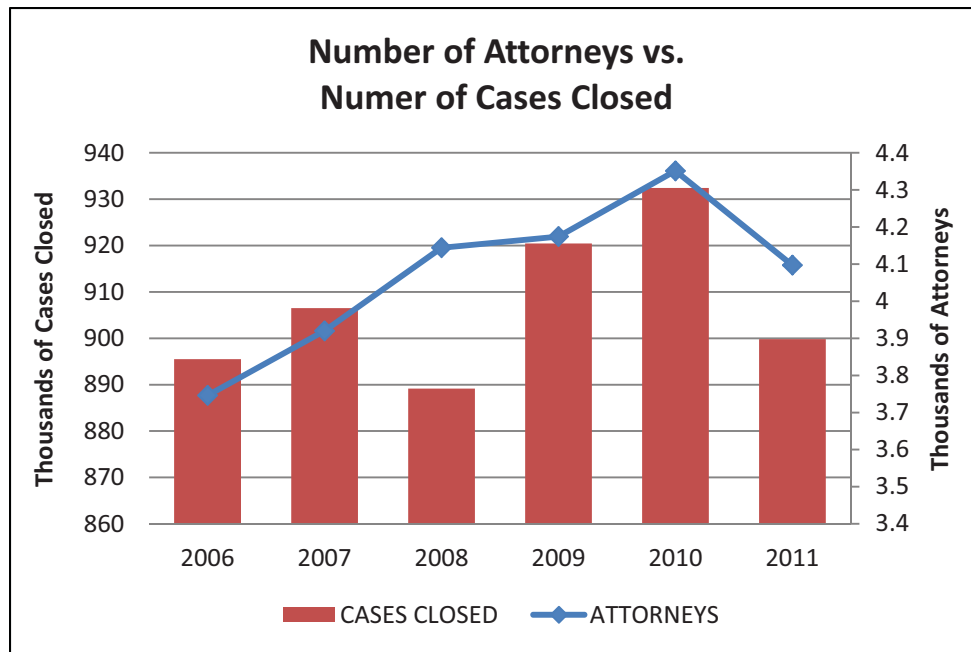
The limitations in LSC's "cases closed" data emphasize the importance of improving LSC's data collection as described in the draft Strategic Plan. Through improved data collection and analysis of client services, we hope to be able to better demonstrate the direct impact that increased funding will have on those persons eligible for civil legal assistance.

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
2006	\$310,171,242		3,746		895,488		239	2,238,720*	7,218
2007	\$330,545,259	6.6%	3,920	4.6%	906,507	1.2%	231	2,266,268*	6,856
2008	\$332,078,605	0.5%	4,144	5.7%	889,155	-1.9%	215	2,222,888*	6,694
2009	\$365,252,044	10.0%	4,174	0.7%	920,447	3.5%	221	2,301,118*	6,300
2010	\$394,582,437	8.0%	4,351	4.2%	932,406	1.3%	214	2,331,015*	5,908
2011	\$378,238,288	-4.1%	4,097	-5.8%	899,817	-3.5%	220	2,284,163**	6,039

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

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





2. What is the relationship between the number of cases closed and the number of people served?

Response: In 2011, LSC grantees closed a total of 899,817 cases. Grantees reported that a total of 2.3 million people resided in the households that were served in cases closed that year. Therefore, for every case closed, an average of 2.5 people were helped.

3. How many people were helped with domestic violence issues in 2011? How many people were assisted in foreclosure cases?

Response: In 2011, grantees closed a total of 105,090 cases in which domestic violence was involved—11.7 percent of all cases closed. A case “involves” domestic violence if domestic violence is in any way a part of the case.

Grantees reported handling 20,019 foreclosure cases in 2011.

The attached pie chart and tables provide details on the types of cases closed by grantees in 2011.

