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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. 114-113 (the Consolidated Appropriations Act, 2016), enacted December 18, 2015, the LSC was funded for FY2016 at $385 million. The FY2016 LSC appropriation included $352 million for basic field programs and required independent audits, $19 million for management and grants oversight, $4 million for client self-help and information technology, $5 million for the Office of the Inspector General, $1.0 million for loan repayment assistance, and $4 million for a pro bono innovation fund.

For FY2017, the Obama Administration requested $475.0 million for the LSC. On April 21, 2016, the Senate Committee on Appropriations reported their FY2017 Commerce, Justice, Science, and Related Agencies (CJS) appropriations bill (S. 2837), which recommended $395 million for the LSC for FY2017. This amount is $10 million more than the FY2016 appropriation and $80 million less than the Administration's budget request. On June 7, 2016, the House Committee on Appropriations reported their FY2017 CJS appropriations bill (H.R. 5393), which included an appropriation of $350 million for the LSC for FY2017. This amount is $35 million less than the FY2016 appropriation and $125 million less than the Administration's budget request. Pursuant to P.L. 114-223 (the Continuing Appropriations and Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2017, and Zika Response and Preparedness Act; enacted September 29, 2016), the LSC was funded for FY2017 at the FY2016 rate of $385 million annually (prorated) minus an across-the-board reduction of 0.496%, through December 9, 2016, or enactment of applicable appropriations legislation. Pursuant to P.L. 114-254 (Further Continuing Appropriations Act, 2017; enacted December 10, 2016), the LSC is funded for FY2017 at the FY2016 rate of $385 million annually (prorated) minus an across-the-board reduction of 0.1901%, through April 28, 2017, or enactment of applicable appropriations legislation.

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 2015, the LSC funded 134 local programs/grantees in 812 offices employing 4,591 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 2015, 70% of LSC clients were females and 30% were males. The majority of LSC clients (81%) were between the ages of 18 and 59, 17% were age 60 or older, and 2% were under the age of 18. In 2015, 44% of LSC clients were non-Hispanic white, 28% were non-Hispanic black, 3% were Asian or Pacific Islander, nearly 3% were Native American, nearly 4% were of other races, and 18% were Hispanic. In 2015, LSC grantees closed 755,774 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 38% of all funding for civil legal services for the poor in the United States (including the District of Columbia and the territories).

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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.

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)
P.L. 114-53 (Sept. 30, 2015)
P.L. 114-113 (Dec. 18, 2015)
P.L. 114-223 (Sept. 29, 2016)
P.L. 114-254 (Dec. 10, 2016)

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.

[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 2015, the LSC funded 134 local programs in 812 offices employing about 4,591 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]

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

[2] In 2015, 125% of the federal poverty guidelines was $30,313 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.

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, 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.

