



Legal Services Corporation

Fiscal Year 2009
Budget Request



LEGAL SERVICES CORPORATION

America's Partner For Equal Justice

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FISCAL YEAR 2009 BUDGET REQUEST

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Overview

America's Partner for Equal Justice

The Legal Services Corporation (LSC) is a private, nonprofit corporation established by Congress in 1974 to promote equal access to justice and to provide high-quality civil legal assistance to low-income Americans. LSC distributes more than 95 percent of its total funding to 137 independent, local legal aid programs with more than 900 offices that serve every Congressional district in the nation. LSC ensures that they operate in the manner prescribed by Congress while adhering to the highest standards of quality. At the same time, LSC encourages programs to leverage limited resources by partnering and collaborating with other supporters of civil legal aid, including state and local governments, the private bar, philanthropic foundations, and the business community.

LSC accomplishes this mission by awarding grants to legal services providers through a competitive process; overseeing program quality; monitoring compliance with statutory and regulatory requirements and restrictions that accompany LSC funding through compliance reviews and site visits; and providing training and technical assistance to its grantees.

LSC-funded programs address the most basic and critical civil legal needs of the poor by providing services such as those that:

- Help maintain the integrity of families.
- Protect victims of domestic violence.
- Keep individuals and families with children in safe and affordable housing.
- Safeguard poor consumers, especially the elderly, against predatory lenders.
- Assist individuals who qualify to obtain government benefits.

Bipartisan Support

LSC was created with broad, bipartisan support, which continues to this day. Last year, public statements of support for the Legal Services Corporation were made by Members of Congress from every part of the country and of both political parties. In the first Senate floor vote on LSC funding since 1997, a 12 percent increase for LSC passed with a 61-32 margin. Among the statements of support were:

“Recent studies have shown that the only public service that reduces domestic abuse in the long term is women’s access to legal aid.” (*Senator Harkin*)

“One of the best ways to really help fight crime is in those early interventions we can do with families. In addition to helping women and children escape abusive situations, Legal Services lawyers aid victims of predatory lending or other schemes and other scams and [victims of] unscrupulous landlords of lead-saturated houses ... Thank God for Legal Services lawyers.” (*Senator Mikulski*)

LSC distributes more than 95 percent of its total funding to 137 independent, local legal aid programs that serve every Congressional district in the nation.



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“For years the LSC has suffered from scarce funding. It’s time for Congress to provide the LSC with the financial support they need and deserve to effectively provide legal services to helpless Americans.” (*Senator Smith*)

LSC Leadership

LSC is headed by a bipartisan Board of Directors whose 11 members are appointed by the President and confirmed by the Senate. Frank B. Strickland, current Chairman, and the other nine sitting Board members were appointed by President George W. Bush. The Board has one vacancy.

The President of LSC, Helaine M. Barnett, was appointed on January 20, 2004. She came to LSC after a 37-year career at the Legal Aid Society of New York City, including nearly ten years as head of its Civil Division.



Funding Request Highlights

LSC requests an appropriation of \$471,362,000 for FY 2009, an increase of \$40,681,000 over the FY 2008 request. Again this year, more than 95 percent of the request is for basic field grants to programs that provide civil legal assistance to low-income Americans and for grants to programs to improve efficiency and effectiveness through the use of technology. LSC also continues to be guided in its request for funding by its September 2005 report, *Documenting the Justice Gap in America: The Unmet Civil Legal Needs of Low-Income Americans*. LSC's *Justice Gap Report* documents that 50 percent of low-income Americans who are eligible to receive civil legal assistance and who come to LSC-funded programs for help are turned away due to lack of adequate resources. Recent state legal needs studies and reports since the *Justice Gap Report* not only affirm the earlier findings, but show that the needs may well have been understated in the 2005 report.

The following chart compares the recommendation for FY 2009 with the FY 2008 appropriations and FY 2008 request.

Funding Request

Budget Line Item	FY 2008 Budget Request	FY 2008 Appropriation	FY 2009 Budget Request	FY09 Request v. FY08 Request
Basic Field	\$407,815,000	\$332,390,000	\$445,200,000	\$37,385,000
Technology Initiatives	\$5,000,000	\$2,100,000	\$5,000,000	\$0
Loan Repayment Assistance Program	\$1,000,000	\$500,000	\$1,000,000	\$0
Management & Administration	\$13,825,000	\$12,500,000	\$17,000,000	\$3,175,000
Office of Inspector General	\$3,041,000	\$3,000,000	\$3,162,000	\$121,000
TOTAL	\$430,681,000	\$350,490,000	\$471,362,000	\$40,681,000

50 percent of low-income Americans who are eligible to receive civil legal assistance and who come to LSC-funded programs for help are turned away due to lack of adequate resources.

LSC's request represents another 20 percent increase in Basic Field grants to fulfill our Board's plan to close the justice gap in America. The request would bring Basic Field Grants to \$445.2 million. The amount of the increase was calculated against the FY 2008 Senate-passed total for Basic Field Grants of \$371 million. This is the same methodology used over the last two years, continuing the approach initiated in 2006. While the last two years have demonstrated that it will be more than a 5-year process to close the justice gap, the progress towards the goal is very clear.

In addition to recommending \$445.2 million for Basic Field Grants, LSC requests \$5 million for Technology Initiative Grants, \$1 million to extend the pilot Loan Repayment Assistance



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Program, and \$17 million for the Management and Administration account. The Office of Inspector General requests \$3.1 million for FY 2009, and that number is included in a total recommended request of \$471.3 million.



Basic Field Programs

In keeping with its responsibility to inform Congress of what is necessary to ensure that economical and effective civil legal assistance is provided across the nation, LSC requests \$445,200,000 for basic field grants, a 20 percent increase from the proposed FY 2008 Senate mark for Basic Field Grants of \$371 million. As mentioned earlier, this is the same methodology used over the past two years, continuing the principled approach to close the justice gap initiated in 2006.

Justice Gap Report

LSC conducted an unable-to-serve study in 2005 in order to document the justice gap. LSC-funded programs recorded the number of eligible people who came to their offices that they were unable to serve. On average, only 50 percent of those who actually sought help received it. Therefore, for every person served, one is turned away. The *Justice Gap Report* illustrates that our nation falls short of meeting the need for civil legal aid among low-income Americans. Based on the findings of the *Justice Gap Report*, the Board of Directors believes that LSC needs significantly more resources to carry out its mission and come closer to fulfilling our nation's promise of equal access to justice under law.

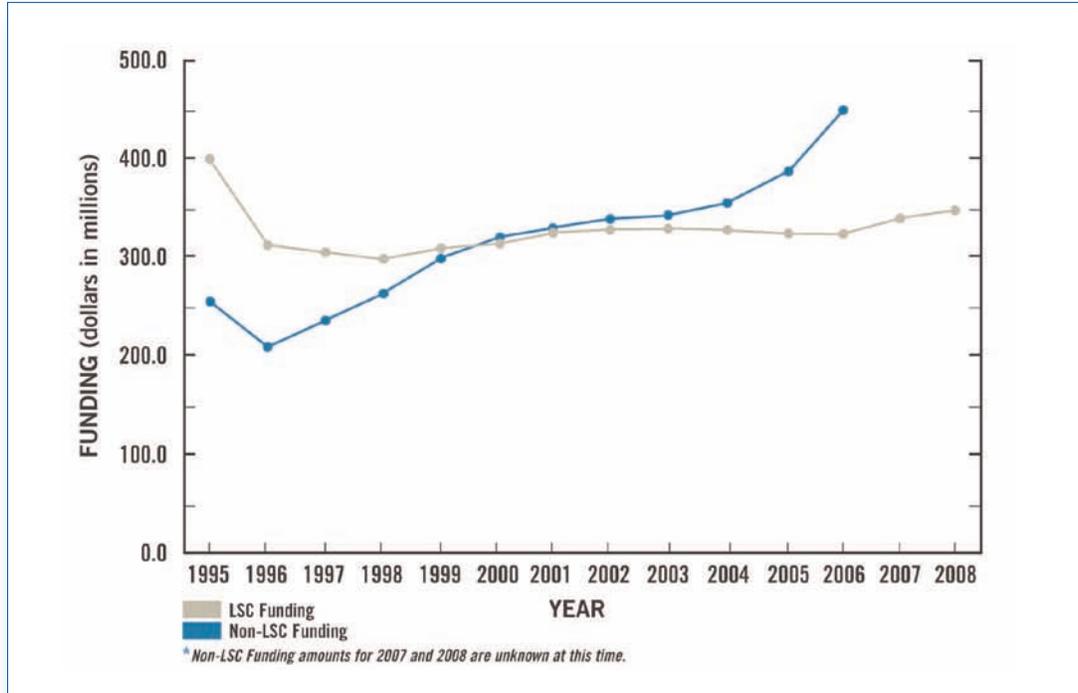
The report concluded that in order to close the justice gap, federal funding for civil legal aid to the poor would have to at least double from the 2005 level just to serve those who actually sought help and were eligible to receive it. In addition to the doubling of federal funds, other sources of funding such as state, local and private funding would also have to double. Currently, federal funds represent 42 percent of the total resources LSC grantees receive. As the chart on page 6 illustrates, non-LSC funds have been increasing dramatically while LSC funds have remained relatively stagnant.

