

Budget Request For Fiscal Year 2002

EXECUTIVE SUMMARY



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The Legal Services Corporation (LSC) is a private, non-membership, nonprofit corporation located in the District of Columbia. The Board of Directors 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.

LSC plays the central role in providing low-income Americans with access to legal assistance and information concerning critical civil legal problems. Created by Congress in 1974, LSC was formed 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.”

For FY2002, LSC seeks an appropriation of \$329,300,000 to provide civil legal assistance to low-income persons in the United States. For FY2001, the appropriation was \$330,000,000 (\$329,274,000 after rescission).

In 2000, LSC-funded programs helped address more than one million civil legal matters relating to issues such as domestic violence, 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 LSC funding, many of these individuals would have no other source of legal assistance for these critical, and many times, life-altering problems. LSC ensures federally funded legal services programs are in strict compliance with all congressional restrictions. Since 1993, LSC has undertaken significant efforts to enhance the quality and availability of services by restructuring the national system and reducing the number of grantees from 281 to 162 by 2002.

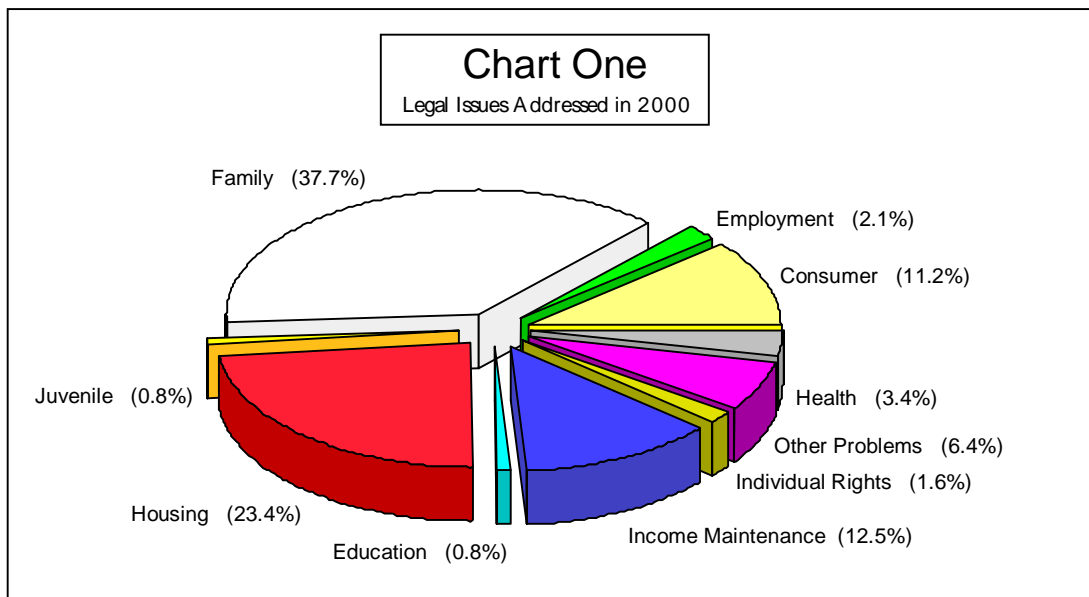
The FY2002 budget request is structured to allow LSC to focus on three strategic goals: (1) to dramatically increase the availability of legal services to eligible persons, (2) to ensure legal services clients are receiving appropriate and high-quality legal assistance, and (3) to ensure that legal services programs fully comply with all legal requirements.

FY 2002 BUDGET REQUEST (dollars in thousands)	
I. CLIENT SERVICES	
A. PROGRAM SERVICES TO CLIENTS	\$310,000,000
B. PROGRAM INITIATIVES	
1. TECHNOLOGY	4,400,000
II. MANAGEMENT & ADMINISTRATION	12,400,000
III. OFFICE OF INSPECTOR GENERAL	2,500,000
TOTAL	\$329,300,000.00

Program Services to Clients: \$310,000,000

In FY2002, grants to local legal services programs will be increased by \$682,000 above the FY2001 level of \$310,000,000 (\$309,318,000 after rescission). This small increase will provide additional means for local programs to stabilize their levels of service to eligible low-income persons.

In 2000, the most recent year for which final statistics are available, LSC-funded programs closed more than 1,000,000 legal cases. The most common categories of cases were family, housing, income maintenance, consumer, and employment law. More than one in every six LSC cases involves efforts to obtain protection from domestic violence. Fourteen percent of LSC clients are elderly. Other case types for which legal assistance is provided frequently include evictions, foreclosures, child custody and support, child abuse or neglect, wage claims, access to health care, unemployment, or disability claims.



