

## SUMMARY

Legal Services Corporation (LSC or Corporation) is a private, non-membership, nonprofit corporation in the District of Columbia. The Board of Directors of the Corporation is composed of 11 voting members who are appointed by the President of the United States with the advice and consent of the Senate. By law, the Board is bipartisan: no more than six members can be of the same political party.

The Corporation plays the central role in providing low-income Americans with access to legal assistance and information concerning critical civil legal problems. Created in 1974, LSC is charged by Congress to “provide equal access to the system of justice in our Nation for individuals who seek redress of grievances” and “to provide high quality legal assistance to those who would otherwise be unable to afford adequate legal counsel.”

LSC seeks an appropriation of \$340,000,000 for FY2001 to provide civil legal assistance to low-income persons in the United States. For FY2000, the Corporation’s appropriation was \$305,000,000. The core of the legal services delivery system—grants to local programs that provide legal services to the poor in every state and county in the United States—will receive an increase in funding of approximately 8 percent. Adjusted for inflation, federal funding for legal services is about half of what it was for FY1981.

In 1998, LSC funding helped address 1.1 million civil legal problems relating to issues such as domestic violence<sup>1</sup>, child custody and visitation rights, evictions, access to health care, bankruptcy, unemployment and disability claims, and many other issues that millions of low-income Americans face throughout their lives. Without the funding provided by LSC, many of these individuals would have no other source of legal assistance for these problems.

LSC’s FY2001 budget request has been structured to allow LSC to focus on three corporate strategic goals: (1) to dramatically increase the availability of legal services to eligible persons; (2) to ensure legal services clients are receiving appropriate and high quality legal assistance; and (3) to ensure legal services programs fully comply with all legal requirements.

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<sup>1</sup> In 1999, it is estimated that LSC grantees received approximately \$10.5 million in federal funds under the Violence Against Women Act (VAWA) for use in rendering assistance in domestic violence cases. It is estimated that in the year 2000 they will receive approximately \$11.5 million in VAWA funding.

<b>FY 2001 BUDGET REQUEST</b>	
<b>I. CLIENT SERVICES</b>	
<b>A. PROGRAM SERVICES TO CLIENTS</b>	<b>\$313,000,000</b>
<b>B. NEW INITIATIVES</b>	
<b>1. TECHNOLOGY</b>	<b>10,000,000</b>
<b>2. NATIONAL LEGAL NEEDS ASSESSMENT</b>	<b>2,100,000</b>
<b>II. MANAGEMENT &amp; ADMINISTRATION</b>	<b>12,500,000</b>
<b>III. OFFICE OF INSPECTOR GENERAL</b>	<b>2,400,000</b>
<b>TOTAL</b>	<b>\$340,000,000</b>

### **Program Services to Clients: \$313,000,000**

Grants to local legal services programs will be increased by \$24,000,000 or approximately 8% percent above the FY2000 funding level of \$289,000,000. This increase will enable local programs to increase their levels of service and to provide legal assistance to a greater number of eligible low-income persons.

This increase is critical in stemming the erosion of federal resources available to LSC-funded programs. In FY1995, Congress appropriated \$402,500,000 for field programs. Assuming inflation stays steady at current rates through 2001, almost \$450,000,000 would be required in FY2001 to maintain the purchasing power of the FY1995 level. Therefore, the requested increase of \$24,000,000 is very modest indeed.

In 1998, the most recent year for which final statistics are available, LSC-funded programs addressed 1.1 million legal issues. Ten percent of LSC clients are elderly. The most common categories of cases are family, housing, income maintenance, consumer, and employment. More than one out of every six LSC cases involves efforts to obtain protection from domestic violence. Other case types encountered include evictions, foreclosures, child custody and support, child abuse or neglect, wage claims, access to health care, and unemployment or disability claims. (See Chart One)

The need for federally-funded legal services is overwhelming. Almost one in every five Americans is potentially eligible for LSC-funded services. Because of limited resources, local legal services programs are forced to turn away tens of thousands of people with critical legal needs. A survey of selected local legal services programs in the spring of 1993, when LSC funding was substantially higher than it is today, revealed that *nearly half* of all people who applied for assistance from local programs were turned away due to a lack of program resources. However, the studies are dated, and the data is not current, so a new assessment will be required.