LSC Cases Closed

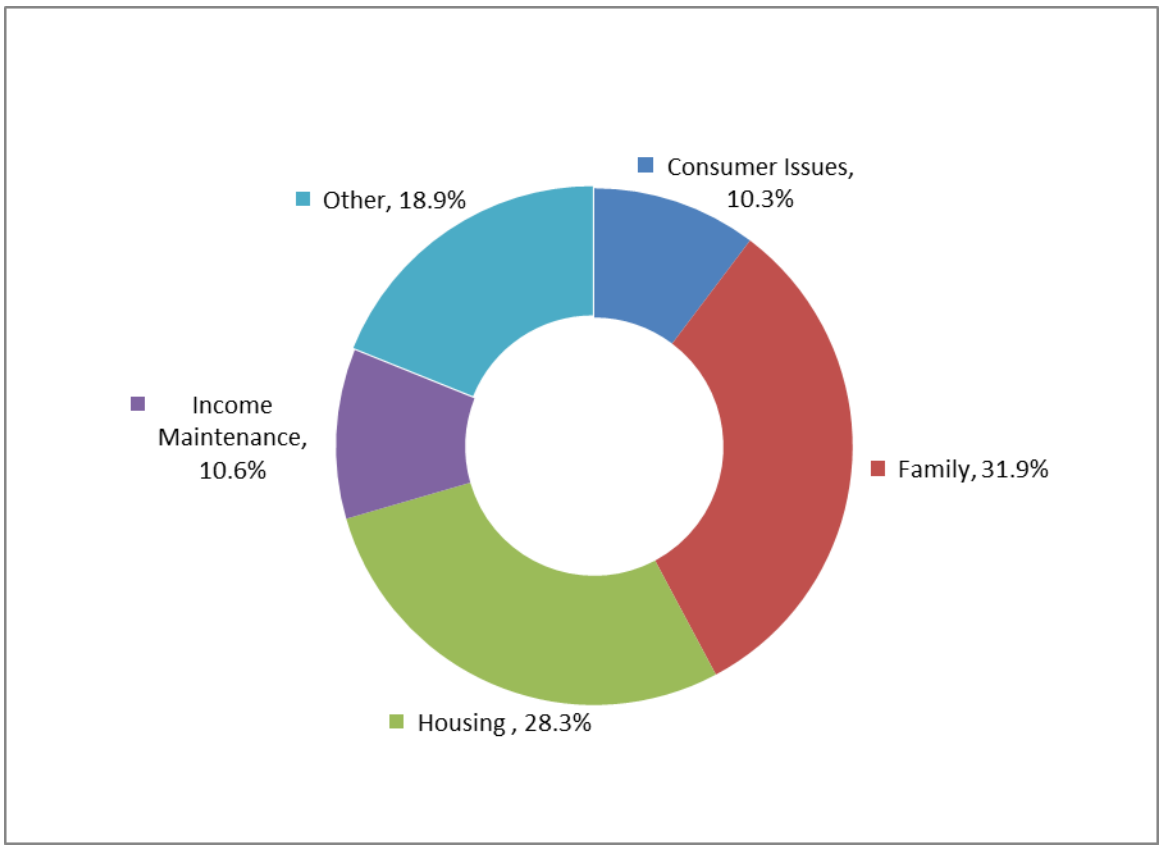
2002: 978,834
2003: 935,793
2004: 901,067
2005: 906,338
2006: 895,488
2007: 906,507
2008: 889,155
2009: 920,447
2010: 932,406
2011: 899,817
2012: 809,830
2013: 758,689
2014: 757,983
2015: 755,774

During 2015, legal services attorneys closed 755,774 cases. Family issues such as divorce and separation, custody and visitation, domestic abuse, and child support were the substance of 31.9% of cases handled by field offices; housing issues, including eviction cases, comprised 28.3% of cases; income maintenance issues represented another 10.6% of cases;

[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).

and consumer finance comprised 10.3% of cases. Issues related to health coverage (4.2%), employment (3.1%), individual rights (2.5%), juveniles (1.9%), education (0.8%), and other miscellaneous categories (6.4%) comprised 18.9% of cases (see **Figure 1**). Most of the cases handled by LSC are resolved through advice and referral. In 2015, 14.9% 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]

Figure 1. LSC Cases Closed in 2015, by Legal Problems



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

In addition to the cases closed in 2015, 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 2015,[9] LSC clients were of all races and ethnic groups. LSC clients included the working poor, veterans, family farmers, people with disabilities, battered

[7] *2015 Legal Services Corporation By the Numbers: The Data Underlying Legal Aid Programs*, October 2016. This report can be found at http://www.lsc.gov/media-center/publications/lsc-numbers-2015.

[8] Ibid.

[9] The 2015 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.

women, women seeking divorces or child support, and victims of natural disasters. In 2015, 70% of LSC clients were females and 30% were males. Approximately 81% of LSC clients were between the ages of 18 and 59, almost 17% were age 60 or older, and 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 did 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 was one legal services attorney for every 6,415 low-income persons—the comparable number for the general population was one attorney for every 429 persons, a difference of 15 to 1.[10]

Race and Ethnicity of LSC Clients, 2015

White, not Hispanic	44.3%
Black, not Hispanic	28.4%
Hispanic	17.9%
Asian or Pacific Islander	3.1%
Native American	2.6%
Other	3.7%

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 was one legal services attorney for every 6,415 poor persons. According to data in the LSC's FY2017 budget request, LSC's basic field funding per eligible person, adjusted for inflation, decreased from $7.54 in 2007 to $5.85 in 2016.[11]

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 FY2017. Current funding ($385 million) is the same as the FY2016 LSC funding level. LSC funding accounts for less than half (38%) of all funding for civil legal services for the poor in the United States (see **Table 3**).

[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.