4. By what percentage has grantee staff been reduced as a result of recent decreases in funding?

Response: As of December 31, 2011, LSC grantees employed a total of 9,185 FTE staff, which included 4,360 attorneys, 1,586 paralegals and 3,239 other support staff. Compared to December 31, 2010, these numbers reflect a reduction of 661 total FTE positions, a **6.7 percent decline**.

The breakdown includes:

- 241 attorneys, 5.2 percent loss.
- 141 paralegals, 8.2 percent loss.
- 279 other staff, 7.9 percent loss.

In 2012, LSC grantees expect to continue staff reductions because of funding cuts. Based on the June 2012 survey results, programs estimate that they will lose another 791 staff this year, a reduction of **8.6 percent** from 2011. This includes a reduction of:

- 318 attorneys, 7.3 percent loss.
- 167 paralegals, 10.5 percent loss.

Therefore, over a two-year period (12/31/2010 to 12/31/2012), LSC grantees expect to lose nearly **15 percent** of their staff. This includes a reduction of:

- 559 attorneys, 12.1 percent loss.
- 308 paralegals, 17.8 percent loss.

5. What revenue is included in the “Other” category of non-LSC funding depicted in Appendix 6 to the memorandum of July 13, 2012?

Response: “Other” non-LSC funding includes publication income, attorney fee awards, and all income reported by grantees as “other income” because it does not fall into any of the non-LSC categories identified in LSC’s reporting forms. The table below shows non-LSC funding amounts in 2011 reported by LSC grantees. We believe that “other income” includes interest earned on non-LSC funds and private contributions that are not United Way grants, foundation grants, or bar association grants. We are considering revising LSC’s reporting forms to capture more detail on the “other” non-LSC category.

Non-LSC Funding Sources in 2011	Amount
Title XX of Social Security Act	\$4,443,719
Older Americans Act	\$21,177,431
Violence Against Women Act	\$12,915,150
Other Federal Grants	\$45,104,269
Community Development Block Grants	\$4,031,033
State Grants	\$122,800,195
Filing Fees	\$42,043,749
Local Grants	\$41,659,487
United Way Grants	\$12,539,937
Foundation Grants	\$26,065,853
Bar Association Grants	\$6,603,044
IOLTA Grants	\$60,840,247
Attorney Fee Awards	\$1,868,346
Carryover Funds	\$67,479,267
Publication Income	\$32,827
Other Funds	\$60,238,943
Total	\$529,843,497