The need for 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 because of a lack of program resources.

During the last fifteen years, state legal-needs studies in Florida, Georgia, Hawaii, Illinois, Indiana, Kentucky, Maryland, Massachusetts, Missouri, Nevada, New York, Oregon, and Virginia have reached the conclusion that the legal needs of the poor are not being met.

Recognizing that its grantees needed to change the manner in which they conducted their business if they were going to remain viable and responsive to the needs of low-income persons, LSC chartered its state planning initiative. This state planning process called upon LSC grantees to examine how they could further LSC's vision of an efficient and effective statewide delivery system that could collectively serve the civil-legal needs of low-income persons throughout their state.

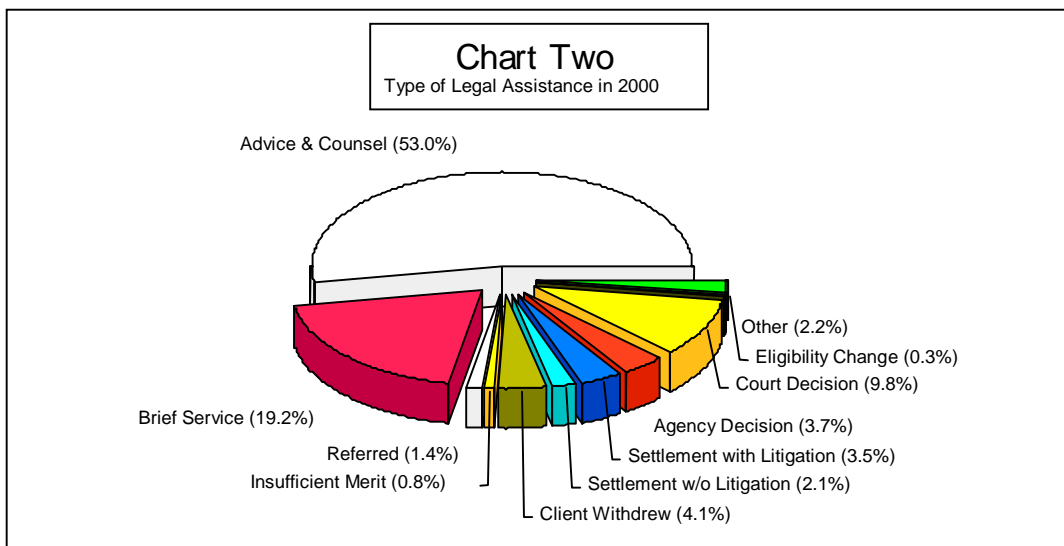
Programs were asked to develop plans to coordinate and to integrate their work in seven important areas: expanding client access and efficiency in delivering high-quality legal assistance; using technology to expand access and enhance services; promoting client self-help and preventive legal education and advice; coordinating legal work and training; collaborating with the private bar; expanding resources to support legal services; and designing a system configuration that enhances client services, reduces barriers, and operates efficiently and effectively.

Now in its fourth year, the state planning initiative has resulted in significant progress in the building and maintenance of comprehensive, integrated, statewide civil-legal assistance delivery systems. These successes are highlighted in a new publication distributed by LSC entitled, *Building State Justice Communities*. Achievements and initiatives common to many states have included: expanding non-federal support for legal services; establishing systems for coordinating advice and training among programs; making the court system more responsive and accessible to low-income and *pro se* litigants; establishing structures to more creatively involve the private bar in the delivery of civil-legal assistance; creating and executing a statewide technology plan to improve access and enhance delivery; and developing a statewide coordinated intake system.

Consistent with LSC's vision of an effective and efficient statewide delivery system, grantees have engaged in an ongoing process of merging and reconfiguring so programs can make the most out of every federal dollar allocated. Over the last four years, the number of grantees receiving funding from LSC has decreased from 262 in 1998 to 207 in 2001. In 2002, LSC projects that the number of programs will be down to 162. The results of this consolidation process are better statewide coordination, improved client access, and enhanced service.

The legal services delivery system of LSC grantees offers a model of efficient resolution of disputes by avoiding unnecessary litigation. Only a very small percentage (approximately 10 percent) of LSC-funded cases are resolved by a court decision, and the majority of these are family law cases that require a court determination.

Rather than litigating cases, legal services lawyers consistently find more efficient ways to solve problems for their clients. With their services in heavy demand, they know they must use their limited resources wisely. As in past years, nearly three-fourths of cases in 2000 were resolved through advice, referral, or brief services.