A 1994 study by the American Bar Association concluded that approximately 80 percent of poor Americans do not have the advantage of an attorney when they are in serious situations in which a lawyer's advice and assistance would make a difference. During the last fifteen years, state legal needs studies in Florida, Georgia, Hawaii, Illinois, Indiana, Kentucky, Maryland, Massachusetts, Missouri, Nevada, New York, and Virginia, using a variety of methodologies for estimating the unmet legal needs of the poor, have reached similar conclusions.

## **Technology Initiatives: \$10,000,000**

In FY2001, LSC will allocate \$10,000,000 for a technology initiative designed to significantly increase access to legal information and assistance for low-income Americans. A total of nearly \$15,000,000 is required for the project; \$5,000,000 was appropriated in FY2000.

LSC will establish a competitive process to award grants to LSC-funded programs and other non-profit corporations who promote the use of technology to increase legal information and assistance to low-income persons. Technology grants will be provided to fund projects that: (1) provide direct legal information—for example, through statewide websites; (2) increase services through advice and brief service by developing centralized telephone intake systems and exploring web-based and e-mail approaches; (3) create and improve self-representation materials and guidance through expanded use of technology in *pro se* clinics and through *pro se* projects, web-sites and stand-alone kiosks; (4) increase private attorney involvement through web sites that facilitate *pro bono* services by providing easier methods to connect lawyers and clients needing assistance; or (5) create a

“model” legal services technology office that combines several of these approaches in one office to encourage replication and allow for extensive evaluation and study.

Recent surveys have found that few local legal services programs have the technological capacity to make full use of existing new technology-based methods of improving efficiency and expanding services to clients. Many programs have also identified a need to expand community legal education and support for client self-help, but lack the resources to do so.

LSC=s Office of Inspector General, in an August 1996 report, *Increasing Legal Services Delivery Capacity through Information Technology*, concluded that delivery capacity could be significantly increased through enhanced use of available technology. Among the uses of technology considered in the report are support for client self-help and preventing the escalation of legal problems through early intervention with centralized telephone and computer-based intake systems, public-access kiosks providing legal information and forms, and the provision of legal information through the Internet.

## **Legal Needs Research: \$2,100,000**

The Corporation is requesting \$1,600,000 in FY2001 to conduct a comprehensive national legal needs assessment. One of the challenges in meeting the legal needs of indigent people has been the difficulty in assessing and understanding the nature and scope of those needs. Though a comprehensive assessment has not been performed, there is plenty of anecdotal evidence from all LSC-funded programs to show the need for legal services far outstrips the resources available. Due to this, each program turns away hundreds or thousands of eligible applicants each year.

Local grantee programs are required to set priorities each year based on their best understanding of the legal needs in the communities they serve. The Corporation can be far more effective in implementing its goal of increasing the availability of legal services to eligible persons if it has an accurate picture of the extent and nature of unmet legal needs among the populations its grantees serve.

The Corporation also seeks \$500,000 to conduct pilot projects and collect data on (1) legal problems addressed through non-traditional means such as legal education, (2) legal problems not addressed at all because of resource or other limitations, and (3) outcomes for clients resulting from the delivery of free legal services. Information on these areas is necessary for the Corporation to provide a complete and accurate assessment of the impact of federal funding on the legal problems of the poor. Though LSC is not required to follow the Government Performance and Results Act (GPRA), it is endeavoring to use GPRA as a guide for performance improvement, and as a critical tool in implementing its multi-year strategic plan. GPRA-like systems will also help to measure and report meaningful data on the performance of its grantees.