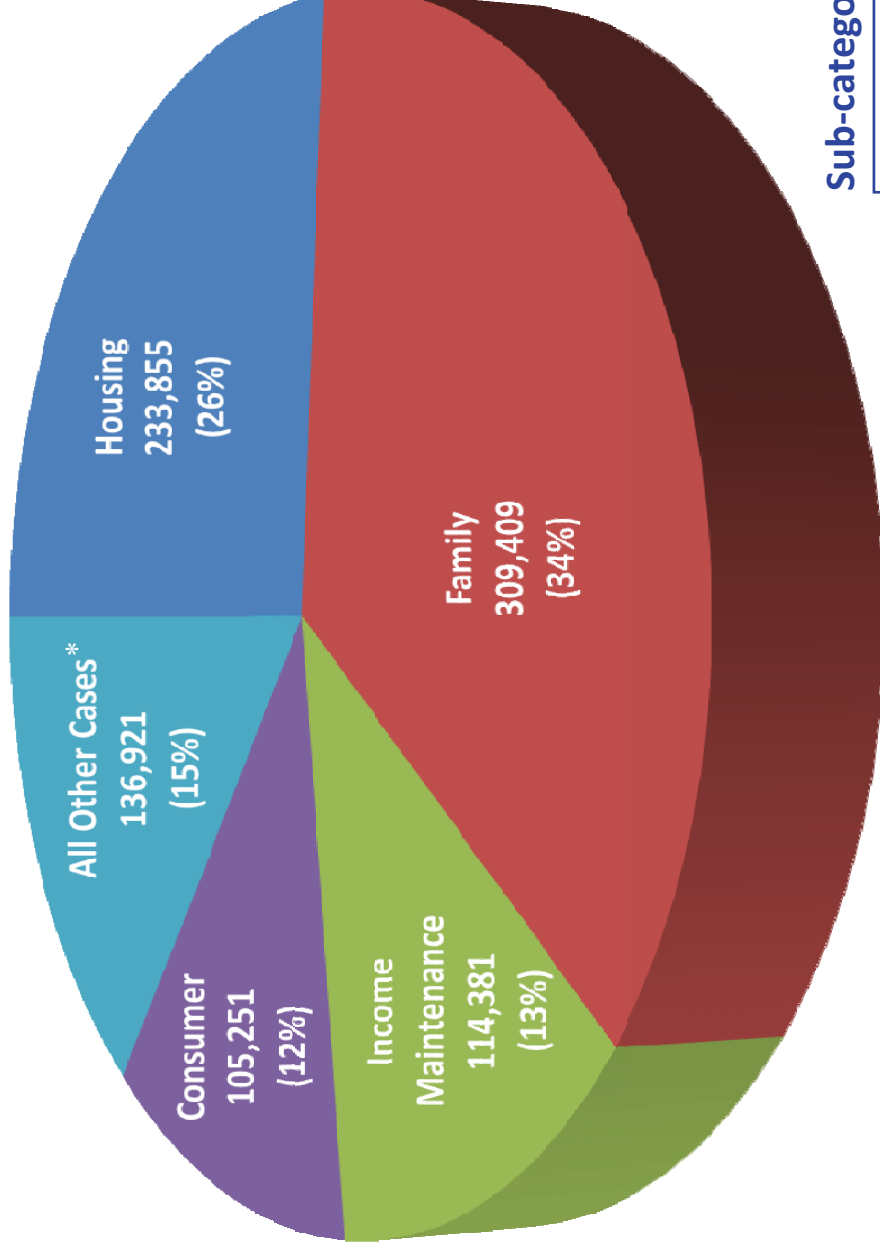
6. What constitutes “Private” funding sources in Appendix 6 to the memorandum of July 13, 2012?

Response: Private funding sources include grants from United Way, Foundation Grants and Bar Association Grants.

* Corrections to Management's Memorandum of July 13, 2012 on FY 2014 Budget Request

1. Page 2: the last sentence in the last paragraph does not reflect the correct income eligibility requirements for 2010. At 125 percent of the federal poverty line, an income of \$13,538 for an individual and \$27,563 for a family of four qualified for civil legal assistance.
2. Appendix 7 – Summary of Results of LSC Grantee Survey: the heading of the final paragraph of number 6 should read: “Examples of the cuts in services on foreclosure issues include:”.

Cases Closed by LSC Grantees, 2011



Sub-categories of Cases Closed

Domestic Violence Cases

105,090

Foreclosure Cases

20,019

*All Other Cases includes education, employment, juvenile, health, individual and miscellaneous.