Recognizing the political and fiscal realities, the Board of Directors has elected to spread the request for increases of federal funding over five years in increments of 20 percent per year. For the past two years, the Board's request for a 20 percent increase in basic field funding has been grounded in the findings of the *Justice Gap Report*. In FY 2007, the Congress appropriated a 7 percent increase, or \$330.8 million in basic field grants. This outcome, a product of broad, bipartisan support, was the Corporation's first increase in 4 years. While the FY 2008 appropriations process offered hope of additional increases in basic field funding, with the House passing an appropriation of \$377 million and the Senate passing \$390 million, the final omnibus appropriations bill only resulted in a one-half of one percent increase over 2007. We still have a long way to go to closing the justice gap and ensuring more low-income Americans get crucial civil legal assistance. With the rising costs of operating expenses and inflation, significant funding increases are needed by LSC grantees. If LSC's funding had just kept pace with inflation with its FY 1980 funding levels, LSC would be receiving \$765 million today.

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LSC & Non-LSC Funding 1995-2008*



State Studies Support Findings of Justice Gap Report

Since the release of the *Justice Gap Report*, other state studies and reports have affirmed the findings and found that the unmet need for civil legal assistance is actually higher than 50 percent. In fact, these studies documented that the actual number not served is likely much higher. For example:

- **Wisconsin**, where 80 percent of poor households facing a legal problem do so without an attorney.¹
- **California**, where more than 66 percent of the legal services needs of low-income Californians is unmet.²
- **Nebraska**, where 86 percent of eligible clients with a legal problem are unable to receive help from Legal Aid of Nebraska.³
- **Utah**, where 87 percent of poor households facing a legal problem do so without an attorney.⁴
- **New Mexico**, where more than 80 percent of the legal needs of low-income New Mexicans are unmet.⁵

¹ *Bridging the Justice Gap: Wisconsin's Unmet Legal Needs*, State Bar of Wisconsin Access to Justice Committee, March 2007.

² California Commission on Access to Justice, March 2007.

³ *State Needs Assessment*, Legal Aid of Nebraska, February 15, 2007.

⁴ *The Justice Gap: The Unmet Legal Needs of Low-Income Utahans*, Utah Legal Services, January 31, 2007.

⁵ *New Mexico Commission on Access to Justice Report to the Supreme Court of New Mexico*, March, 2006.



- In another related study, it has been shown that in **New Jersey**, 99 percent of defendants in housing eviction cases go to court without a lawyer.⁶

Increased Demand for Services

In addition to the fact that there is simply insufficient funding to meet the basic civil legal needs of low-income Americans, a national epidemic of domestic violence, recent crises in the mortgage and housing industries, and the ongoing impact of natural disasters have created a new urgency for civil legal assistance and made additional demands on many already strained basic field programs.

Legal Services Significantly Reduces Domestic Violence

Domestic violence continues to be documented as a rising national epidemic that has heightened incidence and effect in low-income communities. Reports show that nationally, one third of all women will be a victim of domestic violence in their lifetime and 50 to 60 percent of women on Temporary Assistance to Needy Families have experienced physical abuse by an intimate partner.⁷

Domestic violence is a serious problem with significant social costs. Studies show higher rates of abuse in lower-income households. Based on research by two economists, “the only public service that reduces domestic abuse in the long term is women’s access to legal aid.”⁸ The study found that while shelters, hotlines, safe homes, counseling and emergency transportation services provide short-term value at the point of crisis, legal services provide real, tangible, long-run economic help. Legal services help women with critical matters such as protective orders, custody, and child support. In fact, more than 40 percent of all cases handled by LSC-funded programs involve family law issues such as domestic violence.

Based on research by two economists, “the only public service that reduces domestic abuse in the long term is women’s access to legal aid.”

America’s Foreclosure Crisis Increasing Burden on Legal Aid Programs

Foreclosures are on the rise across the country. According to RealtyTrac, a real estate company which tracks nationwide foreclosure statistics, 1.7 million homes went into foreclosure from January to October in 2007, double the number in 2006. With record level increases in the rate of foreclosures across the nation, little attention has been spent on the impact on the poor and on the workload of legal services programs. However, it is becoming evident that clients of LSC-funded programs—the elderly and renters in particular—are losing or are in fear of losing their homes along with everyone else.

Legal aid attorneys, credit counselors and realtors agree with the national assessment that much of the recent housing fallout is the result of adjustable-rate mortgages and some predatory lending practices.

According to recent studies, people living in poor neighborhoods are hit hardest by the current foreclosure crisis and are increasingly becoming the victims of mortgage lenders offering refinancing that put owners into unmanageable debt programs, causing them to ultimately

⁶ *People Without Lawyers: The Continuing Justice Gap in New Jersey*, Legal Services of New Jersey, October 2006.

⁷ *With Sufficient Legal Services, Domestic Victims Break Cycle of Abuse*, Jean Crowe, Tennessee.com, June, 2007.

⁸ *Explaining The Recent Decline In Domestic Violence*, Amy Farmer, Jill Tiefenthaler, Oxford University Press, 2003.



lose their homes. The study found that a disproportionate number of subprime loans have been offered to minority homeowners in poor, disadvantaged neighborhoods.⁹

Impact on Renters and Senior Citizens

Most people do not realize that low-income families in apartments are being hurt by the mortgage crisis, but renters and senior citizens with fixed incomes are actually the most vulnerable. Across the country, a rising number of landlords are having their properties foreclosed and their tenants being forced out of their homes. Nationwide, an estimated one in seven foreclosures are for non-owner occupied buildings, which means that an increasing number of renters are being evicted. People with leases are being told they have to leave because their landlords have fallen behind on the mortgage and face foreclosure proceedings, causing an increase in homelessness across the nation. Furthermore, landlords who fall behind on mortgage payments often stop spending on maintenance well before the actual foreclosure. Also, utilities paid by the landlord are sometimes cut off after the foreclosure, either because the new owner is not aware the bills need to be paid, or to encourage tenants to leave.

The study found that a disproportionate number of subprime loans have been offered to minority homeowners in poor, disadvantaged neighborhoods.

Many of the new property owners are specialized investment trusts that buy troubled loans with the intention of foreclosing, evicting and then reselling the property. Several factors make poor tenants particularly vulnerable in this transition: unwritten month to month leases, no receipts from rent or security deposits, Section 8 assistance requirements falling through the cracks, and little bargaining power for new contracts.

Impact on LSC-funded Programs

More and more, low-income Americans facing foreclosure or evictions as a result of foreclosures are turning to legal services programs for assistance, which are already burdened with their normal caseloads. Without additional funding, these programs will be unable to meet the new demand for their services. Experts have said that the only meaningful way to help families save their homes is to help them get access to quality legal assistance. While LSC grantees across the nation are seeing an increasing number of people seeking assistance with foreclosure cases, below are some examples of the burden on specific states.

Rhode Island's legal services is inundated with cases of evicted tenants. Rhode Island Legal Services used to have a foreclosure case once every four or five months, but are seeing them on a daily basis now. More than 800 properties were repossessed by banks through foreclosure from January to June in 2007. That's an increase of 380 percent from the previous year.¹⁰

Tennessee: Legal Aid Society of Middle Tennessee once received 10 to 12 calls a month about foreclosure rescue scams, now the office gets more than 5 to 10 a week. Studies show that foreclosures in the Nashville area increased 43 percent over the same period a year ago.¹¹

Georgia: Atlanta Legal Aid has seen an increasing number of foreclosure cases in 2007 and expects to see a rise in predatory lending cases over the next few years.

⁹ NYU's Furman Center for Real Estate and Urban Policy, October 2007.

¹⁰ Providence Journal, "Renters Increasingly Caught Up in Foreclosure Crisis," November 25, 2007.

¹¹ The Tennessean, "Foreclosures Inspire Surge in Home-Rescue Scams," December 7, 2007.



