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Legal Services Corporation: Background and Funding

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Summary

The Legal Services Corporation (LSC) is a private, nonprofit, federally funded corporation that helps provide legal assistance to low-income people in civil (i.e., noncriminal) matters. The primary responsibility of the LSC is to manage and oversee the congressionally appropriated federal funds that it distributes in the form of grants to local legal services providers, which in turn give legal assistance to *low-income* clients in all 50 states, the District of Columbia, the U.S. territories of Guam and the Virgin Islands, the Commonwealth of Puerto Rico, and Micronesia (which includes the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and Palau).

The authorization of appropriations for the LSC expired at the end of FY1980. Since then the LSC has operated under annual appropriations laws. Moreover, since FY1996 all of the LSC appropriations laws have included language that restricts the activities of LSC grantees.

Pursuant to P.L. 113-164 (the Continuing Appropriations Resolution, 2015), the LSC was funded for FY2015 at the FY2014 rate of \$365.0 million through December 11, 2014, or enactment of applicable appropriations legislation. Pursuant to P.L. 113-235 (the Consolidated and Further Continuing Appropriations Act, 2015), the LSC is funded for FY2015 at \$375.0 million.

For FY2016, the Obama Administration requested \$452.0 million for the LSC. The Administration's FY2016 budget request included \$416.4 million for basic field programs and required independent audits, \$19.5 million for management and grants oversight, \$5.0 million for client self-help and information technology, \$5.1 million for the Office of the Inspector General, \$1.0 million for loan repayment assistance, and \$5.0 million for a pro bono innovation fund. The House Committee on Appropriations recommended \$300 million for the LSC for FY2016. This amount is \$75 million below the FY2015 appropriation and \$152 million below the Administration's budget request.

Under the LSC's competitive process, legal services providers in every jurisdiction bid to become the LSC grantee for a designated service area in a state. During 2013, the LSC funded 134 local programs/grantees in 799 offices employing 4,193 attorneys. Local programs establish their own priorities and financial eligibility criteria subject to the LSC limits that stipulate that clients served may not have household income that exceeds 125% of the federal poverty guidelines, with limited exceptions for some household incomes of up to 200% of those guidelines. In 2013, 71% of LSC clients were females and 29% were males. The majority of LSC clients (83%) were between the ages of 18 and 59, 15% were age 60 or older, and 2% were under the age of 18. In 2013, 46% of LSC clients were non-Hispanic white, 28% were non-Hispanic black, almost 9% were of other races, and 17% were Hispanic. In 2013, LSC grantees closed 758,689 cases involving issues primarily related to families (divorce, child support, etc.), housing, income maintenance, consumer finance, and health.

Although the LSC is the largest single source of funding for the civil legal services system in the United States, it is not the only source of funding. Local legal services programs supplement their LSC grants with funds from a variety of governmental and private sources. LSC funding accounts for 39% of all funding for civil legal services for the poor in the United States.

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Introduction

The Legal Services Corporation (LSC) is a private, nonprofit, federally funded corporation that helps provide legal assistance to low-income people in noncriminal (i.e., civil) matters. The LSC is governed by an 11-member board appointed by the President and confirmed by the Senate, of whom no more than six members may be of the same political party. The primary responsibility of the LSC is to manage and oversee the congressionally appropriated federal funds that it distributes in the form of grants to local legal services providers, which in turn give legal assistance to *low-income* clients in all 50 states, the District of Columbia, the U.S. territories of Guam and the Virgin Islands, the Commonwealth of Puerto Rico, and Micronesia (which includes the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and Palau).

The federal government has administered a program of legal services for the poor since 1966. Originally, the program was administered through the Office of Economic Opportunity, a now-defunct agency that had led the War on Poverty in the mid-1960s. In 1971, President Nixon proposed establishment of a separate corporation to deliver legal services to insulate the program from political pressure.¹ Authorizing legislation was enacted in 1974 (P.L. 93-355), and the LSC came into existence the following year. In 1977, the LSC was extended through FY1980 (P.L. 95-222). Although Congress has not reauthorized the LSC statute since FY1980, it has continued to fund LSC every year, and has included legislative language affecting LSC activities in the annual appropriations laws.

Program Mechanics

The LSC does not provide legal services directly. Rather, it funds local legal services providers, referred to by the LSC as “grantees.” Grantees may include nonprofit organizations that have as a purpose the provision of legal assistance to eligible clients, private attorneys, groups of private attorneys or law firms, state or local governments, and certain sub-state regional planning and coordination agencies.

LSC Laws and Appropriations

P.L. 93-355 (July 25, 1974)
 P.L. 95-222 (Dec. 28, 1977)
 P.L. 105-12 (Apr. 30, 1997)
 P.L. 106-185 (Apr. 25, 2000)
 P.L. 104-134 (Apr. 26, 1996)
 P.L. 104-208 (Sept. 30, 1996)
 P.L. 105-119 (Nov. 26, 1997)
 P.L. 105-277 (Oct. 21, 1998)
 P.L. 106-113 (Nov. 29, 1999)
 P.L. 106-553 (Dec. 21, 2000)
 P.L. 107-77 (Nov. 28, 2001)
 P.L. 108-7 (Feb. 20, 2003)
 P.L. 108-199 (Jan. 23, 2004)
 P.L. 108-447 (Dec. 8, 2004)
 P.L. 109-108 (Nov. 22, 2005)
 P.L. 110-5 (Feb. 15, 2007)
 P.L. 110-161 (Dec. 26, 2007)
 P.L. 110-329 (Sept. 30, 2008)
 P.L. 111-8 (Mar. 11, 2009)
 P.L. 111-117 (Dec. 16, 2009)
 P.L. 111-322 (Dec. 22, 2010)
 P.L. 112-10 (April 15, 2011)
 P.L. 112-55 (Nov. 18, 2011)
 P.L. 112-175 (Sept. 28, 2012)
 P.L. 113-2 (Jan. 29, 2013)
 P.L. 113-6 (Mar. 26, 2013)
 P.L. 113-46 (Oct. 17, 2013)
 P.L. 113-76 (Jan. 17, 2014)
 P.L. 113-164 (Sept. 19, 2014)
 P.L. 113-235 (Dec. 16, 2014)

¹ Center for Law and Social Policy. *Securing Equal Justice for All: A Brief History of Civil Legal Assistance in the United States*, by Alan W. Houseman and Linda E. Perle, Revised January 2007, p. 19, <http://www.clasp.org/admin/site/publications/files/0158.pdf>. See also President Nixon, *Special Message to the Congress Proposing Establishment of a Legal Services Corporation*, May 5, 1971, <http://www.presidency.ucsb.edu/ws/index.php?pid=2998>.

During 2013, the LSC funded 134 local programs in 799 offices employing about 4,193 attorneys. These numbers are reduced from 1994, when 320 local programs employed about 4,500 attorneys. Each local program is governed by its own board of directors, of which a majority are attorneys and one-third are eligible clients. Local programs establish their own priorities and financial eligibility criteria subject to the LSC limits that stipulate that clients served may not have household income that exceeds 125% of the federal poverty guidelines, with limited exceptions for some household incomes of up to 200% of those guidelines.² Each local program must spend an amount equal to at least 12.5% of its basic grant to encourage private attorneys to provide pro bono legal aid to the poor.

Since 1996 (P.L. 104-134), LSC grantees (i.e., legal services agencies/providers/programs) have been selected on a competitive basis.³ Under the LSC's competitive process, legal services providers in every jurisdiction bid to become the LSC grantee for a designated service area in a state. Pursuant to its 1998 State Planning Initiative, the LSC has sought to streamline its delivery system. During the competition process, the LSC evaluates applications according to established quality standards and awards grants to those providers judged best qualified to provide high-quality legal services in accordance with applicable legal requirements. Federal regulations (Title 45 C.F.R. Part 1634) stipulate the procedures to be followed in awarding LSC grants. Grants are made for one to three years. Multi-year awardees must submit reports and grant renewal forms as part of the annual grant renewal process.