Technology Initiatives: \$4,400,000

In FY2002, LSC will allocate \$4,400,000 to a technology initiative that has been designed to significantly increase access to legal information, self-help resources, and assistance for low-income Americans. In FY2000, \$5,000,000 (\$4,250,000 after rescission) was appropriated, and an additional \$7,000,000 (\$6,985,000 after rescission) was appropriated in FY2001. This Technology Initiative Grant (TIG) program, which begun with the FY2000 appropriation, will use the \$4,400,000 allocation to make competitive grant awards to LSC recipients who demonstrate the use of technology to increase client access to legal information, self-help resources, and assistance to low-income persons. These grant awards fund projects that:

1. create and improve self-help materials, court forms, and guidance through the expanded use of technology in *pro se* clinics and through *pro se* projects, websites, and stand-alone kiosks;
2. provide direct legal information—for example, through statewide websites and touch-screen kiosks;
3. increase advice and brief services by developing centralized telephone intake systems and web-based approaches; and
4. provide direct video conferencing and “virtual law offices” for reaching clients whom are geographically isolated.

Recent surveys have found that few local legal services programs have the capacity to make full use of new technology-based methods of improving efficiency and expanding services to clients. Many programs have identified a need to expand community legal education and support for client self-help, but lack the resources to do so. The FY2000 allocation was used to award 31 TIGs to legal services programs in 27 states. Funding was awarded to establish a “virtual law office” in every county of South Carolina and to develop touch-screen kiosks—in spoken Navajo and Hopi—for remote locations on reservations in Utah, Arizona, and New Mexico. Additionally, funding was awarded in South Dakota to enable law students to provide legal intake directly from their state law school for the statewide legal services community.

Management and Administration: \$12,400,000

Only \$12,400,000, or just under 3.8 percent, of LSC’s total FY2002 requested appropriation will be allocated for Management and Administration (M&A).

With a small and efficient staff, LSC’s management ensures accountability to Congress and the taxpayers through aggressive oversight and enforcement of federal laws and other requirements. LSC management also ensures the operation of a system of competition for grants that promotes the efficient and effective delivery of high-quality legal services to low-income persons. From 1998 to 2000, LSC reviewed the configuration of the delivery of legal services in all states and promoted program collaboration and/or consolidation where it appeared those federal funds could be used more effectively.

For FY2002, LSC is seeking additional M&A funds to strengthen its capacity to ensure compliance with Congressional restrictions enacted in 1996, to monitor and improve the accuracy of its Case Services Reporting (CSR) system, and to conduct compliance investigations.

Office of Inspector General: \$2,500,000

The Office of Inspector General (OIG) seeks \$2,500,000 for FY2002, an increase of \$300,000 from the FY2001 appropriation.

The increase will fund additional audit costs, the evaluations of private attorney involvement and information technology applications, and the annual increase in OIG staff compensation. 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, the OIG oversees routine monitoring of grantee compliance with laws and regulations through Independent Public Accountant annual audits 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, public-private partnership, private attorney involvement, efficiency and effectiveness, and accountability to taxpayers.

! Local Control. The governing bodies of independent, locally incorporated legal services programs make decisions regarding the allocation of legal services, the majority of whose members are appointed by their 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.

! Public-Private Partnership. Local programs build upon their grants from LSC with funding from additional sources. In 1999, local programs received approximately \$300 million from state and local governments, the private bar, IOLTA, United Way, other charitable organizations, grants from foundations and corporations, and other federal agencies.

! Private Attorney Involvement. Local programs also encourage *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 2000, more than 100,000 lawyers were formally registered to participate in such activities. LSC-funded programs provided 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 small percentage (approximately 17 percent in 1999) of LSC-funded legal activity. Instead, legal aid lawyers consistently find other, more efficient ways to solve problems for their clients.

! 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. This consensus was supported by a strong bipartisan majority in both the Senate and House of Representatives. Congress reaffirmed the federal government's commitment to provide representation for individuals facing legal problems for which they would otherwise be unable to afford an attorney.

At the same time, Congress placed a series of new limitations on activities that LSC-funded programs can engage in on behalf of their clients, even with non-LSC funds. Among them were prohibitions on class actions, collection of court-awarded attorney fees, many types of lobbying, litigation on behalf of prisoners, challenges to existing welfare law, and representation of undocumented and other categories of aliens. LSC has rigorously enforced these legal requirements. In 1998 and 1999, federal appeals courts in the Second and Ninth Circuits upheld the new congressionally passed restrictions. In March 2001, the Supreme Court struck down the restriction prohibiting legal services lawyers from challenging welfare reform in individual lawsuits for welfare benefits. The court, however, declined to review the other restrictions. Thus all of the 1996 restrictions, except the ban on welfare challenges, remain the law of the land and LSC will continue to monitor and enforce their compliance.