Massachusetts: The state is one of the hardest-hit states in the country. The number of homes with foreclosure filings surged more than twelvefold during one year.¹² This represents an 85 percent increase from last year. The largest number of foreclosures per capita in the state has been in the densely populated, largely Latino and overwhelmingly poor communities where more than half of the residents live below the poverty level.

Missouri: In 2007, the state had an increase in foreclosures of more than a 130 percent over the previous year. Over the first six months of 2007, Missouri had one foreclosure for every 184 households. In August of 2007, one of every 842 households faced foreclosure filings. Legal Aid of Western Missouri has seen a 130 percent increase in foreclosure counseling.

Kentucky: Legal aid programs in the state have experienced a major increase in calls regarding subprime loans in the past six months. One program director said the calls have at least doubled.

North Carolina: Legal Aid of North Carolina has experienced a 1000 percent increase in foreclosure cases over the past few years. Three years ago, the program established a foreclosure prevention project. The project found that 95 percent of the current foreclosure cases have a predatory aspect. The project proved that legal aid lawyers are instrumental to victims of the foreclosure crisis.

Texas: The Texas RioGrande Legal Aid program said they have seen a 16 percent increase in foreclosure related cases from April to October 2007.

Natural Disasters Significantly Impact Demand for Legal Services

Long after the initial devastation of a national disaster, victims continue to turn to legal aid lawyers for help rebuilding their lives. LSC-funded legal aid programs are an integral part of the recovery process. The challenges of addressing this increased demand are made more difficult by the fact that programs do not have adequate resources. Two and half years after Hurricane Katrina, LSC grantees are continuing to help people with the loss of their homes, jobs and healthcare benefits. Many of these clients continue to need assistance with:

- Resolution of landlord-tenant issues such as challenges to rent-gouging by unscrupulous landlords and disputes about rental housing repairs.
- Legal issues related to temporary housing in mobile homes.
- Home repair and contractor disputes.
- Consumer fraud issues that run the gamut from problems with individual small appliances to major insurance disputes.
- Health problems arising from the clean-up of homes and other environmental challenges.
- Increased family law issues, including child abuse and domestic violence from disaster-related distress.

¹² Washington Post, "Foreclosure Filings Soar in 3Q," November 1, 2007.



Since the hurricanes of 2005, other recent natural disasters, such as the California fires and the Midwest and Northwest floods, have increased the demand for services from the local legal services programs in those regions. The added request for assistance in addition to the programs' normal caseloads has put significant strain on their ability to provide assistance.

Impact of Funding on Client Services

LSC has historically relied on the Case Services Reporting System to measure its progress in serving the civil legal needs of the poor. LSC grantees close nearly 900,000 cases a year. As mentioned above, LSC received a funding increase of \$22 million in FY 2007, the first since FY 2003 and the largest since 1995 when the Corporation was funded at \$400 million. From 2003 to 2006, LSC's funding was reduced by \$10 million due to across-the-board cuts not directed specifically at LSC. As a result of these budget cuts, more low-income Americans went without legal assistance. An increase in federal funds is crucial for LSC grantees to help more eligible low-income people with their pressing civil legal problems.

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Due in part to the findings of the *Justice Gap Report*, Congress appropriated a 7 percent increase for basic field grants for FY 2007. While the actual data on the impact of the funding increase will not be available until the spring of 2008, the Corporation is confident that the increased funds will help serve more low-income individuals and families. It is difficult to quantify with precision the number of additional clients who will be served for the following reasons.

Lost Ground: Federal funds provided to LSC-funded programs steadily declined for 4 years. The increase in FY 2007 has helped local programs regain some of the ground lost and address pressing infrastructure needs.

Compensation: Legal service lawyers continue to be among the lowest-paid members of the legal profession, both in private and public sectors. Last year, the average starting salary of a legal aid lawyer was \$37,000. As demonstrated by recent studies by the State of Illinois and the National Legal Aid and Defender Association, this compensation gap is a major factor contributing to alarmingly high turnover rates with a resulting loss of experience and increased training costs. The studies conclude that increasing attorney salaries is vital to recruiting and retaining qualified staff capable of delivering high-quality services to clients.

Moving Target: The justice gap remains a moving target. While the percentage of our population living in poverty has dipped slightly, the number of poor people is increasing, thereby increasing the number of potential clients seeking assistance from legal services programs. Furthermore, disasters such as 9/11, Hurricane Katrina, the current foreclosure crisis, and the California fires have increased demand for services and the number of people eligible for services. These events contribute to widening the justice gap.

Progress: Despite these uncertainties, LSC strongly believes that the 2007 increase is a meaningful start towards our goal of narrowing the justice gap. We believe that significant increases



in LSC funding would permit more eligible clients to be served. Because the unmet civil legal needs are so great, any meaningful increase in funding will produce a significant increase in clients served.

This year LSC is producing an “Other Services Report” that more accurately reflects important preventative services provided by LSC grantees. It will serve as an additional baseline to judge services rendered to low-income persons. This report will better track services such as:

- Community Legal Education services.
- *Pro Se* or self-help assistance.
- Referrals to other civil legal services providers, private bar, social services providers and others.
- Mediation and alternative dispute resolution services not included in case service statistics.

We are confident that the number of people assisted with these services will significantly rise with increased funding. Some highlights in 2006 include:

- More than half a million people participated in community education workshops and clinics held by LSC grantees.
- More than 1.7 million legal education brochures were distributed nationwide.
- More than 2 million self-help materials (legal forms and documents) were viewed on LSC grantee websites.
- Approximately 144,000 people were assisted at courthouse help desks.
- More than 800,000 people were referred to other service providers in the legal and public service communities.

Use of Funds—Program Data

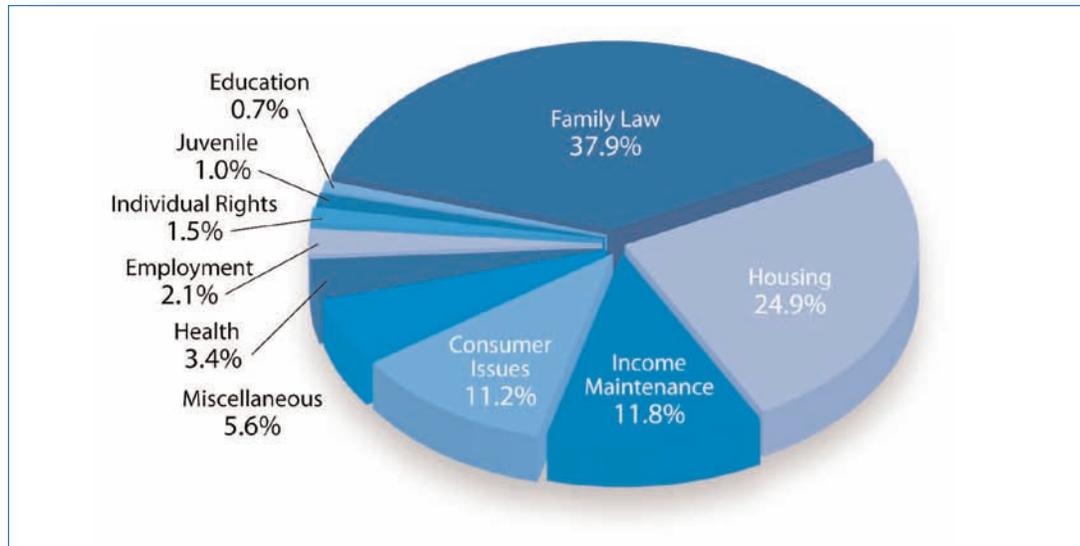
In keeping with its mission to provide high-quality civil legal services to low-income individuals and families across the nation and in U.S. territories, LSC expends more than 95 percent of its total budget for grants to legal aid programs. Nearly 50 million Americans—17 percent of the total population—are financially eligible for LSC-funded legal services, defined as those individuals and families earning less than 125 percent of the federal poverty level. For a family of four, this translates to nearly \$26,000 a year.

In 2006, LSC-funded programs closed nearly 900,000 cases. Most cases were resolved without going to court. Ten percent were closed by private attorneys representing clients of LSC-funded programs. By LSC policy, LSC grantees are required to spend at least 12.5 percent of their basic field grants to utilizing private attorneys, usually on a *pro bono* basis, to represent clients.



While LSC-funded programs provide a wide range of civil legal services to their clients, the majority of the cases handled involve family law, housing, and income maintenance matters. Three out of four clients, or 74 percent of the people served by LSC grantees, are women, many of whom are mothers struggling to keep their children safe and their families together. Overall, the client population is as diverse as our nation, encompassing all races, ethnic groups, and ages, including the working poor, veterans, single parents, farmers, people with disabilities, victims of domestic violence, the elderly, and victims of natural disasters.