Before the implementation of the 1998 State Planning Initiative, LSC grantees often were unaware of other LSC grantees in the state. Work and training collaborations and other cooperative endeavors were rare among LSC grantees in the same state, and practically nonexistent among LSC grantees in other states. Further, most legal services programs only had superficial relationships and minimal contact with law firms and local judges. In anticipation of reduced federal funding, the LSC first encouraged and later directed grantees to form partnerships with the judiciary, private bar associations, and with each other. The 1998 State Planning Initiative was the means by which the LSC sought to ensure that LSC funds were efficiently and effectively used to provide legal services to poor persons in all areas of the states and jurisdictions. Pursuant to the 1998 Initiative, the LSC made participation in statewide civil legal services delivery systems a condition of receipt of LSC funding.⁴

It is generally agreed that poor persons in need of legal assistance have benefitted from the LSC's statewide delivery system approach. The LSC has done this by requiring federally funded legal services providers to coordinate their work with other persons and organizations within a state, including groups historically considered funding "competitors" (other nonprofit organizations and non-LSC legal services programs) or "unlikely partners" (judges, legislators, bar leaders).⁵

² In 2013, 125% of the federal poverty guidelines was \$29,438 for a household of four (higher in Alaska and Hawaii).

³ This system supplanted the previous system of presumptive refunding for LSC grantees. The LSC is prohibited from granting any preference to current or previous grantees of LSC funds (§503(e) of P.L. 104-134, enacted April 26, 1996).

⁴ Legal Services Corporation. *State Planning—A Five Year Overview*, 2005, pp. 1-7, http://www.lsc.gov/pdfs/030194_sp5yrrprt.pdf.

⁵ *Ibid.*, p. 8.

Restrictions on Activities

Since its inception, the legal services program has been controversial, and Congress has imposed restrictions on activities of local attorneys. The authorizing statute contains restrictions against lobbying; political activities; class actions except under certain conditions; assisted suicide activities; and cases involving abortion, school desegregation, and draft registration or desertion from the military. Additional restrictions have been included in appropriations laws each year. Under the current appropriations law, LSC grantees may not

- engage in partisan litigation related to redistricting;
- attempt to influence regulatory, legislative, or adjudicative action at the federal, state, or local level (however, a few activities are permissible using non-LSC funding);
- attempt to influence oversight proceedings of the LSC;
- initiate or participate in any class action suit;
- represent certain categories of aliens;
- conduct advocacy training on a public policy issue or encourage political activities, strikes, or demonstrations;
- engage in litigation related to abortion;
- represent clients in eviction proceedings if the eviction was based on drug-related activities;
- represent federal, state, or local prisoners in litigation;
- participate in efforts to reform a federal or state welfare system; or
- solicit clients.

LSC grantees must establish priorities, and staff must agree in writing not to engage in activities outside these priorities. Federal law prohibits the LSC from receiving nonfederal funds, and grantees are prohibited from receiving non-LSC funds, unless the source of funds is told in writing that these funds may not be used for any activities prohibited by the LSC Act or the appropriations law.⁶

Clients and Cases

Legal services provided through LSC funds are available only in civil matters to individuals with household incomes of less than 125% of the federal poverty guidelines. The LSC places primary emphasis on the provision of routine legal services. Legal services cases deal with a variety of issues, including family-related issues (divorce, separation, child custody, support, adoption, spousal abuse, child abuse or neglect); housing issues (landlord/tenant matters, foreclosures); welfare or other income maintenance program issues (Supplemental Security Income,

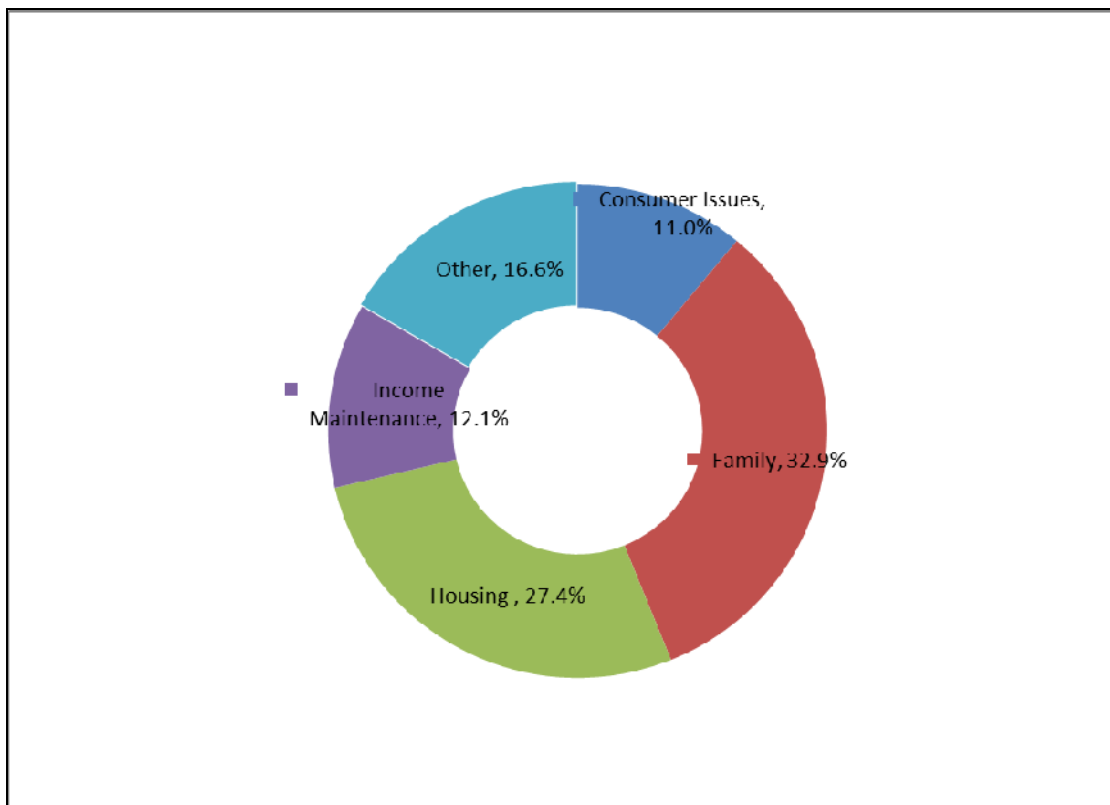
⁶ For additional information, see CRS Report R40679, *Legal Services Corporation: Restrictions on Activities*. **Note:** The prohibition against claiming or collecting attorneys' fees was eliminated by Section 533 of P.L. 111-117 (the Consolidated Appropriations Act, 2010).

Supplemental Nutrition Assistance Program, unemployment compensation benefit claims); consumer and finance issues (debt collection, bankruptcy); and other issues such as health coverage and employment matters.

During 2013, legal services attorneys closed 758,689 cases. Family issues such as divorce and separation, custody and visitation, domestic abuse, and child support were the substance of 32.9% of cases handled by field offices; housing issues, including eviction cases, comprised 27.4% of cases; income maintenance issues represented another 12.1% of cases; and consumer finance comprised 11.0% of cases. Issues related to health coverage (3.6%), employment (3.0%), juveniles (1.8%), individual rights (2.0%), education (0.8%), and other miscellaneous categories (5.4%) comprised 16.6% of cases (see **Figure 1**). Most of the cases handled by LSC are resolved through advice and referral. In 2013, 8.8% of cases were resolved in court, primarily because they involved family law issues (e.g., protective orders, child support, etc.) in which court action was required by state law.⁷

LSC Cases Closed	
2002:	978,834
2003:	935,793
2004:	901,067
2005:	906,338
2006:	895,488
2007:	906,507
2008:	889,155
2009:	920,447
2010:	932,406
2011:	899,817
2012:	809,830
2013:	758,689

Figure 1. LSC Cases Closed in 2013, by Legal Problems



Source: Figure prepared by the Congressional Research Service (CRS), based on data from the Legal Services Corporation.

⁷ 2013 *Legal Services Corporation By the Numbers: The Data Underlying Legal Aid Programs*, July 2014. This report can be found at <http://www.lsc.gov/about/lsc-numbers-2013>.

In addition to the cases closed in 2013, LSC grantees helped self-represented (i.e., pro se) litigants obtain the information they needed to pursue their lawsuits, disseminated legal services materials in communities and gave discussion forums, referred clients to appropriate services, and provided mediation assistance.⁸

According to the LSC data for 2013,⁹ LSC clients were of all races and ethnic groups. LSC clients included the working poor, veterans, family farmers, people with disabilities, battered women, women seeking divorces or child support, and victims of natural disasters. In 2013, 71% of LSC clients were females and 29% were males. Approximately 83% of LSC clients were between the ages of 18 and 59, almost 15% were age 60 or older, and about 2% were under age 18.