[11] Legal Services Corporation, LSC FY2017 budget request at http://www.lsc.gov/media-center/publications/fy-2017-budget-request (see p. 3). According to the budget request report, LSC estimated the number of Americans eligible for civil legal aid assistance to be nearly 60.2 million in 2016, and 59.4 million in 2017 (p. 5).

Table 1. LSC Appropriations History for Selected Years

(in millions of dollars)

FY	$	FY	$	FY	$	FY	$
1976	92	2000	304	2006	327	2012	348
1980	300	2001	329	2007	349	2013	341[a]
1984	275	2002	329	2008	350	2014	365[b]
1988	306	2003	337	2009	390	2015	375[c]
1992	350	2004	335	2010	420	2016	385[d]
1996	278	2005	331	2011	404	2017	385[e]

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

a. The LSC appropriation for FY2013 was initially $365 million. 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.

b. P.L. 113-76 (the Consolidated Appropriations Act, 2014) included $365 million for the LSC for FY2014.

c. P.L. 113-235 (the Consolidated and Further Continuing Appropriations Act, 2015) included $375 million for the LSC for FY2015.

d. Pursuant to P.L. 114-53 (the Continuing Appropriations Act, 2016), enacted September 30, 2015, the LSC was funded for FY2016 at the FY2015 rate of $375 million minus an across-the-board rescission of 0.2108% (§101[b]), through December 11, 2015, or enactment of applicable appropriations legislation. Pursuant to P.L. 114-113 (the Consolidated Appropriations Act, 2016), enacted December 18, 2015, the LSC was funded for FY2016 at $385 million.

e. Pursuant to P.L. 114-223 (the Continuing Appropriations and Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2017, and Zika Response and Preparedness Act; enacted September 29, 2016), the LSC was funded for FY2017 at the FY2016 rate of $385 million annually (prorated) minus an across-the-board reduction of 0.496%, through December 9, 2016, or enactment of applicable appropriations legislation. Pursuant to P.L. 114-254 (Further Continuing Appropriations Act, 2017; enacted December 10, 2016), the LSC is funded for FY2017 at the FY2016 rate of $385 million annually (prorated) minus an across-the-board reduction of 0.1901%, through April 28, 2017, or enactment of applicable appropriations legislation.

Table 2 shows LSC appropriations for FY2000-FY2017, by component of funding.

Table 2. LSC: Funding for Program Components, FY2000-FY2017

(in millions of dollars)

	Basic Field Programs	Management and Administra-tion	Client Self-Help and Information Technology	Office of the Inspector General	Offset for Census-Based Reallocations	Student Loan Repayment Program	Pro Bono Inno-vation Fund	Total
FY2000	287.9	8.9	5.0	2.1	0	0	0	304.0
FY2001	309.3	10.8	7.0	2.2	0	0	0	329.3
FY2002	310.0	12.4	4.4	2.5	0	0	0	329.3
FY2003	308.0	14.4	2.2	2.6	9.4	0	0	336.6
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
FY2016	352.0	19.0	4.0	5.0	0	1.0	4.0	385.0
FY2017	352.0	19.0	4.0	5.0	0	1.0	4.0	385.0

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

Notes: These data reflect appropriations after all rescissions, except for FY2014-FY2017. 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). With respect to FY2017, pursuant to P.L. 114-223 (the Continuing Appropriations and Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2017, and Zika Response and Preparedness Act; enacted September 29, 2016), the LSC was funded for FY2017 at the FY2016 rate of $385 million annually (prorated) minus an across-the-board reduction of 0.496%, through December 9, 2016, or enactment of applicable appropriations legislation. Pursuant to P.L. 114-254 (Further Continuing Appropriations Act, 2017; enacted December 10, 2016), the LSC is funded for FY2017 at the FY2016 rate of $385 million annually (prorated) minus an across-the-board reduction of 0.1901%, through April 28, 2017, or enactment of applicable appropriations legislation.

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 data[12] on the number of "poor" persons in each 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 2015 LSC funding accounted for 38% of the $966.0 million spent in the United States and territories for civil legal services for the poor.[16]

[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). Also see http://www.lsc.gov/media-center/publications/fy-2017-budget-request (see pp. 3-5).

[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 2015, approximately 30,000 private attorneys accepted referrals to help LSC clients.

[16] Legal Services Corporation, *2015 Legal Services Corporation By the Numbers: The Data Underlying Legal Aid Programs*, October 2016.