2006 LSC Legal Issues Addressed



Three out of four clients, or 74 percent of the people served by LSC grantees, are women, many of whom are mothers struggling to keep their children safe and their families together.

LSC-funded programs are committed to serving the most basic civil legal needs of the poor. The types of cases most frequently encountered involve:

- **Family Law:** Nearly 38 percent of cases addressed helping victims of domestic violence obtain restraining orders, helping parents obtain and keep custody of their children, helping family members obtain guardianship for children without parents, and other family law matters.
- **Housing:** Almost 25 percent of cases concerned helping to resolve landlord-tenant disputes, helping people maintain federal housing subsidies when appropriate, helping people maintain home ownership, preventing foreclosures, and other housing matters.
- **Income Maintenance:** Just less than 12 percent of cases involved helping working Americans obtain promised compensation from private employers, helping people obtain and retain government benefits such as disability benefits to which they are entitled.
- **Consumer Issues:** More than eleven percent of cases involved protecting the elderly and other vulnerable groups from being victimized by unscrupulous lenders, helping people file for bankruptcy when appropriate, helping people manage their debts, and other consumer issues.



Technology Initiative Grants Program

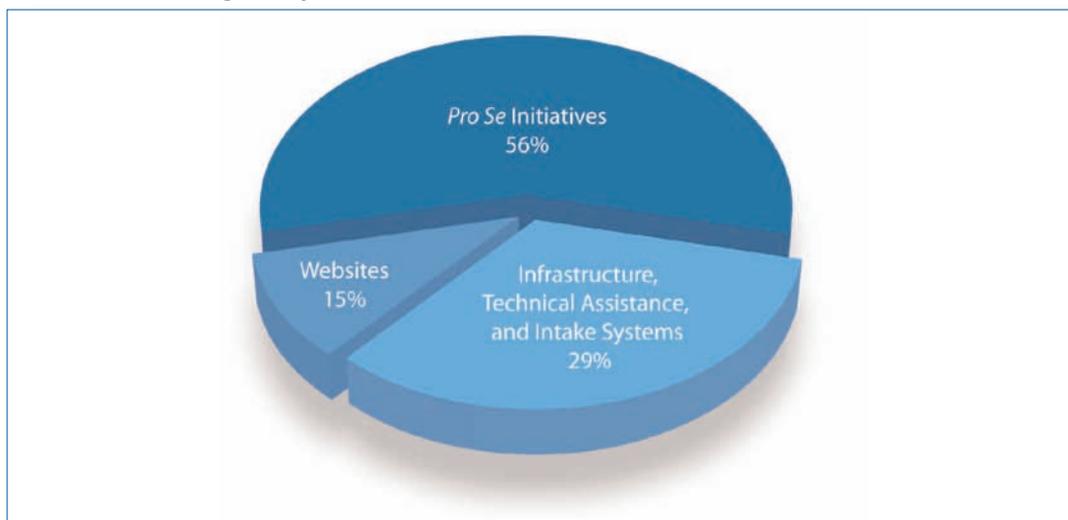
LSC requests \$5,000,000 for its Technology Initiative Grants (TIG) program for FY 2009, the same amount requested for FY 2008. Since 2000, LSC's TIG program has awarded over \$27 million in grants to fund innovative technology projects that improve services to clients, enhance efficiency at LSC-funded programs, and increase access to information. The TIG program ensures efficient use of federal dollars by funding projects that can be easily replicated throughout the country and provides clients with the tools and information they need to help themselves.

The \$5 million requested for TIG in FY 2009 would enable LSC to improve existing successful projects by expanding:

- **Pro bono and pro se assistance:** Statewide legal services websites will be furnished with more information, forms, and document-assembly tools, and client-friendly voice and video tools will be enhanced.
- **I-CAN! tax-filing module:** A greater number of low-wage workers will be able to secure the tax refunds and credits to which they are entitled.
- **Centralized intake systems:** Existing systems will be enhanced and new systems will be developed.
- **Service to clients in remote areas:** More clients who are unable to travel to the offices of LSC-funded programs will be able to tap into LiveHelp, a web-based system pilot-tested in Iowa and Montana this past year that provides real-time legal assistance via "chat windows."
- **Partnerships and outreach:** LSC-funded programs will encourage the use of TIG-developed tools wherever Internet access is available—for example, on computers in libraries, schools, and community centers.

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2007 TIG Funding—Project Area





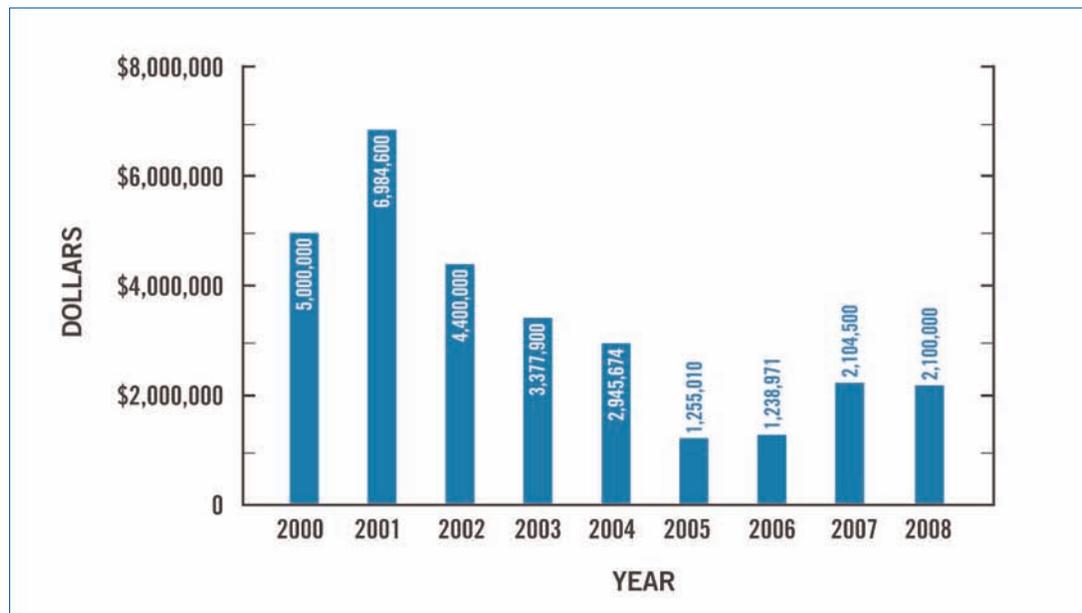
In 2007, LSC awarded 38 grants—totaling \$2.4 million—to projects in 25 states and the territory of Micronesia. The total includes \$321,000 in matching funds from the State Justice Institute to support TIG projects that emphasize *pro se* assistance and coordination with state courts. LSC expects to continue this partnership in FY 2009. More than 60 percent of the FY 2007 grant money was used to help *pro se* litigants—people who represent themselves in court proceedings—in nine states: Georgia, Idaho, Iowa, Kentucky, Maine, New York, Ohio, Washington, and West Virginia.

One example of a successful *pro se* project is a user-friendly, web-based program called A2J (“Access to Justice”), which asks questions in plain English, compiles the answers, and enters them in legal forms that are customized to meet state requirements using another program called HotDocs. *Pro se* litigants, legal services advocates and *pro bono* lawyers have used A2J and HotDocs to generate more than 128,000 legal documents from January 1, 2005 through September 30, 2007—and the number continues to grow.

TIG funding will also increase access to assistance in filing earned income tax credit (EITC) applications for low-income workers. EITC is the largest federal income supplement program; it means real dollars put back into the pockets of low-income workers. Many eligible low-income people fail to utilize it either because they do not know they are eligible or because they do not know how to apply for the benefit. These dollars make a significant difference to low-income families and can substantially improve a family’s resources.

Through a grant to the Legal Aid Society of Orange County there will be a national 800 number that will lead tax filers to free local tax filing assistance programs.

TIG Funding FY2000-FY2008





Loan Repayment Assistance Program

LSC requests \$1,000,000 to continue its pilot Loan Repayment Assistance Program (LRAP), the same amount requested in FY 2008. In the FY 2008 Omnibus appropriations bill, Congress appropriated \$500,000 to LSC's loan repayment pilot program.