In 2005, LSC staff were directed by the LSC to document the extent to which the civil legal needs of low-income persons were not being met. In 2009, the report was updated. The 2009 report confirmed the findings of the earlier report. The LSC found that (1) 50% of potential clients requesting legal assistance were denied assistance because the LSC did not have the resources to help them; (2) at least 80% of persons who were eligible for LSC services do not get access to either a legal services attorney or a private attorney (pro bono or paid) when they need such assistance; and (3) there is one legal services attorney for every 6,415 low-income persons—the comparable number for the general population is one attorney for every 429 persons, a difference of 15 to 1.¹⁰

White, not Hispanic	46.0%
Black, not Hispanic	28.0%
Hispanic	17.3%
Native American	2.6%
Asian or Pacific Islander	2.5%
Other	3.6%

Funding

When the LSC was first established, its initial goal was to provide all low-income people with at least “minimum access” to legal services, defined as the equivalent of one legal services attorney for every 5,000 poor persons. This goal was briefly achieved in FY1980, but not maintained due to inflation and subsequent budget cuts. For example, in FY2004, the LSC estimated an appropriation of \$683 million would have been needed for minimum access; however, the LSC received \$335 million in appropriations that year. According to a 2009 LSC study (cited above), there is one legal services attorney for every 6,415 poor persons.

⁸ Ibid.

⁹ The 2013 data reflect actual data with no extrapolations or estimates. Most of the data are derived from the Grant Activity Reports that all LSC-funded programs are required to submit to the LSC in February and March of each year reflecting activity in the previous calendar year. The remaining data are collected from budget and funding records of LSC-funded programs.

¹⁰ Legal Services Corporation, “Documenting the Justice Gap in America—The Current Unmet Civil Legal Needs of Low-Income Americans,” September 2005, available at http://www.lsc.gov/press/documents/LSCJusticeGap_FINAL_1001.pdf. See also Legal Services Corporation, “Documenting the Justice Gap in America—The Current Unmet Civil Legal Needs of Low-Income Americans,” September 2009, available at http://www.lsc.gov/pdfs/documenting_the_justice_gap_in_america_2009.pdf.

Funds for the LSC are included in the annual appropriation for Commerce, Justice, Science, and Related Agencies (CJS). **Table 1** shows LSC appropriations for selected years from FY1976 (the first full year of LSC operations) to FY2015. Current funding (\$375 million)¹¹ is about 3% above the FY2014 LSC funding level (\$365 million). LSC funding accounts for less than half (39%) of all funding for civil legal services for the poor in the United States (discussed in more detail later in this report).

Table 1. LSC Appropriations History for Selected Years
(in millions of dollars)

FY	\$	FY	\$	FY	\$	FY	\$	FY	\$	FY	\$
1976	92	1991	328	1997	283	2003	337	2009	390	2015	375 ^a
1980	300	1992	350	1998	283	2004	335	2010	420		
1984	275	1993	357	1999	300	2005	331	2011	404		
1988	306	1994	400	2000	304	2006	327	2012	348		
1989	309	1995	400	2001	329	2007	349	2013	341 ^b		
1990	317	1996	278	2002	329	2008	350	2014	365 ^c		

Source: Table prepared by the Congressional Research Service (CRS).

- a. P.L. 113-164 (the Continuing Appropriations Resolution, 2015) funded the LSC for FY2015 at the FY2014 rate of \$365 million through December 11, 2014, or enactment of applicable appropriations legislation. Pursuant to P.L. 113-235 (the Consolidated and Further Continuing Appropriations Act, 2015), the LSC is funded for FY2015 at \$375 million.
- b. The LSC appropriation for FY2013 was initially \$365 million. P.L. 113-6 also required a 1.877% rescission and an additional 0.2% rescission. Moreover, P.L. 112-25 (the Budget Control Act of 2011) triggered a sequestration of funds that took effect on March 1, 2013. The FY2013 figure after both rescissions was \$358.4 million (includes the \$1 million in Hurricane Sandy Disaster Relief funds (P.L. 113-2)). The FY2013 figure after both rescissions and sequestration (the \$1 million in Sandy relief funds for the LSC was reduced to \$950,000 pursuant to sequestration) was \$341 million.
- c. P.L. 113-46 (the Continuing Appropriations Act, 2014) continued LSC's FY2013 appropriation level (post-rescission and post-sequestration) through January 15, 2014, or whenever the FY2014 CJS appropriations bill was signed into law, whichever came first. P.L. 113-76 (the Consolidated Appropriations Act, 2014) included \$365 million for the LSC for FY2014.

¹¹ Pursuant to P.L. 113-164 (the Continuing Appropriations Resolution, 2015), the LSC was funded for FY2015 at the FY2014 rate of \$365 million through December 11, 2014, or enactment of applicable appropriations legislation. Pursuant to P.L. 113-235 (the Consolidated and Further Continuing Appropriations Act, 2015), the LSC is funded for FY2015 at \$375 million.

Table 2 shows LSC appropriations for FY2004-FY2015, by component of funding.

Table 2. LSC: Funding for Program Components, FY2004-FY2015
(in millions of dollars)

	Basic Field Programs	Management and Administration	Client Self-Help and Information Technology	Office of the Inspector General	Offset for Census-Based Reallocations	Student Loan Repayment Program	Pro Bono Innovation Fund	Total
FY2004	316.4	13.0	1.3	2.6	1.8	0	0	335.3
FY2005	312.4	12.8	1.3	2.5	1.8	0	0	330.8
FY2006	308.4	12.7	1.2	2.5	1.8	0	0	326.6
FY2007	330.8	12.7	2.1	3.0	0	0	0	348.6
FY2008	332.5	12.5	2.1	3.0	0	0.5	0	350.5
FY2009	365.8	16.0	3.0	4.2	0	1.0	0	390.0
FY2010	394.4	17.0	3.4	4.2	0	1.0	0	420.0
FY2011	378.6	17.0	3.4	4.2	0	1.0	0	404.2
FY2012	322.4	17.0	3.4	4.2	0	1.0	0	348.0
FY2013	316.1	15.8	3.2	3.9	0	0.9	0	341.0
FY2014	335.7	18.0	3.5	4.4	0	1.0	2.5	365.0
FY2015	343.2	18.5	4.0	4.4	0	1.0	4.0	375.0

Source: Table prepared by the Congressional Research Service (CRS).

Notes: These data reflect appropriations after all rescissions (except for the FY2015 data); numbers may not add to total due to rounding. The FY2013 total includes the \$1 million in Hurricane Sandy Disaster Relief funds (reduced to \$950,000 pursuant to sequestration).

For FY2016, the Obama Administration requested \$452.0 million for the LSC. The Administration's FY2016 budget request included \$416.4 million for basic field programs and required independent audits, \$19.5 million for management and grants oversight, \$5.0 million for client self-help and information technology, \$5.1 million for the Office of the Inspector General, \$1.0 million for loan repayment assistance, and \$5.0 million for a pro bono innovation fund.

Distribution of LSC Funds and Non-LSC Resources

LSC funds appropriated for basic field programs are distributed to the states and jurisdictions on a per capita basis, according to U.S. Census Bureau data¹² on the number of "poor" persons in each

¹² Until recently, the distribution of LSC funds was based on census data that used the most recent decennial census. However, the distribution of LSC funding for 2010, 2011, and 2012 continued to be based on census data from the year 2000. P.L. 112-55 required LSC to reallocate LSC basic field funding among service areas in FY2013 and FY2014 based on the Census Bureau's most recent estimates of the geographic distribution of the U.S. poverty population. The reallocations based on the updated poverty data were partially implemented in 2013. The 2014 LSC grant payments will be based on the full Census adjustment (<http://www.lsc.gov/congress/lsc-funding/estimated-census-adjustment-lsc-grantees-2014-funding>).

service area.¹³ Grantees within each state or jurisdiction then compete among themselves for funding.

In the 2010 decennial census, the Census Bureau did not use the “long form” and did not collect data on personal income. In lieu of the “long form,” the Census Bureau developed the American Community Survey (ACS), an ongoing survey that provides data every year on income and benefits, family and relationships, and other kinds of statistics, which provides a more timely picture of poverty and other demographic information. On September 19, 2011, the LSC Board recommended that (1) the determination of the number of individuals in poverty in each geographic area would be made by the U.S. Census Bureau, without any reference to the decennial census as the basis for that determination; (2) LSC funding would be reallocated among geographic areas every three years based on updated poverty population determinations by the Census Bureau; and (3) the first reallocation would be phased in over two years, in FY2013 and FY2014. P.L. 113-6 included a technical change to the allocation formula for basic field grants to reflect the shift in how the Census Bureau collects poverty data. The technical change directs LSC to reallocate funding every three years based on poverty data from the Census Bureau. P.L. 113-6 also provided a two-year phase-in of the changes.