Table 3. Funding for LSC and Non-LSC Programs, by Jurisdiction, 2015

State	LSC Funding	Number of LSC Programs	Non-LSC Funding	Total Funding	LSC Funding as % of Total
Alabama	6,658,137	1	893,928	7,552,065	88.2%
Alaska	1,319,831	1	3,550,917	4,870,748	27.1%
Arizona	11,394,204	3	5,329,170	16,723,374	68.1%
Arkansas	3,812,537	2	3,736,848	7,549,385	50.5%
California	43,062,847	11	65,241,419	108,304,266	39.8%
Colorado	4,953,108	1	8,476,362	13,429,470	36.9%
Connecticut	2,801,062	1	526,735	3,327,797	84.2%
Delaware	692,440	1	820,540	1,512,980	45.8%
District of Columbia	775,621	1	1,174,846	1,950,467	39.8%
Florida	22,989,305	7	20,565,019	43,554,324	52.8%
Georgia	12,171,946	2	10,991,577	23,163,523	52.5%
Hawaii	1,528,602	1	7,715,922	9,244,524	16.5%
Idaho	2,156,380	1	702,916	2,859,296	75.4%
Illinois	12,760,604	3	22,942,475	35,703,079	35.7%
Indiana	7,232,185	1	3,536,556	10,768,741	67.2%
Iowa	2,794,847	1	6,446,844	9,241,691	30.2%
Kansas	2,624,645	1	2,433,403	5,058,048	51.9%
Kentucky	5,952,697	4	10,891,427	16,844,124	35.3%
Louisiana	6,022,751	3	6,630,154	12,652,905	47.6%
Maine	1,400,413	1	5,825,859	7,226,272	19.4%
Maryland	3,859,008	1	21,552,008	25,411,016	15.2%
Massachusetts	5,103,667	4	17,371,342	22,475,009	22.7%
Michigan	11,815,277	6	15,381,424	27,196,701	43.4%
Minnesota	5,024,302	5	12,594,316	17,618,618	28.5%
Mississippi	4,949,945	2	1,687,043	6,636,988	74.6%
Missouri	6,292,307	4	14,393,891	20,686,198	30.4%
Montana	1,296,957	1	1,747,491	3,044,448	42.6%
Nebraska	1,854,933	1	4,619,546	6,474,479	28.6%
Nevada	3,153,958	1	1,745,203	4,899,161	64.4%
New Hampshire	742,964	1	632,318	1,375,282	54.0%
New Jersey	6,209,785	5	27,365,733	33,575,518	18.5%
New Mexico	3,403,127	1	3,171,160	6,574,287	51.8%
New York	21,985,399	7	104,477,104	126,462,503	17.4%
North Carolina	11,896,364	1	12,769,230	24,665,594	48.2%

State	LSC Funding	Number of LSC Programs	Non-LSC Funding	Total Funding	LSC Funding as % of Total
North Dakota	764,793	1	932,763	1,697,556	45.1%
Ohio	13,343,227	5	23,937,465	37,280,692	35.8%
Oklahoma	5,403,053	2	8,532,185	13,935,238	38.8%
Oregon	4,391,245	1	3,275,529	7,666,774	57.3%
Pennsylvania	11,903,218	8	22,001,343	33,904,561	35.1%
Rhode Island	966,557	1	2,604,428	3,570,985	27.1%
South Carolina	6,365,685	1	4,178,556	10,544,241	60.4%
South Dakota	1,805,515	2	451,468	2,256,983	80.0%
Tennessee	7,711,821	4	11,205,309	18,917,130	40.8%
Texas	34,486,732	3	31,440,960	65,927,692	52.3%
Utah	2,749,993	1	2,009,037	4,759,030	57.8%
Vermont	496,623	1	69,055	565,678	87.8%
Virginia	5,925,089	6	13,647,521	19,572,610	30.3%
Washington	7,901,759	1	19,873,398	27,775,157	28.4%
West Virginia	2,295,647	1	6,951,958	9,247,605	24.8%
Wisconsin	5,657,711	2	6,587,849	12,245,560	46.2%
Wyoming	590,055	1	637,453	1,227,508	48.1%
American Samoa	351,648	1	1,200	352,848	99.7%
Guam	288,296	1	912,497	1,200,793	24.0%
Micronesia	1,301,833	1	897,308	2,199,141	59.2%
Puerto Rico	11,956,303	2	9,135,804	21,092,107	56.7%
Virgin Islands	164,978	1	1,266,979	1,431,957	11.5%
Total (states and DC)	353,450,878	128	586,277,003	939,727,881	37.6%
Total (states, DC, and territories)	367,513,936	134	598,490,791	966,004,727	38.0%

Source: Table prepared by the Congressional Research Service (CRS), using data from the Legal Services Corporation, *2015 Legal Services Corporation By the Numbers: The Data Underlying Legal Aid Programs*, October 2016. This report can be found at http://www.lsc.gov/media-center/publications/lsc-numbers-2015.