LSC's pilot LRAP seeks to improve the recruitment and retention of high-quality attorneys at LSC-funded programs by helping alleviate the crushing debt burdens of recent law school graduates, which often prevent them from being able to afford a legal aid career. Law school graduates have an average educational debt load of \$86,378.¹³ Meanwhile, LSC-funded programs provide the lowest starting salaries in the legal field. A first-year staff attorney at an LSC-funded program can expect to make \$37,000 a year on average,¹⁴ compared with a median starting salary of \$43,300 to \$46,374 as a public defender or prosecutor,¹⁵ or \$113,000 for a lawyer at a private firm.¹⁶

\$86,378	Median educational debt load of graduating law school students
\$113,000	Median starting salary for first-year associates at private firms
\$46,374	Median starting salary for state prosecuting attorneys
\$43,300	Median starting salary for public defenders
\$37,000	Average starting salary for attorneys at LSC-funded programs

Source: American Bar Association, National Association for Law Placement, LSC

LSC-funded programs provide the lowest starting salaries in the legal field. A first-year staff attorney at an LSC-funded program can expect to make \$37,000 a year on average.

An additional \$1 million would allow LSC to extend its three-year pilot program which is scheduled to end in FY 2008. Seventy attorneys from 24 LSC-funded programs have participated in the program thus far, ranging from new recruits to attorneys with up to three years of service. Continued funding will enable LSC to help more attorneys and provide a larger pool to evaluate the impact on the ability of civil legal assistance programs to recruit and retain attorneys.

LSC's evaluation of the pilot program's first year has found that:

- Many participants in the program will require decades to pay off their debts.
- Law school debts, combined with low salaries at legal aid programs, severely restrict attorneys' employment options, financial well-being, ability to plan and save for the future, and plans to have families.

¹³ "Lifting the Burden: Law Student Debt as a Barrier to Public Service." American Bar Association Commission on Loan Repayment and Forgiveness. 2003.

<http://www.abanet.org/legalservices/sclaid/lrap/downloads/lrapfinalreport.pdf>

¹⁴ "LSC Unveils Pilot Loan Repayment Assistance Program." Legal Services Corporation. May 17, 2005.

http://www.lsc.gov/press/pr_detail_T7_R10.php

¹⁵ "NALP Publishes New Report on Salaries for Public Sector and Public Interest Attorneys." National Association for Law Placement. September 1, 2006. <http://www.nalp.org/press/details.php?id=63>

¹⁶ "Salaries at large firms continue to rise rapidly." National Association for Law Placement. September 14, 2007.



- Loan repayment assistance substantially enhances attorneys' ability to work in legal services, and gives programs great ability to recruit and retain staff.
- Participants in the program report that an LRAP significantly increases the likelihood that they will stay with their program.
- Financial pressure will force many attorneys to leave their legal services programs, even though they are strongly committed to the mission and highly satisfied with their work.

Last year, Congress and the President took steps to address the issue of educational debt on legal aid lawyers when they approved the College Cost Reduction Act. The new measure includes provisions for "income-based repayment (IBR)" options for federal educational debt for public interest lawyers and many others embarked on long-term public service careers.

Additionally, the Senate unanimously approved the Higher Education Act of 2007, which includes a provision to create a program administered by the Department of Education to provide loan repayment assistance to civil legal aid attorneys. This same provision has been included in the House of Representatives version of the bill, which is expected to pass in 2008.

While the impact of this new legislation has yet to be seen, the severity of the recruitment and retention crisis at legal aid programs requires a concerted effort by a variety of actors—Congress, LSC, bar associations, law schools—to address the problem. LSC's pilot Loan Repayment Assistance Program is vitally important to mitigating this problem in the short-term.

The severity of the recruitment and retention crisis at legal aid programs requires a concerted effort by a variety of actors—Congress, LSC, bar associations, law schools—to address the problem.



Management & Administration

LSC requests \$17,000,000 for Management and Administration for FY 2009. This represents a 3.8 percent administrative cost compared to the total request, slightly below the 3.9 percent average for fiscal years 2005-2007. LSC Management remains committed to keeping the administrative costs of the Corporation to less than 4 percent of the budget. The increase for FY 2009 is necessary in light of recent Government Accountability Office recommendations to strengthen and update governance and management practices and policies at the Corporation. The additional resources will be used to expand LSC's oversight of grantee compliance with regulations and congressional restrictions and to help enhance the quality of grantee services.

Quality Agenda

The overall goal of the LSC Quality Agenda is to improve the delivery of legal services nationwide. To help programs increase efficiency and enhance effectiveness, LSC provides technical assistance and training, identifies and shares innovative practices that can be used more widely, and serves as a clearinghouse for "best practices." LSC also develops strategies for improving the legal services delivery system as a whole.

Revised CSR Handbook

In 2007, LSC updated the Case Service Reporting System (CSR) and its accompanying handbook to ensure that LSC-funded programs provide consistent data that accurately reflects the nature and scope of their work. The revised CSR Handbook, which became effective January 1, 2008, updates and clarifies the standards for reporting a CSR case, the requirements for documentation to support each case, and the categories for Case Closure and Legal Problems under which CSR cases are reported.

LSC has conducted 22 training sessions around the country for LSC-funded program staff regarding the new CSR handbook.

Private Attorney Involvement Initiative

Following a year-long exploration of the *pro bono* contributions by the private bar to the delivery of legal services for low-income people, the LSC Board of Directors adopted a resolution in support of enhanced private attorney involvement (PAI) with LSC-funded programs on April 28, 2007. The resolution is intended to encourage LSC grantees to develop strategies to increase the recruitment and utilization of private attorneys in offering civil legal assistance to the poor.

LSC is encouraging all program Boards of Directors to adopt *pro bono* resolutions modeled after the one adopted by LSC's Board in April 2007. Grantees and their governing boards have responded very favorably to the resolution. As of this time, the boards of 74 grantees have adopted similar resolutions. Urging programs to adopt local resolutions is a key element of

The additional resources will be used to expand LSC's oversight of grantee compliance with regulations and congressional restrictions and to help enhance the quality of grantee services.



LSC's private attorney involvement action plan, entitled "*Help Close the Justice Gap, Unleash the Power of Pro Bono.*"

Program Oversight

LSC regularly visits grant recipients to assess performance and ensure compliance with the Legal Services Corporation Act, LSC regulations, and congressional restrictions included in the 1996 appropriations act and subsequent legislation.

Two LSC offices conduct program oversight activities: the Office of Program Performance (OPP) and the Office of Compliance and Enforcement (OCE). In 2007:

- OPP conducted on-site visits to 54 programs in: Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, District of Columbia, Idaho, Iowa, Kansas, Kentucky, Florida, Louisiana, Maryland, Minnesota, Mississippi, Missouri, New Hampshire, New Jersey, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Virginia, Washington, Wisconsin, Wyoming, Virgin Islands, and American Samoa.
- OCE conducted on-site compliance reviews of 23 programs in: Alabama, Arkansas, California, Colorado, Florida, Georgia, Iowa, Louisiana, Maryland, Massachusetts, Mississippi, Nevada, New Jersey, Ohio, Pennsylvania, Tennessee, Texas, Washington, West Virginia, Wisconsin, Virgin Islands, and American Samoa.

With a focus on quality, OPP examines program operations including priorities, intake systems, managing and supervising legal work, governance, private attorney involvement, resource development, and strategic planning. After program visits, OPP provides feedback that includes findings and recommendations, and follows up periodically.

To ensure compliance with the laws and regulations that govern the operations of LSC-funded programs, OCE conducts on-site compliance reviews, requires prior approval for certain expenditures and activities, and performs training. After reviewing a program, OCE provides a written report that details findings, required corrective actions, and recommendations. OCE also addresses complaints and investigates and responds to audit findings referred by the Office of Inspector General.

With the increase for M&A in fiscal year 2009, LSC expects to significantly expand the resources dedicated to monitoring LSC grantees for compliance with Congressional restrictions and LSC regulations, as well as expand the staff dedicated to improving the quality of the programs offered by LSC grantees.

Grants Competition

Recipients of LSC grants are chosen through a competitive process. In 2007, LSC distributed \$330.8 million in field grants to 138 programs. Special conditions were attached to 12 field grants. Two programs began the year with limited field grants: U'unai Legal Services Clinic in American Samoa and California Rural Legal Assistance. In March, LSC terminated funding for U'unai Legal Services Clinic and continued funding California Rural Legal



Assistance on month-to-month funding with special conditions pending resolution of a current investigation. Following established procedures, LSC is investigating and closely monitoring the program's performance.

2008 Competitive Grants: LSC received grant proposals for all of the service areas in competition. In December 2007, grants were awarded for every service area except two, American Samoa and Northern Virginia, which are being re-competed.

Both the Office of Program Performance and Office of Compliance and Enforcement staff are involved in the competition process. The 2008 grants were the first to use the revised Grant Assurances approved by the Board at the July 2007 meeting.