Total Cases Closed 2011

Case Type	Total	Percent
01 Bankruptcy/Debt Relief	36,492	4.1%
02 Collections/Repossessions	45,971	5.1%
03 Contracts/Warranties	7,474	0.8%
04 Collection Practices/Creditor Harassment	3,021	0.3%
05 Pred. Lending Practices (Not Mortgages)	207	0.0%
06 Loans/Install. Purchase (Not Collections)	929	0.1%
07 Public Utilities	3,993	0.4%
08 Unfair/Deceptive Sales/Practices (Not Real Prop.)	1,292	0.1%
09 Other Consumer/Finance	5,872	0.7%
Subtotal Consumer/Finance	105,251	11.7%
12 Discipline (incl. Expulsion & Suspension)	1,003	0.1%
13 Special Ed./Learning Disabilities	1,903	0.2%
14 Access (incl. Bilingual, Residency, Testing)	604	0.1%
15 Vocational Ed.	70	0.0%
16 Student Financial Aid	539	0.1%
19 Other Education	2,226	0.2%
Subtotal Education	6,345	0.7%
21 Employment Discrimination	2,190	0.2%
22 Wage Claims & Other FLSA	3,541	0.4%
23 EITC (Earned Income Tax Credit)	1,574	0.2%
24 Taxes (Not EITC)	4,926	0.5%
25 Employee Rights	3,599	0.4%
26 Agricultural Worker (Not Wage Claims/FLSA)	504	0.1%
29 Other Employment	9,629	1.1%
Subtotal Employment	25,963	2.9%
30 Adoption	2,753	0.3%
31 Custody/Visitation	88,933	9.9%
32 Divorce/Separation/Annul.	116,486	12.9%
33 Adult Guardian./Conservator.	5,365	0.6%
34 Name Change	3,741	0.4%
35 Parental Rights Termination	1,733	0.2%
36 Paternity	7,377	0.8%
37 Domestic Abuse	49,359	5.5%
38 Support	24,925	2.8%
39 Other Family	8,737	1.0%
Subtotal Family	309,409	34.4%
41 Delinquent	1,876	0.2%
42 Neglected/Abused/Depend.	4,757	0.5%
43 Emancipation	1,464	0.2%
44 Minor Guardian./Conservator.	6,213	0.7%
49 Other Juvenile	392	0.0%
Subtotal Juvenile	14,702	1.6%
51 Medicaid	19,326	2.1%
52 Medicare	1,809	0.2%

Case Type	Total	Percent
53 Gov't Children's Health Insurance	268	0.0%
54 Home & Community Based Care	745	0.1%
55 Private Health Insurance	233	0.0%
56 Long Term Health Care Facilities	442	0.0%
57 State & Local Health	1,476	0.2%
59 Other Health	3,444	0.4%
Subtotal Health	27,743	3.1%
61 Federally Subsidized Housing	38,647	4.3%
62 Homeownership/Real Property (Not Foreclosure)	9,927	1.1%
63 Private Landlord/Tenant	134,490	14.9%
64 Public Housing	12,409	1.4%
65 Mobile Homes	3,629	0.4%
66 Housing Discrimination	924	0.1%
67 Mortgage Foreclosures (Not Pred. Lend.)	20,019	2.2%
68 Mortgage Predatory Lending/Practices	1,198	0.1%
69 Other Housing	12,612	1.4%
Subtotal Housing	233,855	26.0%
71 TANF	12,017	1.3%
72 Social Security (Not SSDI)	2,793	0.3%
73 Food Stamps	17,184	1.9%
74 SSDI	12,542	1.4%
75 SSI	33,071	3.7%
76 Unemployment Comp.	24,985	2.8%
77 Veterans Benefits	796	0.1%
78 State and Local Income Maintenance	6,318	0.7%
79 Other Income Maintenance	4,675	0.5%
Subtotal Income	114,381	12.7%
81 Immigration/Naturalization	6,791	0.8%
82 Mental Health	326	0.0%
84 Disability Rights	300	0.0%
85 Civil Rights	519	0.1%
86 Human Trafficking	112	0.0%
89 Other Individual Rights	8,867	1.0%
Subtotal Individual	16,915	1.9%
91 Legal Assist. to Non-Profit Org./Group	318	0.0%
92 Indian/Tribal Law	1,960	0.2%
93 Licenses (Drivers, Occupation & Other)	3,868	0.4%
94 Torts	2,778	0.3%
95 Wills/Estates	17,371	1.9%
96 Adv. Directives/Powers of Attorney	10,749	1.2%
97 Municipal Legal Needs	211	0.0%
99 Other Miscellaneous	7,998	0.9%
Subtotal Misc.	45,253	5.0%
GRAND TOTAL	899,817	100%