## **LSC Management and Administration: \$12,500,000**

Only \$12,500,000, or just over 3 percent of the Corporation's FY2001 appropriation, will be allocated for the Corporation's Management and Administration (M&A).

With a small, efficient staff, LSC's management ensures accountability to Congress and the taxpayers through aggressive oversight and enforcement of federal laws and other requirements, and through operation of a system of competition for grants that promotes the efficient and effective delivery of high-quality legal services to low-income persons. In 1998-99, LSC reviewed the configuration of the delivery of legal services in all states and promoted program collaboration or consolidation where it appeared federal funds could be used more effectively.

For FY2001, LSC is seeking additional M&A funds to strengthen its capacity to ensure compliance with Congressional restrictions enacted in 1996, to monitor and to improve the accuracy of its Case Services Reporting (CSR) system, and to conduct compliance investigations.

### **Office of Inspector General: \$2,400,000**

Office of Inspector General (OIG) seeks \$2,400,000 for FY2001, an increase of \$300,000 from FY2000. The increase will fund an Assessment of 2000 Case Statistical Data. (The Appropriations Committees directed such an assessment of 1999 data in the FY2000 appropriation.) The OIG mission is to prevent and detect fraud and abuse, and to promote efficiency and effectiveness in LSC operations and grant programs. In addition, OIG oversees routine monitoring of grantee compliance with laws and regulations through annual audits by Independent Public Accountants and on-site reviews.

## Principles of the Legal Services Delivery System

The delivery system created by Congress under the Legal Services Corporation Act is based upon the principles of local control, accountability, public-private partnership, promotion of volunteerism, and emphasis on efficiency and effectiveness.

**! Local Control.** Decisions about the allocation of legal services are not made in Washington but locally, by the governing bodies of independent, locally incorporated legal services programs, the majority of whose members are appointed by local bar associations. These local boards set the programs' priorities. Services are provided not by government lawyers but by attorneys hired by representatives of their local communities. Salaries for legal services attorneys are set by local program boards and are generally far less than their counterparts in either the public or the private sector.

**! Accountability.** Modifications in the legal services delivery system have addressed past Congressional concerns. In 1996, Congress reached a new consensus concerning federally-funded legal services for the poor, supported by a strong bipartisan majority of both the Senate and the House of Representatives. Congress reaffirmed the federal government's commitment to providing representation for individuals facing legal problems who would otherwise be unable to afford assistance. At the same time, a series of new limitations was placed upon activities in which LSC-funded programs can engage on behalf of their clients, including the use of non-LSC funds. Among them are prohibitions on class actions, challenges to welfare reform, collection of court-awarded attorneys' fees, many types of lobbying, litigation on behalf of prisoners, and representation of undocumented and other categories of aliens. The Corporation has rigorously enforced these legal requirements.

**! Public-Private Partnership.** Local programs build upon their grants from LSC with funding from additional sources. In 1998, local programs received approximately \$263 million from state and local governments, the private bar, IOLTA, United Way and other charitable organizations, grants from foundations and corporations, and other federal agencies.

**! Promotion of Volunteerism (Private Attorney Involvement).** Local programs further leverage federal funds through *pro bono* programs that involve local volunteer private attorneys in the delivery of legal services for the poor. LSC grantees provide the necessary structure and management that make it possible for private attorneys to become involved and contribute free legal services. In 1998, about 150,000 lawyers were formally registered to participate in such activities. LSC-funded programs provide volunteers with essential training and support in specialized areas of the law.

**! Efficiency and Effectiveness.** At a time when Americans are concerned about the increasing litigiousness of our society, the legal services delivery system offers a model of efficient resolution of disputes and avoidance of unnecessary litigation. Litigation represents a very small percentage (around 10 percent in 1998) of LSC-funded legal issues. Instead, legal services lawyers consistently find other, more efficient ways to solve problems for their clients. The tremendous pressure legal services programs experience due to the demand for their services forces them to use their limited resources wisely.