Although the LSC is the largest single source of funding for the civil legal services system in the United States, it is not the only source of funding. Local legal services programs supplement their LSC grants with funds from a variety of government and private sources. Non-LSC funding sources include state and local grants; state Interest on Lawyers’ Trust Accounts (IOLTAs) programs;¹⁴ federal programs such as the Title XX Social Services Block Grant, the Older Americans Act, the Violence Against Women Act, and Community Development Block Grants; and private grants from entities such as the United Way, foundations, and national, state, and local bar associations. In addition, private attorneys accept referrals to provide legal services to the poor, primarily through LSC-funded pro bono programs.¹⁵

As shown in **Table 3**, in 2013 LSC funding accounted for about 39% of the \$885.1 million spent in the United States for civil legal services for the poor.¹⁶

Table 3. Funding for LSC and Non-LSC Programs, by Jurisdiction, 2013

State	LSC Funding	Number of LSC Programs	Non-LSC Funding	Total Funding	LSC Funding as % of Total
Alabama	5,990,102	1	1,665,999	7,656,101	78.2%
Alaska	1,313,692	1	2,304,003	3,617,695	36.3%
Arizona	9,721,437	3	4,583,996	14,305,433	68.0%
Arkansas	3,662,636	2	4,188,020	7,850,656	46.7%

¹³ In other words, if a specific state has 12% of the U.S. poverty population, that state generally would receive about 12% of the LSC funding amount allocated for local legal services programs.

¹⁴ These funds represent interest earned on sums deposited by clients with attorneys for short periods of time.

¹⁵ In 2013, approximately 30,000 private attorneys accepted referrals to help LSC clients.

¹⁶ Legal Services Corporation, *2013 Legal Services Corporation By the Numbers: The Data Underlying Legal Aid Programs*, July 2014.

State	LSC Funding	Number of LSC Programs	Non-LSC Funding	Total Funding	LSC Funding as % of Total
California	42,748,059	11	61,842,147	104,590,206	40.9%
Colorado	3,673,364	1	9,027,498	12,700,862	28.9%
Connecticut	2,282,011	1	322,983	2,604,994	87.6%
Delaware	617,964	1	896,723	1,514,687	40.8%
District of Columbia	882,534	1	673,206	1,555,740	56.7%
Florida	19,855,535	7	22,190,896	42,046,431	47.2%
Georgia	9,745,199	2	11,049,299	20,794,498	46.9%
Hawaii	1,575,198	1	7,002,917	8,578,115	18.4%
Idaho	1,592,942	1	794,083	2,387,025	66.7%
Illinois	11,497,167	3	22,942,921	34,440,088	33.4%
Indiana	5,820,989	1	2,628,504	8,449,493	68.9%
Iowa	2,439,238	1	5,433,736	7,872,974	31.0%
Kansas	2,268,824	1	3,201,248	5,470,072	41.5%
Kentucky	5,661,885	4	9,774,364	15,436,249	36.7%
Louisiana	7,011,324	4	6,002,159	13,013,483	53.9%
Maine	1,369,699	1	4,954,400	6,324,099	21.7%
Maryland	3,702,725	1	23,804,994	27,507,719	13.5%
Massachusetts	5,137,329	4	4,030,365	9,167,694	56.0%
Michigan	10,048,676	5	13,483,378	23,532,054	42.7%
Minnesota	3,909,961	5	11,883,197	15,793,158	24.8%
Mississippi	4,777,314	3	1,757,646	6,534,960	73.1%
Missouri	5,684,418	4	13,484,691	19,169,109	29.7%
Montana	1,239,135	1	1,828,017	3,067,152	40.4%
Nebraska	1,464,051	1	4,491,174	5,955,225	24.6%
Nevada	2,183,247	1	1,677,746	3,860,993	56.5%
New Hampshire	668,588	1	904,871	1,573,459	42.5%
New Jersey	6,285,092	6	21,326,098	27,611,190	22.8%
New Mexico	3,458,498	1	3,503,205	6,961,703	49.7%
New York	27,317,468	7	73,999,507	101,316,975	27.0%
North Carolina	9,709,862	1	14,068,657	23,778,519	40.8%
North Dakota	910,969	1	1,055,054	1,966,023	46.3%
Ohio	11,074,584	5	28,538,033	39,612,617	28.0%
Oklahoma	5,526,440	1	8,883,224	14,409,664	38.4%
Oregon	3,709,289	1	3,571,218	7,280,507	50.9%
Pennsylvania	11,795,056	8	23,104,745	34,899,801	33.8%
Rhode Island	984,598	1	3,112,735	4,097,333	24.0%

State	LSC Funding	Number of LSC Programs	Non-LSC Funding	Total Funding	LSC Funding as % of Total
South Carolina	4,871,498	1	4,455,096	9,326,594	52.2%
South Dakota	1,661,950	2	775,487	2,437,437	68.2%
Tennessee	6,807,774	4	10,629,750	17,437,524	39.0%
Texas	29,810,365	3	29,657,415	59,467,780	50.1%
Utah	2,124,093	1	2,096,052	4,220,145	50.3%
Vermont	562,867	1	57,677	620,544	90.7%
Virginia	5,900,025	6	13,135,724	19,035,749	31.0%
Washington	7,485,712	1	18,239,176	25,724,888	29.1%
West Virginia	2,507,444	1	5,538,213	8,045,657	31.2%
Wisconsin	4,834,808	2	5,770,396	10,605,204	45.6%
Wyoming	724,949	1	529,451	1,254,400	57.8%
Guam	292,806	1	955,871	1,248,677	23.4%
Micronesia	1,426,675	1	724,710	2,151,385	66.3%
Puerto Rico	14,197,200	2	8,688,898	22,886,098	62.0%
Virgin Islands	253,400	1	1,115,812	1,369,212	18.5%
Total (states and DC)	326,608,584	131	530,872,094	857,480,678	38.1%
Total (states, DC, and territories)	342,778,665	134	542,357,385	885,136,050	38.7%

Source: Table prepared by the Congressional Research Service (CRS), using data from the Legal Services Corporation, *2013 Legal Services Corporation By the Numbers: The Data Underlying Legal Aid Programs*, July 2014. This report can be found at <http://www.lsc.gov/about/lsc-numbers-2013>.

Appendix. LSC Funding History, FY1976-FY2016

FY1976-FY1995

Consistent with the LSC's goal to provide all low-income people with at least "minimum access" to legal services, defined as the equivalent of one legal services attorney for every 5,000 poor persons, Congress increased the LSC's appropriation from \$91 million in FY1976 to \$321 million in FY1981. The Reagan Administration was opposed to the LSC. In response to pressure from the White House, Congress reduced funding for the LSC for 1982 by 25%, reducing the LSC's appropriation from \$321 million in FY1981 to \$241 million in FY1982. The LSC's appropriation remained at \$241 million in FY1983, increased in each of the next two years, reaching \$305 million in FY1985, dropped to \$292 million in FY1986, and increased steadily from FY1986 to FY1995. In FY1994 and FY1995, the LSC appropriation was \$400 million.

FY1996

For FY1996, Congress funded the LSC at \$278 million, for a reduction of almost 31% from the previous year. In its FY1996 budget resolution, the House assumed a three-year phase-out of the LSC, recommending appropriations of \$278 million in FY1996, \$141 million in FY1997, and elimination by FY1998. The House Budget Committee stated in its report (H.Rept. 104-120):

Too often, ... lawyers funded through federal LSC grants have focused on political causes and class action lawsuits rather than helping poor Americans solve their legal problems.... A phase out of federal funding for the LSC will not eliminate free legal aid to the poor. State and local governments, bar associations, and other organizations already provide substantial legal aid to the poor.

The FY1996 appropriation for the LSC entirely eliminated funding for supplemental legal assistance programs, including Native American and migrant farm worker support, national and state support centers, regional training centers, and other national activities.

FY1997-FY2001

The phase-out of the LSC envisioned by the House budget resolution did not occur. Instead, between FY1996 and FY2001, LSC funding was gradually increased. For FY1997, Congress funded the LSC at \$283 million (P.L. 104-208). For FY1998, Congress again funded the LSC at \$283 million (P.L. 105-119). For FY1999, Congress funded the LSC at \$300 million (P.L. 105-277). For FY2000, Congress funded the LSC at \$305 million, but also included a provision in the legislation that mandated a 0.38% government-wide rescission of discretionary budget authority for FY2000. The funding for the LSC for FY2000 was thereby decreased to \$304 million (P.L. 106-113).