GAO Reports

The Government Accountability Office has issued two reports, one in September 2007 entitled, *Legal Services Corporation Governance and Accountability Practices Need To Be Modernized and Strengthened* and another in January 2008 entitled, *Legal Services Corporation—Improved Internal Controls Needed in Grants Management and Oversight*. Following the release of these reports, LSC President Helaine M. Barnett and Board Chairman Frank B. Strickland issued statements fully embracing the recommendations with regard to both governance and grants management and committed to moving diligently to implement them.

Since the release of the GAO report on LSC's governance and accountability practices, LSC management has:

- Presented its recommendation to the Board to continue the use of the Government Accounting Standards Board (GASB) guidelines after analyzing the Financial Accounting Standards Board (FASB) standards as a possible alternative. The Board of Directors unanimously approved management's recommendation at its October 2007 meeting.
- Completed the first phase of the Continuity of Operations Plan, including emergency evacuation, internal and public communications following a disaster, and an emergency computer backup plan. The plan will be disseminated to all LSC staff and training will begin shortly.
- Completed a comprehensive draft Code of Ethics and Conduct for employees and officers of the Corporation, including conflict of interest policies and procedures. The draft code was reviewed by the Board at their January 2008 meeting, and approval is expected prior to the Board meeting in April 2008.
- Remained committed to establishing a formal risk management program at the Corporation. In 2008, management and the Board will begin to consider steps necessary to adopt a program commensurate with the size and budget of LSC.

The Board of Directors began discussions on GAO's recommendations at its October 2007 meeting and is evaluating whether to incorporate audit and compensation functions within



existing committees or to establish new committees for those purposes. The Board has had regular updates from management on compensation, personnel policy, compliance, and financial issues. In addition, the Board directed the Office of Inspector General to deliver the 2007 audit report from LSC's independent public accountant prior to January 1 (last year it was delivered in April). Discussions on the remaining GAO recommendations are slated for the January Board meeting with implementation expected in 2008. The recommendations include:

- Orientation for new members to familiarize them both with LSC's programmatic roles and on governance and accountability.
- Assigning audit and compensation oversight duties to a specific committee.
- Formalizing the functions of Board committees by adopting charters for them.
- Consideration of adopting a formal means by which the Board can evaluate its collective performance and the performance of individual members.
- Working with management as appropriate on any risk management program, internal controls, and financial reporting.

With the recent release of GAO's report on LSC's grants management and oversight, the LSC Board has committed to review and clarify the responsibilities for grantee oversight and monitoring among the Office of Compliance and Enforcement, the Office of Program Performance, the Office of Inspector General (OIG), and independent public accountants (IPAs). The allegations of improper uses of grant funds in the report have been referred to the OIG for follow up. LSC Management has also committed to:

- Review and improve its oversight policies and procedures.
- Improve coordination among the three offices.
- Assess the risk-based criteria used to select grantees for on-site visits.
- Update its written procedures for fiscal compliance reviews of grantees.

The Board of Directors at its January 2008 meeting appointed an *ad hoc* committee to work with LSC management and the OIG to implement the recommendations of the GAO reports. It is clear that the Board is taking these matters very seriously and is giving its highest priority to accomplish all the recommendations with speed and diligence.



Office of Inspector General

LSC requests \$3,162,000 for the Office of Inspector General (OIG) for FY 2009. This amount represents less than one percent of LSC's total budget request. The request is an increase of \$162,000 from the FY 2008 appropriation level. LSC believes this increase is necessary for the OIG to perform the Inspector General mission and important compliance monitoring oversight duties assigned to the OIG by the Congress. The OIG will require the modest increase in the appropriation to fund requisite annual salary adjustments for its current complement of 23 full time staff positions and to keep pace with inflation. The requested funding will enable the OIG to perform its audit, investigative, and compliance monitoring missions.

The OIG contributes to LSC's success in fulfilling its missions by providing objective information to promote economy and efficiency and good management, decision-making, and accountability. The OIG operates under the Inspector General Act, independent from LSC Management. The OIG is funded by Congress through a separate budget line to ensure its independence and effectiveness. The OIG's principal missions, like all other federal OIGs, are to assist in identifying ways to promote economy, efficiency and effectiveness of the Corporation's programs and operations; to prevent and detect fraud, waste and abuse; and to keep the Board of Directors and the Congress fully and currently informed about problems relating to the activities and operations of LSC and its grant recipients and the progress of corrective actions. In addition to the missions shared by all OIGs, the LSC OIG has a direct role in monitoring grant recipient compliance with legal requirements as required by the Congress. The OIG oversees and provides guidance to the Independent Public Accountants (IPAs) that conduct the annual financial and compliance audits of LSC grant recipients. The OIG also conducts on-site compliance investigations and other reviews of LSC grantees.

During FY 2007 the OIG performed a variety of audits, investigations, and other reviews in carrying out its Inspector General missions. The OIG completed the audit of LSC's Office of Program Performance, the reviews of all LSC grant recipient audit reports, performed audit quality reviews of selected grantees' audits, and conducted investigations related to compliance, theft or embezzlement of grant funds. Significant findings were referred to LSC management for resolution, including evidence developed in an OIG investigation at a grant recipient that raised serious program management concerns. The OIG investigative findings contributed to LSC management's decision to terminate funding to the program. Additionally, the OIG continued involvement in two significant litigation efforts: seeking subpoena enforcement in a review of the legal practices of a large grant recipient, and participating in the discovery phase of a lawsuit challenging LSC's program integrity regulation. Also, in order to ensure effective coordination as required by the Inspector General Act, the OIG worked with the Government Accountability Office (GAO) in its reviews of corporate governance and grants management at LSC to avoid duplication of effort. Additionally, the OIG completed oversight of the FY 2006 LSC corporate audit, an investigation of statements



made to Congress, comments on significant LSC regulatory and policy initiatives, and worked in an advisory role on the LSC Compliance workgroup.

In August 2007, Kirt West left his position as the LSC Inspector General and the Board of Directors appointed Assistant Inspector General for Audit Ronald Merryman as the Acting Inspector General. As of January 2008, the Board of Directors is in the process of selecting the next permanent Inspector General.

FY 2009 Plan

In FY 2009, in implementing the OIG Strategic Plan for 2007-2011, the OIG will perform a risk assessment at the beginning of the fiscal year and create a detailed annual work plan in order to be a truly timely, relevant and effective resource for the Board and the Congress. Generally the OIG will prioritize the following areas of work: LSC grant recipient operations and compliance, LSC grant administration and oversight, and perform internal LSC work on an as needed basis. However, circumstances may require a reordering of OIG priorities because of unforeseen events or requests and information from the Board, the Congress, stakeholders or the public.

The OIG's annual work must include oversight of the annual audit of LSC's financial statements, operation of a national fraud, waste and abuse hotline, performing investigations of potential crimes and referral of evidence for prosecution, and review of existing and proposed legislation and regulations. The OIG reviews the audit reports on all LSC grant recipients (currently 137) produced by the IPAs annually. Each report reviews the grantee's financial condition, internal controls and compliance with mandated restrictions and prohibitions. The OIG must refer significant audit findings to LSC management, and track the progress of corrective actions.

Because the review of grant recipients' compliance with the congressionally mandated restrictions is critical to the success of LSC, the OIG will increase emphasis and visibility in the field including greater oversight of the IPAs. The OIG will work with the Board and Management to implement the GAO recommendations to improve the LSC grant recipient compliance system including fully establishing the roles and responsibilities of all parties. The OIG also will conduct financial and internal control reviews of the grant recipients. In FY09 the OIG plans to implement a risk based approach to ensure adequate review of all IPAs work on a multi-year cycle. In addition, the OIG will also have the capability to update and revise the Audit Guide and Compliance Supplement, which provides audit guidance to the IPAs and the grantees; and incorporate lessons learned. Separately, the OIG will continue to conduct its own investigations and reviews of grant recipient compliance.

Resources permitting, the OIG will review the effectiveness and cost efficiencies in the delivery of legal services to low-income persons funded by LSC grant funds and identify processes and best practices that would be beneficial to all grant recipients and eligible persons.