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 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.

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

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 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

[18] 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 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.

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 provided $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, was 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 was 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 was $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 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

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

[20] See Section 431 of P.L. 110-315.

[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.

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 LCS 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 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.)

[22] S.Rept. 111-34 (p. 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).

[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.

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]

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]

[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.

[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.

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 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.

[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 was 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."

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 nonfederal funding for LSC activities except for activities regarding class action law suits; abortion litigation; and litigation on behalf of federal, state, or local prisoners.

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. The allocation for LSC grantees in each geographic area was 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 LCS 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.

[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 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 did 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 did 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 was 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

[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).

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 was identical to the President's FY2014 budget request and was $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 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 was $30 million below the President's FY2015 budget request and was $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.

[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 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).

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 for the LSC 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 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 (H.Rept. 114-130). This amount was $75 million below the FY2015 appropriation and $152 million below the Administration's budget request. On June 3, 2015, the House passed H.R. 2578, which included an appropriation of $300 million for the LSC for FY2016.

On June 11, 2015, the Senate Committee on Appropriations recommended $385 million for the LSC for FY2016 (S.Rept. 114-66). This amount was $10 million above the FY2015 appropriation and $67 million below the Administration's budget request.

Pursuant to P.L. 114-53 (the Continuing Appropriations Act, 2016), enacted September 30, 2015, the LSC was funded for FY2016 at the FY2015 rate of $375 million minus an across-the-board rescission of 0.2108% (§101[b]), through December 11, 2015, or enactment of applicable appropriations legislation.[37]

Pursuant to P.L. 114-113 (the Consolidated Appropriations Act, 2016), enacted December 18, 2015, the LSC was funded for FY2016 at $385 million. The FY2016 LSC appropriation included $352 million for basic field programs and required independent audits, $19 million for management and grants oversight, $4 million for client self-help and information technology, $5 million for the Office of the Inspector General, $1.0 million for loan repayment assistance, and $4 million for a pro bono innovation fund.

[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.

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

[37] For more information on the continuing resolution for FY2016, see out-of-print CRS Report R44214, *Overview of the FY2016 Continuing Resolution (H.R. 719)*, by Jessica Tollestrup (available to congressional clients upon request).

FY2017

For FY2017, the Obama Administration requested $475.0 million for the LSC.[38] The Administration's FY2017 budget request for the LSC included $439.3 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, $5.2 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.

On April 21, 2016, the Senate Committee on Appropriations reported their FY2017 CJS appropriations bill (S. 2837), which recommended $395 million for the LSC for FY2017. This amount is $10 million more than the FY2016 appropriation and $80 million less than the Administration's budget request.

On June 7, 2016, the House Committee on Appropriations reported their FY2017 CJS appropriations bill (H.R. 5393), which included an appropriation of $350 million for the LSC for FY2017. This amount is $35 million less than the FY2016 appropriation and $125 million less than the Administration's budget request.

Pursuant to P.L. 114-223 (the Continuing Appropriations and Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2017, and Zika Response and Preparedness Act; enacted September 29, 2016), the LSC was funded for FY2017 at the FY2016 rate of $385 million annually (prorated) minus an across-the-board reduction of 0.496%, through December 9, 2016, or enactment of applicable appropriations legislation.

Pursuant to P.L. 114-254 (Further Continuing Appropriations Act, 2017; enacted December 10, 2016), the LSC is funded for FY2017 at the FY2016 rate of $385 million annually (prorated) minus an across-the-board reduction of 0.1901%, through April 28, 2017, or enactment of applicable appropriations legislation.

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.[39] (See the earlier section titled "Restrictions on Activities.")

[38] 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 FY2017, the LSC requested an appropriation of $502.7 million, a 5.8% increase over the President's FY2017 budget request of $475 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.

[39] 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.

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