For FY2001, the Clinton Administration requested \$340 million for the LSC. The Clinton Administration had requested \$340 million every year since FY1997, in an effort to partially restore the 1996 cutback in funding. P.L. 106-553 included \$330 million for LSC for FY2001, and was signed by President Clinton on December 21, 2000. P.L. 106-554 mandated a 0.22% government-wide rescission of discretionary budget authority for FY2001 for almost all

government agencies. Thus, the \$330 million appropriation for LSC for FY2001 was reduced to \$329.3 million.

FY2002-FY2005

For FY2002 through FY2005, the Bush Administration requested \$329.3 million in annual appropriations for the LSC. In a 2001 Special Report, LSC indicated that in carrying out the LSC vision of an effective and efficient statewide system of delivering legal services to the poor, grantees had been merging and reconfiguring their legal services programs to better use every federal dollar allocated to them.¹⁷ The House report (H.Rept. 107-139) indicated concern about the LSC overruling, without appeal, certain configurations implemented by grantees via the state planning process. The House report directed the LSC to review the state planning process and report back to the committee with a proposal that outlined the reconfiguration standards and the process for states to appeal LSC's decisions. P.L. 107-77 included \$329.3 million for LSC for FY2002.

For FY2003, Congress funded the LSC at \$336.6 million (P.L. 108-7); this funding level included a \$9.5 million allotment to offset decennial Census funding reallocations (i.e., to partially compensate some service areas for smaller LSC funding levels for FY2003 than the area received for FY2002 as a result of the change in state poverty populations based on census data for 2000), and a mandated 0.65% government-wide rescission.

For FY2004, Congress funded the LSC at \$335.3 million (P.L. 108-199); this funding level included a 0.59% across-the-board government-wide rescission and an additional 0.465% uniform rescission applicable only to funding for the Commerce, Justice, State, and Related Agencies appropriation (which included the LSC).

For FY2005, Congress funded the LSC at \$330.8 million (P.L. 108-447); this funding level included a provision that allowed the LSC to spend up to \$1 million of prior-year funding balances for a school student loan repayment pilot program, a 0.8% across-the-board government-wide rescission, and an additional 0.54% uniform rescission applicable only to funding for the Commerce, Justice, State, and Related Agencies appropriation (which included the LSC).

FY2006-FY2008

For FY2006, the Bush Administration requested \$318.3 million for the LSC. P.L. 109-108 included \$330.8 million for the LSC for FY2006—the same amount originally passed by the House, instead of \$358.5 million, as passed by the Senate. P.L. 109-108 also included a general rescission equal to 0.28% of funding for the Science, State, Justice, Commerce, and Related Agencies appropriation (which includes the LSC). P.L. 109-148 included a 1% government-wide rescission on discretionary programs. Thus, the LSC appropriation for FY2006 was lowered to \$326.6 million.

For FY2007, the Bush Administration requested \$310.9 million for the LSC. P.L. 110-5 included language that specified that the LSC would be funded at \$348.6 million for FY2007. P.L. 110-5

¹⁷ Legal Services Corporation, A Special Report to Congress, *State Planning & Reconfiguration*, September 2001, pp. 2-3, 10.

incorporated the fourth continuing resolution for FY2007 (H.J.Res. 20), which included provisions to fund most of the government agencies, including the LSC, through FY2007.

For FY2008, the Bush Administration requested \$311 million for the LSC. The Administration's budget request included \$289 million for basic field programs and required independent audits; almost \$13 million for management and administration; \$5 million for client self-help and information technology; and \$3 million of the Office of the Inspector General.

For FY2008, the Senate Appropriations Committee recommended \$390 million for the LSC (S. 1745), a \$41.4 million increase above the FY2007 LSC appropriation, and \$79.1 million above the Administration's FY2008 budget request for the LSC. During the Senate debate on the bill (H.R. 3093), an amendment by Senator Bingaman was passed to permit LSC-funded legal services programs to provide legal assistance to "H2B" workers—temporary foreign workers employed in the forestry industry—in matters directly related to their employment. LSC-funded programs are currently prohibited from serving H2B workers. The Senate-passed bill provided \$390 million for the LSC for FY2008.

For FY2008, the House Appropriations Committee recommended \$377 million for the LSC, a \$28.4 million increase above the FY2007 LSC appropriation, \$66.1 million above the Administration's FY2008 budget request for the LSC, and \$13 million below the Senate-passed bill. The House-passed bill (H.R. 3093) included \$377 million for the LSC for FY2008.

Pursuant to a continuing appropriations resolution (H.J.Res. 52), enacted September 29, 2007, the LSC operated at FY2007 funding levels through November 16, 2007 (P.L. 110-92). Pursuant to a second continuing appropriations resolution in the FY2008 Department of Defense appropriation (H.R. 3222), enacted November 13, 2007, the LSC operated at FY2007 funding levels through December 14, 2007 (P.L. 110-116). Pursuant to a third continuing appropriations resolution (H.J.Res. 69), enacted December 14, 2007, the LSC operated at FY2007 funding levels through December 21, 2007 (P.L. 110-137). Pursuant to a fourth continuing appropriations resolution (H.J.Res. 72), the LSC operated at FY2007 funding levels through December 31, 2007 (P.L. 110-137).

P.L. 110-161, the Consolidated Appropriations Act, 2008 (H.R. 2764—enacted December 26, 2007), included \$350.5 million for the LSC for FY2008. This amount was \$1.9 million above the FY2007 appropriation for the LSC and \$39.6 million above the Administration's FY2008 budget request for the LSC. However, it was below the amounts that were passed by the House and the Senate. The FY2008 appropriation for the LSC included \$332.4 million for basic field programs and required independent audits, \$12.5 million for management and administration, \$2.1 million for client self-help and information technology, \$3.0 million for the Office of the Inspector General, and \$0.5 million for loan repayment assistance. According to the LSC, pursuant to P.L. 110-161, LSC-funded legal services programs were authorized to provide limited representation to temporary forestry workers.

FY2009

For FY2009, the Bush Administration requested \$311.0 million for the LSC.¹⁸ The Administration's budget request included \$290.1 million for basic field programs and required

¹⁸ Each year the LSC submits its own budget request to Congress. In most years, the LSC budget request is (continued...)

independent audits; \$12.8 million for management and administration; \$5.0 million for client self-help and information technology; and \$3.0 million for the Office of the Inspector General.

For FY2009, the House Appropriations Committee approved \$390 million for the LSC. The House committee-approved draft bill provided 11% more than the FY2008 LSC appropriation and 25% more than the FY2009 request for the LSC. It included \$367 million for basic field programs and required independent audits, \$16 million for management and administration, \$3 million for client self-help and information technology, \$3 million for the Office of the Inspector General, and \$1 million for loan repayment assistance.

For FY2009, the Senate Appropriations Committee, like the House committee, also approved \$390 million for the LSC. However, the Senate committee bill (S. 3182) included \$369 million for basic field programs and required independent audits, \$13 million for management and administration, \$3.8 million for client self-help and information technology, \$3.2 million for the Office of the Inspector General, and \$1 million for loan repayment assistance.

P.L. 110-289, the Housing and Economic Recovery Act of 2008 (enacted July 30, 2008), included a provision that provides \$30 million for pre-foreclosure and legal counseling through a new grant program. Under the new program, the Neighborhood Reinvestment Corporation, a congressional chartered nonprofit organization, is required to make grants to housing counselors to hire LSC attorneys to assist homeowners who have legal issues directly related to the homeowner's foreclosure, delinquency, or short sale.¹⁹

P.L. 110-315, the College Opportunity and Affordability Act of 2008 (enacted August 14, 2008), included a provision that authorized \$10 million for the U.S. Department of Education to distribute as loan repayment assistance grants (up to \$6,000 per year, \$40,000 for a lifetime) to full-time civil legal aid lawyers who agree to remain employed as such for at least three years.²⁰ Although the loan repayment program was authorized, funding for the program has not been appropriated.

P.L. 110-329, the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009 (enacted September 30, 2008), among other things, required that the LSC continue to operate at FY2008 funding levels (i.e., \$350.5 million) until March 6, 2009, or until LSC's regular FY2009 appropriation is enacted.