Appendix—FY 2009 Budget Request Tables

BUDGET REQUEST — FISCAL YEAR 2009

(dollars in thousands)

	(1)	(2)	(3)
	FY 2008 Request	FY 2008 Appropriation	FY 2009 Request
I. DELIVERY OF LEGAL ASSISTANCE	412,815	334,490	450,200
A. PROGRAM SERVICES TO CLIENTS	407,815	332,390	445,200
1. Basic Field Programs	407,815	332,390	445,200
A. Census Adjustment	-	-	-
B. Disaster Relief	-	-	-
B. TECHNOLOGY INITIATIVES	5,000	2,100	5,000
II. MANAGEMENT & ADMINISTRATION	13,825	12,500	17,000
III. LOAN REPAYMENT ASSISTANCE PROGRAM	1,000	500	1,000
IV. OFFICE OF INSPECTOR GENERAL	3,041	3,000	3,162
TOTAL	430,681	350,490	471,362



LEGAL SERVICES CORPORATION

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BUDGET IN BRIEF — FISCAL YEAR 2009

(dollars in thousands)

	2007 Budget		2008 Budget		2009 Estimate		Change from 2008 to 2009	
	Amount	Perm Posn's	Amount	Perm Posn's	Amount	Perm Posn's	Amount	Perm Posn's
I. CLIENT SERVICES	334,886	-	339,212	-	450,200	-	110,988	-
Appropriation	332,865	-	334,490	-	450,200	-	115,710	-
Funds Carried Forward from								
Previous Year	397	-	3,495	-	-	-	(3,495)	-
US Court of Veterans Appeals Funds	1,260	-	1,210	-	-	-	(1,210)	-
Funds Carried Forward from								
Previous Year	28	-	17	-	-	-	(17)	-
State Justice Project	336	-	-	-	-	-	-	-
Other Funds Available	-	-	-	-	-	-	-	-
A. PROGRAM SERVICES TO CLIENTS	332,431	-	337,102	-	445,200	-	108,098	-
Appropriation	330,761	-	332,390	-	445,200	-	112,810	-
Funds Carried Forward from								
Previous Year	382	-	3,485	-	-	-	(3,485)	-
US Court of Veterans Appeals Funds	1,260	-	1,210	-	-	-	(1,210)	-
Funds Carried Forward from								
Previous Year	28	-	17	-	-	-	(17)	-
Other Funds Available	-	-	-	-	-	-	-	-
B. TECHNOLOGY INITIATIVES	2,455	-	2,110	-	5,000	-	2,890	-
Appropriation	2,104	-	2,100	-	5,000	-	2,900	-
State Justice Project	336	-	-	-	-	-	-	-
Funds Carried Forward from								
Previous Year	15	-	10	-	-	-	(10)	-
II. MANAGEMENT & ADMINISTRATION	14,382	88	14,850	87	17,800	103	2,950	16
Appropriation	12,743	88	12,500	87	17,000	103	4,500	16
Funds Carried Forward from								
Previous Year	1,239	-	1,950	-	400	-	(1,550)	-
Other Funds Available	400	-	400	-	400	-	-	-
III. LOAN REPAYMENT ASSISTANCE PROGRAM	997	-	1,296	-	1,450	-	154	-
Appropriation	-	-	500	-	1,000	-	500	-
Funds Carried Forward from								
Previous Year	997	-	796	-	450	-	(346)	-
IV. OFFICE OF INSPECTOR GENERAL	3,354	23	3,815	23	3,662	23	(153)	-
Appropriation	2,970	23	3,000	23	3,162	23	162	-
Funds Carried Forward from								
Previous Year	384	-	815	-	500	-	(315)	-
TOTAL - REQUIREMENTS	353,619	111	359,173	110	473,112	126	113,939	16
Appropriation	348,578	111	350,490	110	471,362	126	120,872	16
Funds Carried Forward from								
Previous Year	3,017	-	7,056	-	1,350	-	(5,706)	-
US Court of Veterans Appeals Funds	1,260	-	1,210	-	-	-	(1,210)	-
Funds Carried Forward from								
Previous Year	28	-	17	-	-	-	(17)	-
State Justice Project	336	-	-	-	-	-	-	-
Other Funds Available	400	-	400	-	400	-	-	-



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APPROPRIATION REQUEST IN RELATION TO FUNDS AVAILABLE

(dollars in thousands)

	Positions	Amount
1. Total Funds Available in Fiscal Year 2008		
Appropriation, FY 2008	110	350,490
Funds Carried Forward from Previous Year		7,056
US Court of Veterans Appeals Funds		1,210
Funds Carried Forward from Previous Year		17
Other Funds Available, FY 2008		400
Total available in FY 2008	110	359,173
2. Request for Fiscal Year 2009 – Summary of Changes		
Appropriation, FY 2008	110	350,490
Adjustment to Base	16	120,872
Appropriation, FY 2009	126	471,362
3. Total Funds Available in Fiscal Year 2009		
Requested Appropriation	126	471,362
Funds Carried Forward from Previous Year		1,350
Other Funds Available		400
Total available in FY 2009	126	473,112



LEGAL SERVICES CORPORATION

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PROGRAM AND FINANCING FOR FEDERAL APPROPRIATIONS — FISCAL YEARS 2007, 2008, AND 2009

(dollars in thousands)

	2007 Actual	2008 Budget	2009 Estimate
I. CLIENT SERVICES			
A. Program Services to Clients	332,431	337,102	445,200
B. Technology Initiatives	2,455	2,110	5,000
II. MANAGEMENT & ADMINISTRATION			
	14,382	14,850	17,800
III. LOAN REPAYMENT ASSISTANCE PROGRAM			
	997	1,296	1,450
IV. OFFICE OF INSPECTOR GENERAL			
	3,354	3,815	3,662
Total program costs, funded	353,619	359,173	473,112
Change in Selected Resources:			
Funds Carried Forward from Previous Year	(3,017)	(7,056)	(1,350)
US Court of Veterans Appeals Funds	(1,260)	(1,210)	-
Funds Carried Forward from Previous Year	(28)	(17)	-
State Justice Project	(336)	-	-
Other Funds Available	(400)	(400)	(400)
Total obligations (object class 41)	348,578	350,490	471,362
Financing:			
Budget Authority (appropriation)	348,578	350,490	471,362
Relation of obligations to outlays:			
Obligations incurred, net	348,578	350,490	471,362
Obligated balance, start of year	61,323	67,001	65,950
Obligated balance, end of year	(67,001)	(65,950)	(80,500)
Outlays	342,900	351,541	456,812



LEGAL SERVICES CORPORATION

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ACTIVITIES IN BRIEF

(dollars in thousands)

	2008 Budget		2009 Base		2009 Estimate		Inc. (+) or Dec. (-) 2009 Base to 2009 Est.	
	Perm		Perm		Perm		Perm	
	Amount	Posn's	Amount	Posn's	Amount	Posn's	Amount	Posn's
I. CLIENT SERVICES								
Total	339,212		334,490		450,200		115,710	
Appropriation	334,490		334,490		450,200		115,710	
Funds Carried Forward from								
Previous Year	3,495		-		-		-	
US Court of Veterans Appeals Funds	1,210		-		-		-	
Funds Carried Forward from								
Previous Year	17		-		-		-	
Other Funds Available	-		-		-		-	
A. PROGRAM SERVICES TO CLIENTS								
Total	337,102		332,390		445,200		112,810	
Appropriation	332,390		332,390		445,200		112,810	
Funds Carried Forward from								
Previous Year	3,485		-		-		-	
US Court of Veterans Appeals Funds	1,210		-		-		-	
Funds Carried Forward from								
Previous Year	17		-		-		-	
1. Basic Field Programs								
Total	335,028		332,390		445,200		112,810	
Appropriation	332,390		332,390		445,200		112,810	
Funds Carried Forward								
from Previous Year	2,638		-		-		-	
2. Grants from Other Funds Available								
Total	847		-		-		-	
Appropriation	-		-		-		-	
Funds Carried Forward								
from Previous Year	847		-		-		-	
3. US Court of Veterans Appeals Funds								
Total	1,227		-		-		-	
Appropriation	-		-		-		-	
US Court of Veterans Appeals								
Funds	1,210		-		-		-	
Funds Carried Forward								
from Previous Year	17		-		-		-	

Fiscal Year 2009
Budget Request



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ACTIVITIES IN BRIEF

(dollars in thousands)