P.L. 111-8, the Omnibus Appropriations Act, 2009 (enacted March 11, 2009), included \$390.0 million for the LSC for FY2009. This amount is \$39.5 million above the FY2008 appropriation for the LSC and \$79.0 million above the Bush Administration's FY2009 budget request for the LSC. The FY2009 appropriation for the LSC included \$365.8 million for basic field programs and required independent audits, \$16.0 million for management and administration, \$3.0 million

(...continued)

significantly higher than the amount that appears in the President's annual budget. For FY2009, the LSC requested an appropriation of \$471.4 million, a 52% increase over the President's FY2009 budget request of \$311 million for the LSC. The reasons cited for the significant increase included legal problems of existing and new clients stemming from the recent crises in the mortgage and housing industries, the ongoing impact of natural disasters, and widespread domestic violence, along with recent LSC findings that there is significant unmet need among America's poorest populations with regard to civil legal assistance.

¹⁹ See Sections 2305 and 2401 of P.L. 110-289.

²⁰ See Section 431 of P.L. 110-315.

for client self-help and information technology, \$4.2 million for the Office of the Inspector General, and \$1.0 million for loan repayment assistance.

FY2010

For FY2010, the Obama Administration requested \$435 million for the LSC.²¹ This amount was \$45 million (11.5%) above the FY2009 appropriation of \$390 million for the LSC. The Administration's budget request included \$410.4 million for basic field programs and required independent audits; \$17 million for management and grants oversight; \$3.4 million for client self-help and information technology; \$3.2 million for the Office of the Inspector General; and \$1 million for loan repayment assistance. The Obama Administration also proposed that LSC restrictions on class action suits and attorneys' fees be eliminated.

For FY2010, the House Appropriations Committee approved \$440 million for the LSC (H.Rept. 111-149). The House bill (H.R. 2847) provided almost 13% more than the FY2009 LSC appropriation and 1% more than the Administration's FY2010 budget request for the LSC. The House approved \$440 million for the LSC on June 18, 2009. The House voted to continue existing limitations on the use of LSC funds (and non-LSC funds) except for the restriction on the ability of LSC-funded programs to collect attorneys' fees. The House bill also included funds for a loan repayment assistance program to help legal services programs recruit and retain talented attorneys.

For FY2010, the Senate Appropriations Committee approved \$400 million for the LSC (S.Rept. 111-34). The Senate version of the bill (H.R. 2847) provided about 3% more than the FY2009 LSC appropriation and 8% less than the Administration's FY2010 request for the LSC. The Senate passed H.R. 2847 on November 5, 2009. The Senate-passed version of the bill included \$400 million in funding for the LSC and continued existing limitations on the use of federal funds but eliminated the restrictions on the use of nonfederal funds except in litigation involving abortion and cases involving prisoners.²² The conference agreement on H.R. 3288 (consolidated appropriations for 2010—H.Rept. 111-366), which included \$420 million for the LSC for FY2010, was passed by the House on December 10, 2009, and by the Senate on December 13, 2009.

P.L. 111-117, the Consolidated Appropriations Act, 2010 (enacted December 16, 2009), included \$420.0 million for the LSC for FY2010. The FY2010 appropriation for the LSC included \$394.4 million for basic field programs and required independent audits, \$17.0 million for management and administration, \$3.4 million for client self-help and information technology, \$4.2 million for the Office of the Inspector General, and \$1.0 million for loan repayment assistance. P.L. 111-117

²¹ Each year the LSC submits its own budget request to Congress. In most years, the LSC budget request is significantly higher than the amount that appears in the President's annual budget. For FY2010, the LSC requested an appropriation of \$485.1 million, an 11.5% increase over the President's FY2010 budget request of \$435 million for the LSC. The reasons cited for the significant increase included legal problems of existing and new clients stemming from the recent crises in the mortgage and housing industries, the ongoing impact of natural disasters, and widespread domestic violence, along with recent LSC findings that there is significant unmet need among America's poorest populations with regard to civil legal assistance.

²² S.Rept. 111-34 (page 143) deletes Section 504(d) of P.L. 104-134 (pertaining to the use of nonfederal funds for activities prohibited by the LSC), but also stipulates that no funds (federal or nonfederal) can be used for activities specified in Section 504(a)(14) or Section 504(a)(15) of P.L. 104-134 (respectively, these two sections pertain to abortion litigation and litigation involving persons incarcerated in a federal, state, or local prison).

continued existing limitations on the use of LSC funds (and non-LSC funds) except for the restriction on the ability of LSC-funded programs to collect attorneys' fees.

FY2011

For FY2011, the Obama Administration requested \$435 million for the LSC.²³ This amount was \$15 million (3.6%) above the FY2010 appropriation of \$420 million for the LSC. The Administration's budget request included \$407 million for basic field programs and required independent audits, \$20 million for management and grants oversight, \$3 million for client self-help and information technology, \$4 million for the Office of the Inspector General, and \$1 million for loan repayment assistance. The Obama Administration also proposed that LSC restrictions on class action suits and attorneys' fees be eliminated. (The restriction on attorneys' fees was eliminated pursuant to P.L. 111-117.)

On July 22, 2010, the Senate Appropriations Committee approved \$430 million for the LSC for FY2011 (S.Rept. 111-229; S. 3636), which represented a 2.4% increase over FY2010 funding and a 1.1% decrease below the Administration's budget request. The Senate Appropriations Committee recommendation for the LSC provided \$401.7 million for basic field programs, to be used for competitively awarded grants and contracts; \$20.0 million for management and administration; \$3.0 million for client self-help and information technology; \$4.3 million for the Office of the Inspector General; and \$1.0 million for loan repayment assistance.

The Senate Appropriations Committee report stipulated that implementation of the recent recommendations of the Government Accountability Office (GAO) and the LSC Inspector General for the LSC must be a priority of the LSC. In addition, the Senate Appropriations Committee bill continued existing limitations on the use of federal funds, but lifted restrictions on the use of nonfederal funds except in litigation involving abortion or litigation on behalf of prisoners.

Although the House Appropriations Subcommittee approved a \$440 million FY2011 budget for the LSC on June 29, 2010, the full House Appropriations Committee did not act on the proposal. Neither the full Senate or House passed a regular appropriations bill that included funding for the LSC for FY2011 during the 111th Congress. Instead, several continuing resolutions were passed.²⁴

²³ Each year, the LSC submits its own budget request to Congress. In most years, the LSC budget request is significantly higher than the amount that appears in the President's annual budget. For FY2011, the LSC requested an appropriation of \$484.9 million, an 11.5% increase over the President's FY2011 budget request of \$435 million for the LSC. The reasons cited for the significant increase included legal problems of existing and new clients stemming from the recent crises in the mortgage and housing industries, the ongoing impact of natural disasters, and the economic downturn, along with recent LSC findings that there is significant unmet need among America's poorest populations with regard to civil legal assistance.

²⁴ There were seven temporary appropriations for the LSC for FY2011: (1) P.L. 111-242 (H.R. 3081) continued appropriations for the LSC at the FY2010 enacted level (i.e., \$420 million) until December 3, 2010; (2) P.L. 111-290 (H.J.Res. 101) continued appropriations for the LSC at the FY2010 enacted level until December 18, 2010; (3) P.L. 111-317 (H.J.Res. 105) continued appropriations for the LSC at the FY2010 enacted level until December 21, 2010; (4) P.L. 111-322 (H.R. 3082) continued appropriations for the LSC at the FY2010 enacted level until March 4, 2011; (5) P.L. 112-4 (H.J.Res. 44) continued appropriations for the LSC at the FY2010 enacted level until March 18, 2011; (6) P.L. 112-6 (H.J.Res. 48) continued appropriations for the LSC at the FY2010 enacted level until April 8, 2011; (7) P.L. 112-8 continued appropriations for the LSC at the FY2010 enacted level (i.e., \$420 million) until April 15, 2011.

On April 14, 2011, H.R. 1473, the Department of Defense and Full-Year Continuing Appropriations Act, 2011, was passed by the House and Senate. It was signed into law (P.L. 112-10) by President Obama on April 15, 2011. P.L. 112-10 included funding of \$405 million for the LSC for FY2011. However, the act also included a 0.2% across-the-board rescission. So, the funding for the LSC for FY2011 was about \$404.2 million.

FY2012

For FY2012, the Obama Administration requested \$450.0 million for the LSC.²⁵ This amount was \$45.8 million (11.3%) above the FY2011 appropriation of \$404.2 million for the LSC. The Administration's FY2012 budget request included \$420.2 million for basic field programs and required independent audits, \$19.5 million for management and grants oversight, \$5.0 million for client self-help and information technology, \$4.4 million for the Office of the Inspector General, and \$1.0 million for loan repayment assistance. The Obama Administration also proposed that LSC restrictions on class action suits and attorneys' fees be eliminated.²⁶

On July 20, 2011, the House Committee on Appropriations recommended \$300 million for the LSC for FY2012 (H.Rept. 112-169; H.R. 2596). This amount was 33.3% less than the Administration's FY2012 budget request and 25.8% less than the FY2011-enacted amount. The committee also encouraged the LSC Inspector General to conduct annual audits of LSC grantees to make sure that they are not using LSC funds in violation of the prohibition against engaging in political activities or any of the other restrictions on LSC activities. The committee recommended that funds be withdrawn from any LSC grantee found to be engaging in political activity.

On September 15, 2011, the Senate Committee on Appropriations recommended \$396.1 million for the LSC for FY2012 (S.Rept. 112-78; S. 1572). This amount was 32.2% more than the amount recommended by the House Committee on Appropriations, 12.0% less than the Administration's FY2012 budget request, and 2.0% less than the FY2011-enacted amount. The Senate Committee on Appropriations' recommendation for the LSC for FY2012 included \$370.5 million for basic field programs and required independent audits, \$17.0 million for management and grants oversight, \$3.4 million for client self-help and information technology, \$4.2 million for the Office of the Inspector General, and \$1.0 million for loan repayment assistance. The committee also (1) directed the LSC to continue its collaboration with the Department of Justice to conduct a national study of the cost-effectiveness of a legal services program patterned after existing state models; (2) encouraged the LSC to have its grantees improve and/or increase private attorney pro bono participation; and (3) directed LSC to conduct a study of the implementation and costs of a legal aid fellowship program that would provide incentives for retirees and/or recent law school graduates to commit to working in legal services programs for a specified period of time. The committee also recommended that all the restrictions on the use of *private funds* for the LSC, except those associated with abortion-related cases and representation

²⁵ Each year, the LSC submits its own budget request to Congress. In most years, the LSC budget request is significantly higher than the amount that appears in the President's annual budget. For FY2012, the LSC requested an appropriation of \$516.550 million, a 14.8% increase over the President's FY2012 budget request of \$450 million. The reasons cited for the significant increase included legal problems of existing and new clients stemming from the economic downturn and slow recovery, continued crises in the mortgage and housing industries, and the ongoing impact of natural disasters, along with recent LSC findings that there is significant unmet need among America's poorest populations with regard to civil legal assistance.

²⁶ The restriction on attorneys' fees was eliminated pursuant to P.L. 111-117 (§533). For further information, see CRS Report R40679, *Legal Services Corporation: Restrictions on Activities*, by Carmen Solomon-Fears.

of prisoner cases, be eliminated.²⁷ The restrictions on the use of public funds for the LSC remained in effect.

On November 1, 2011, the Senate passed a bill (H.R. 2112) that included funding of \$348 million for the LSC for FY2012. On November 17, 2011, both the House and the Senate passed the conference report on H.R. 2112 (H.Rept. 112-284). Among other things, it funded the LSC at \$348 million for FY2012. The conference report included the existing restrictions on LSC activities. H.R. 2112 (the Consolidated and Further Continuing Appropriations Act, 2012) was signed into law (P.L. 112-55) by President Obama on November 18, 2011.

The FY2012 appropriation for the LSC, \$348 million, was 13.9% less than the FY2011 LSC appropriation, 22.7% less than the Administration's budget request, 16% more than the House committee's recommendation, and 12.1% less than the amount passed by the Senate. The FY2012 appropriation for the LSC included \$322.4 million for basic field programs and required independent audits, \$17.0 million for management and grants oversight, \$3.4 million for client self-help and information technology, \$4.2 million for the Office of the Inspector General, and \$1.0 million for loan repayment assistance. It also included the existing restrictions on LSC activities.

FY2013

For FY2013, the Obama Administration requested \$402.0 million for the LSC.²⁸ This amount was \$54.0 million (15.5%) above the FY2012 appropriation of \$348.0 million for the LSC. The Administration's FY2013 budget request included \$376.8 million for basic field programs and required independent audits, \$17.0 million for management and grants oversight, \$3.0 million for client self-help and information technology, \$4.2 million for the Office of the Inspector General, and \$1.0 million for loan repayment assistance. The Obama Administration also proposed that LSC restrictions on class action suits and attorneys' fees be eliminated.²⁹

On April 19, 2012, the Senate Committee on Appropriations recommended \$402 million for the LSC for FY2013 (S.Rept. 112-158; S. 2323). This amount was the same as the Administration's FY2013 budget request and 15.5% more than the FY2012-enacted amount. S. 2323 deleted restrictions concerning the use of non-federal funding for LSC activities except for activities regarding class action law suits; abortion litigation; and litigation on behalf of federal, state, or local prisoners.

²⁷ According to the Senate committee report (S.Rept. 112-78, pp. 123-124), the recommendation that would in effect allow LSC grantees to use private sources of funding for LSC activities (with the exceptions mentioned above) that cannot be funded with public sources of funds is intended to "level the playing field between legal aid attorneys and their counterparts in the private sector and open potentially crucial sources of additional revenue to legal aid providers in a year in which State and private funding sources are decreasing."

²⁸ Each year, the LSC submits its own budget request to Congress. In most years, the LSC budget request is significantly higher than the amount that appears in the President's annual budget. For FY2013, the LSC requested an appropriation of \$470.0 million, a 16.9% increase over the President's FY2013 budget request of \$402 million. The reasons cited for the significant increase included legal problems of existing and new clients stemming from the slow recovery, continued crises in the mortgage and housing industries, the decline in non-LSC resources available for legal services programs, and the ongoing impact of natural disasters, along with recent LSC findings that there is significant unmet need among America's poorest populations with regard to civil legal assistance.

²⁹ The restriction on attorneys' fees was eliminated pursuant to P.L. 111-117 (§533).

On April 26, 2012, the House Committee on Appropriations recommended \$328 million for the LSC for FY2013. This amount was 18.4% less than the amount recommended by the Senate Committee on Appropriations and the Administration's FY2013 budget request, and 5.7% less than the FY2012-enacted amount. The committee also encouraged the LSC Inspector General to conduct annual audits of LSC grantees to make sure that they are not using LSC funds in violation of the prohibition against engaging in political activities or any of the other restrictions on LSC activities. The committee recommended that funds be withdrawn from any LSC grantee found to be engaging in political activity. In addition, the committee included a technical change to the allocation formula for basic field grants. Currently the allocation for LSC grantees in each geographic area is based on poverty statistics from the "most recent decennial census." The Census Bureau has since stopped collecting poverty data in the decennial census and instead collects those data in the American Community Survey (ACS). The committee recommended that the formula be altered to reflect this shift. Since ACS data are released more frequently, the committee recommendation allows reallocation of LSC funding every three years. On May 10, 2012, the House passed the FY2013 CJS Appropriations bill (H.R. 5326), which included \$328 million for the LSC as well as the revised Census Bureau language. It also included the existing restrictions on LSC activities. One House amendment that would have eliminated all funding for the LSC and another House amendment that would have cut the funding for the LSC to \$200 million for FY2013 were rejected.

On September 28, 2012, President Obama signed into law the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The act continued appropriations for the agencies and bureaus funded under the annual CJS bill at 0.612% above the FY2012-enacted levels until March 27, 2013, or until the FY2013 CJS bill was passed by Congress and signed into law by the President. LSC funds were available to the extent and in the manner provided in the FY2012 LSC appropriation.

On December 7, 2012, in its request for disaster assistance funding, the Obama Administration requested \$1 million for LSC-funded programs in the areas affected by Hurricane Sandy to provide storm-related services to the low-income client population. On December 12, 2012, the Senate Appropriations Committee introduced a supplemental disaster aid bill that also included \$1 million in disaster assistance for LSC-funded programs in the areas affected by Hurricane Sandy. On January 29, 2013, President Obama signed into law the Hurricane Sandy Disaster Relief Bill (H.R. 152, P.L. 113-2). It included \$1 million for the LSC to provide assistance to low-income people in areas significantly affected by the super storm.