	2008 Budget		2009 Base		2009 Estimate		Inc. (+) or Dec. (-) 2009 Base to 2009 Est.	
	Amount	Perm Posn's	Amount	Perm Posn's	Amount	Perm Posn's	Amount	Perm Posn's
B. TECHNOLOGY INITIATIVES								
Total	2,110		2,100		5,000		2,900	
Appropriation	2,110		2,100		5,000		2,900	
Funds Carried Forward from Previous Year	10		-		-		-	
II. MANAGEMENT & ADMINISTRATION								
Total	14,850	87	13,300	87	17,800	103	4,500	16
Appropriation	12,500	87	12,500	87	17,000	103	4,500	16
Funds Carried Forward from Previous Year	1,950		400		400		-	
Other Funds Available	400		400		400		-	
III. LOAN REPAYMENT ASSISTANCE PROGRAM								
Total	1,296		950		1,450		500	-
Appropriation	500		500		1,000		500	-
Funds Carried Forward from Previous Year	796		450		450		-	
IV. OFFICE OF INSPECTOR GENERAL								
Total	3,815	23	3,815	23	3,662	23	(153)	-
Appropriation	3,000	23	3,000	23	3,162	23	162	-
Funds Carried Forward from Previous Year	815		815		500		(315)	
TOTAL	359,173	110	352,555	110	473,112	126	120,557	16
Appropriation	350,490	110	350,490	110	471,362	126	120,872	16
Funds Carried Forward from Previous Year	7,056		1,665		1,350		(315)	
US Court of Veterans Appeals Funds	1,210		-		-		-	
Funds Carried Forward from Previous Year	17		-		-		-	
Other Funds Available	400		400		400		-	



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APPROPRIATION EXPENSES BY ACTIVITY — FISCAL YEARS 2008 AND 2009

(dollars in thousands)

	2007 Funds Carried Forward to 2008		2008 Budget		2009 Base		2009 Request	
	Amount	Perm Posn's	Amount	Perm Posn's	Amount	Perm Posn's	Amount	Perm Posn's
Management & Administration	1,950		12,500	87	12,500	87	17,000	103
Funds Carried Forward from FY 2008 to FY 2009	-		-		-		400	
Other Funds Available	-		400		-		400	
Loan Repayment Asst Program	796		500		500		1,000	
Funds Carried Forward from FY 2008 to FY 2009	-		-		-		450	
Office of Inspector General	815		3,000	23	3,000	23	3,162	23
Funds Carried Forward from FY 2008 to FY 2009	-		-		-		500	
SUBTOTAL	3,561		16,400	110	16,000	110	22,912	126
Program Activities	3,495		334,490		334,490		450,200	
Funds Carried Forward from FY 2008 to FY 2009	-		-		-		-	
Veterans Appeals Funds	17		1,210		-		-	
TOTAL	7,073		352,100	110	350,490	110	473,112	126



LEGAL SERVICES CORPORATION

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MANAGEMENT AND ADMINISTRATION, & INSPECTOR GENERAL TOTAL SUMMARY — FISCAL YEARS 2008 AND 2009

(dollars in thousands)

SUMMARY TOTALS	Management & Admin., & Inspector General		Program Authorities		Totals		CHANGE
	2008	2009	2008	2009	2008	2009	
Management & Administration	14,850	17,800	-	-	14,850	17,800	2,950
Office of Inspector General	3,815	3,662	-	-	3,815	3,662	(153)
Grants and Contracts	-	-	339,212	450,200	339,212	450,200	110,988
Loan Repayment Asst. Prgm.	-	-	1,296	1,450	1,296	1,450	154
Total Expenses	18,665	21,462	340,508	451,650	359,173	473,112	113,939

Sources of Funds for the Delivery of Legal Assistance

Appropriation	334,490	450,200
Funds Carried Forward from Previous Year	3,495	-
US Court of Veterans Appeals Funds	1,210	-
Funds Carried Forward from Previous Year	17	-
Total	339,212	450,200

Sources of Funds for the Loan Repayment Assistance Program

Appropriation	500	1,000
Funds Carried Forward from Previous Year	796	450
Total	1,296	1,450

Total Sources of Funds

Appropriation	350,490	471,362
Funds Carried Forward from Previous Year	7,056	1,350
US Court of Veterans Appeals Funds	1,210	-
Funds Carried Forward from Previous Year	17	-
Other Funds Available	400	400
Total	359,173	473,112



LEGAL SERVICES CORPORATION

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MANAGEMENT AND ADMINISTRATION EXPENSES BY OBJECT CLASS — FISCAL YEARS 2008 AND 2009

(dollars in thousands)

OBJECT CLASS	Management and Administration		Program Authorities		Totals		CHANGE
	2008	2009	2008	2009	2008	2009	
Personnel Compensation	7,987	9,599	-	-	7,987	9,599	1,612
Employee Benefits	2,228	2,974	-	-	2,228	2,974	746
Other Personnel Services	64	73	-	-	64	73	9
Consulting	944	1,154	-	-	944	1,154	210
Travel and Transportation	856	1,070	-	-	856	1,070	214
Communications	151	198	-	-	151	198	47
Occupancy Costs	1,680	1,681	-	-	1,680	1,681	1
Printing and Reproduction	113	114	-	-	113	114	1
Other Operating Expenses	612	652	-	-	612	652	40
Capital Expenditures	215	285	-	-	215	285	70
Total for Management and Administration	14,850	17,800	-	-	14,850	17,800	2,950

Sources of Funds for Management and Administration

Appropriation	12,500	17,000
Funds Carried Forward from Previous Year	1,950	400
Other Funds Available	400	400
Total	14,850	17,800



LEGAL SERVICES CORPORATION

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INSPECTOR GENERAL EXPENSES BY OBJECT CLASS — FISCAL YEARS 2008 AND 2009

(dollars in thousands)

OBJECT CLASS	Office of Inspector General		Program Authorities		Totals		CHANGE
	2008	2009	2008	2009	2008	2009	
Personnel Compensation	2,432	2,459	-	-	2,432	2,459	27
Employee Benefits	662	602	-	-	662	602	(60)
Other Personnel Services	25	10	-	-	25	10	(15)
Consulting	328	319	-	-	328	319	(9)
Travel and Transportation	178	180	-	-	178	180	2
Communications	25	25	-	-	25	25	-
Occupancy Costs	1	1	-	-	1	1	-
Printing and Reproduction	4	4	-	-	4	4	-
Other Operating Expenses	62	35	-	-	62	35	(27)
Capital Expenditures	98	27	-	-	98	27	(71)
Total for Inspector General	3,815	3,662	-	-	3,815	3,662	(153)

Sources of Funds for Inspector General

Appropriation	3,000	3,162
Funds Carried Forward from Previous Year	815	500
Total	3,815	3,662



STAFF POSITIONS — FISCAL YEARS 2007, 2008, AND 2009

	2007 Budget	2008 Budget		2009 Estimate	
	Number of Positions*	Change From 2007	Number of Positions*	Change From 2008	Number of Positions*
OFFICE					
Executive Office	5	0	5	1	6
Legal Affairs	7	0	7	1	8
Government Relations / Public Affairs	6	0	6	1	7
Human Resources	5	0	5	0	5
Financial & Administrative Services	9	0	9	0	9
Information Technology	8	0	8	1	9
Program Performance	24	1	25	4	29
Information Management	7	(1)	6	0	6
Compliance & Enforcement	17	(1)	16	8	24
	88	(1)	87	16	103
Inspector General	23	0	23	0	23
TOTAL	111	(1)	110	16	126

* Full-time equivalents



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STAFF SALARIES — FISCAL YEARS 2007, 2008, AND 2009

MANAGEMENT AND ADMINISTRATION

SALARY RANGES	2007 Budget	2008 Budget		2009 Estimate	
	Number of Positions*	Change From 2007	Number of Positions*	Change From 2008	Number of Positions*
LSC BAND I \$27,960 - \$53,251	8	(3)	5	(1)	4
LSC BAND II \$46,590 - \$85,201	23	2	25	8	33
LSC BAND III \$73,952 - \$109,170	45	0	45	9	54
LSC BAND IV \$107,770 - \$128,440	7	0	7	0	7
LSC BAND V \$123,240 - \$135,420	4	0	4	0	4
Unclassified Positions	1	0	1	0	1
TOTAL	88	(1)	87	16	103

* Full-time equivalents



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STAFF SALARIES — FISCAL YEARS 2007, 2008, AND 2009

OFFICE OF INSPECTOR GENERAL

SALARY RANGES	2007 Budget	2008 Budget		2009 Estimate	
	Number of Positions*	Change From 2007	Number of Positions*	Change From 2008	Number of Positions*
LSC BAND I \$27,960 - \$53,251	0	0	0	0	0
LSC BAND II \$46,590 - \$85,201	7	(2)	5	0	5
LSC BAND III \$73,952 - \$109,170	10	2	12	0	12
LSC BAND IV \$107,770 - \$128,440	5	0	5	0	5
LSC BAND V \$123,240 - \$135,420	1	0	1	0	1
Unclassified Positions	0	0	0	0	0
TOTAL	23	0	23	0	23

* Full-time equivalents



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