On March 26, 2013, President Obama signed into law the Consolidated and Further Continuing Appropriations Act, 2013 (P.L. 113-6). It included a total of \$365 million for the LSC. Note that this amount does not include the 1.877% cut in the Commerce, Justice, Science, and Related Agencies Appropriations (which includes the LSC) or the 0.2% across-the-board rescission specified in Section 3004 of the law, nor does it account for the sequestration of funds that took effect on March 1, 2013, as triggered by the Budget Control Act of 2011 (P.L. 112-25). P.L. 113-6 directed LSC to re-examine its headquarters structure and identify areas of duplication for consolidation or elimination in an effort to provide a more efficient and cost-saving structure, and send more funding to those in the field in need of LSC services. LSC is required to report these findings to the Committees on Appropriations within 90 days of enactment. In addition, a technical change to the allocation formula for basic field grants was included to reflect the shift in how the Census Bureau collects poverty data. The technical change directed LSC to reallocate funding every three years based on poverty data from the U.S. Bureau of the Census. P.L. 113-6 also provided a two-year phase-in of the changes.

LSC's post-rescission, pre-sequestration operating level for FY2013 was \$358.4 million, which included the \$1 million in Hurricane Sandy Disaster Relief funds (which also was subject to sequestration) for the LSC to provide assistance to low-income people in areas significantly affected by the super storm. LSC's post-rescission, post-sequestration operating level for FY2013 was \$341 million.

FY2014

For FY2014, the Obama Administration requested \$430.0 million for the LSC.³⁰ The Administration's FY2014 budget request included \$400.3 million for basic field programs and required independent audits, \$19.5 million for management and grants oversight, \$3.5 million for client self-help and information technology, \$4.2 million for the Office of the Inspector General, \$1.0 million for loan repayment assistance, and \$1.5 million for a pro bono innovation fund. The Obama Administration also proposed that LSC restrictions on class action suits and attorneys' fees be eliminated.³¹

On July 17, 2013, the House Committee on Appropriations recommended \$300 million for the LSC for FY2014. This recommendation included \$271.9 million for basic field programs and required independent audits, \$17.0 million for management and grants oversight, \$3.4 million for client self-help and information technology, \$4.2 million for the Office of the Inspector General, \$1.0 million for loan repayment assistance, and \$2.5 million for a pro bono innovation fund.

On July 18, 2013, the Senate Committee on Appropriations approved \$430 million for the LSC for FY2014. This amount is identical to the President's FY2014 budget request and is \$90 million more than LSC's operating level for FY2013 (i.e., \$341 million).³²

Pursuant to P.L. 113-46 (the Continuing Appropriations Act, 2014), LSC's funding level for FY2014 was \$341 million. P.L. 113-46 continued LSC's FY2013 appropriation level (post-rescission and post-sequestration) through January 15, 2014, or whenever the FY2014 CJS appropriations bill was signed into law, whichever came first. P.L. 113-76 (the Consolidated Appropriations Act, 2014) included \$365 million for the LSC for FY2014.

FY2015

For FY2015, the Obama Administration requested \$430.0 million for the LSC.³³ The Administration's FY2015 budget request included \$395.0 million for basic field programs and

³⁰ Each year, the LSC submits its own budget request to Congress. In most years, the LSC budget request is significantly higher than the amount that appears in the President's annual budget. For FY2014, the LSC requested an appropriation of \$486.0 million, a 13% increase over the President's FY2014 budget request of \$430 million. The reasons cited for the increase include the decline in some non-LSC funding sources, and LSC's calculation of the resources necessary to provide the same level of service that LSC grantees provided in 2007, the year before the recession began, along with LSC findings that there is significant unmet need among America's poorest populations with regard to civil legal assistance. LSC's budget request also includes an additional \$5 million for a new grant program to encourage innovations in pro bono legal services.

³¹ The restriction on attorneys' fees was eliminated pursuant to P.L. 111-117 (§533).

³² The FY2013 funding amount includes the \$1 million in Hurricane Sandy Disaster Relief funds (which was reduced to \$950,000 pursuant to sequestration).

³³ Each year, the LSC submits its own budget request to Congress. In most years, the LSC budget request is (continued...)

required independent audits, \$20.0 million for management and grants oversight, \$4.8 million for client self-help and information technology, \$4.4 million for the Office of the Inspector General, \$1.0 million for loan repayment assistance, and \$4.9 million for a pro bono innovation fund. The Obama Administration also proposed that LSC restrictions on class action suits and attorneys' fees be eliminated.³⁴

On May 8, 2014, the House Committee on Appropriations recommended \$350 million for the LSC for FY2015. This recommendation included \$319.7 million for basic field programs and required independent audits, \$18.0 million for management and grants oversight, \$4.0 million for client self-help and information technology, \$4.4 million for the Office of the Inspector General, \$1.0 million for loan repayment assistance, and \$3.0 million for a pro bono innovation fund. On May 30, 2014, the House approved legislation that included \$350 million for the LSC for FY2015.

On June 5, 2014, the Senate Committee on Appropriations recommended \$400 million for the LSC for FY2015. This amount is \$30 million below the President's FY2015 budget request and is \$65 million more than LSC's operating level for FY2014 (i.e., \$365 million). This recommendation included \$367.0 million for basic field programs and required independent audits, \$19.0 million for management and grants oversight, \$4.0 million for client self-help and information technology, \$4.0 million for the Office of the Inspector General, \$1.0 million for loan repayment assistance, and \$5.0 million for a pro bono innovation fund.

Pursuant to P.L. 113-164 (the Continuing Appropriations Resolution, 2015; enacted September 19, 2014), the LSC was funded for FY2015 at the FY2014 rate of \$365 million through December 11, 2014, or enactment of applicable appropriations legislation. Pursuant to P.L. 113-235 (the Consolidated and Further Continuing Appropriations Act, 2015; enacted December 16, 2014), the LSC was funded for FY2015 at \$375 million.

FY2016

For FY2016, the Obama Administration requested \$452.0 million for the LSC.³⁵ The Administration's FY2016 budget request included \$416.4 million for basic field programs and required independent audits, \$19.5 million for management and grants oversight, \$5.0 million for

(...continued)

significantly higher than the amount that appears in the President's annual budget. For FY2015, the LSC again requested an appropriation of \$486.0 million, a 13% increase over the President's FY2015 budget request of \$430 million. The reasons cited for the increase include the decline in some non-LSC funding sources, and LSC's calculation of the resources necessary to provide the same level of service that LSC grantees provided in 2007, the year before the recession began, along with LSC findings that there is significant unmet need among America's poorest populations with regard to civil legal assistance. LSC's budget request also included an additional \$5 million for a new grant program to encourage innovations in pro bono legal services.

³⁴ The restriction on attorneys' fees was eliminated pursuant to P.L. 111-117 (§533).

³⁵ Each year, the LSC submits its own budget request to Congress. In most years, the LSC budget request is significantly higher than the amount that appears in the President's annual budget. For FY2016, the LSC requested an appropriation of \$486.9 million, a 7.7% increase over the President's FY2016 budget request of \$452 million. The reasons cited for the increase include the decline in some non-LSC funding sources, and LSC's calculation of the resources necessary to provide the same level of service that LSC grantees provided in 2007, the year before the recession began, along with LSC findings that there is significant unmet need among America's poorest populations with regard to civil legal assistance. LSC's budget request also included an additional \$5 million for the grant program (established in FY2014) to encourage innovations in pro bono legal services.

client self-help and information technology, \$5.1 million for the Office of the Inspector General, \$1.0 million for loan repayment assistance, and \$5.0 million for a pro bono innovation fund. The Obama Administration also proposed that LSC restrictions on class action suits and attorneys' fees be eliminated.³⁶

On May 20, 2015, the House Committee on Appropriations recommended \$300 million for the LSC for FY2016. This amount is \$75 million below the FY2015 appropriation and \$152 million below the Administration's budget request.

It is important to note that since FY1996, all of the LSC appropriations laws have included language stipulating the retention of provisions restricting the activities of LSC grantees enacted in previous LSC appropriations laws.³⁷ (See the earlier section titled "Restrictions on Activities.")

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³⁶ The restriction on attorneys' fees was eliminated pursuant to P.L. 111-117 (§533).

³⁷ Although the authorizing statute contains some restrictions on LSC activities, many more restrictions were added by P.L. 104-134 in 1996. Other restrictions and modifications or clarifications were added in 1997 (P.L. 105-119) and 1998 (P.L. 105-277). All LSC appropriation laws enacted after 1996 have included language referencing the restrictions in prior appropriation laws.