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September 6, 2011



Legal Services Corporation  
3333 K Street, NW – 3rd Floor  
Washington, DC 20007

**RE: Response to LSC Request for Comments on  
Poverty Data and LSC Funding Distribution**

The following is submitted by Acadiana Legal Service Corporation, Legal Services of North Louisiana, and Southeast Louisiana Legal Services in response to the request for comments from the Legal Services Corporation (LSC) on the above announcement concerning an alternative to utilization of the 2010 Decennial Census for purposes of the funding formula for LSC recipients. Specifically, we submit two comments.

*Comment 1:* Our initial comment concerns LSC Management's proposed recommendation to the President and the Congress regarding the initial implementation, i.e. that the first reallocation be phased in over two years in FY 2013 and FY 2014.

We believe that Louisiana's experience over at least the last six years should be instructive concerning the implementation of the reallocation over two years and suggest that the reallocation be phased in over three years in equal portions in FY 2013, FY 2014, and FY 2015. First, consider that Louisiana's experience of natural and man-made disasters has presented unique challenges in the delivery of legal services to the underprivileged by the state's LSC-funded programs. The devastation caused by Hurricanes Katrina and Rita in 2005 and Hurricanes Gustav and Ike in 2008 had enormous consequences for the entire state and especially individuals who were living in poverty before the storms or were pushed into poverty because of them. The man-made disaster involving the Macondo catastrophe (British Petroleum oil rig), which killed eleven rig workers and was followed by the largest release of petroleum into the Gulf of Mexico (or any other waterway) in the history of the United States, created other stressors on the legal services delivery system which remain to this day.

Against this backdrop, Louisiana now faces a potential for the nation's largest downturn in poverty population as compared to the national poverty population and the resulting downturn in funding from LSC to the state's three LSC-funded programs. Complicating this scenario is an uncertain political situation concerning the level of overall funding for LSC. It is submitted that the reallocation of funding can best be addressed by the LSC-funded programs and their partners in the private bar and the state justice community as a whole through a planned phase-in over three years rather than the proposed two years. This would provide the programs and their partners with an opportunity to strategically plan in a deliberate manner their implementation of the lower funding levels.

While Louisiana's recent history of natural and man-made calamities is unique, we make this suggestion knowing that other states and regions in the country are also dealing with challenging disaster scenarios and other significant challenges. We believe that this analysis gives further weight to a longer period of reallocation among states that are losing poverty population as compared to the 2000 count. Accordingly, we recommend that the three year phase-in in FY 2013, FY 2014, and FY 2015 be implemented on a national basis.

Comment 2: We support the direction that LSC is proposing, specifically adjusting poverty population counts and funding as information becomes available instead of waiting ten years and creating the decennial "crisis" for service areas that have lost poverty population. The present approach is unnecessarily disruptive to the delivery of services. This concept can be further improved by setting a percentage limit to the amount of adjustment that takes place in any given year. We suggest that a limit of between 6% and 8% be implemented. In fairness to programs across the country, this limit would be in addition to any across-the-board cuts that have to be made because of a reduction in LSC funding.

A larger cut in a single year is a management nightmare. There is insufficient time to explore other funding sources or savings to make up most or all of the difference. Not only would case handlers have to be quickly laid off, thereby reducing the number of new cases a program can accept, but the remaining staff would have to absorb the caseloads of departed staff, also reducing new work that can be taken. The disadvantages of huge cuts are enormous, and what is the advantage of immediately implementing a larger cut? Such a limit would rarely come into play once the existing adjustments from the 2000 census are made. The limit on reductions would mean that programs which show an increase in their poverty population would get a slightly smaller increase in funding than they would otherwise receive.

So when would the limit come into play? Consider what would have happened in southeast Louisiana after Hurricane Katrina if the current proposal is adopted unamended. After a year, the storm had displaced 275,000 people or 56% of the population from New Orleans. The ACS estimated that the number of families living in poverty in Louisiana fell 15.4% from 2005 to 2006. We can assume that the largest impact of this drop was in the area devastated by the storm. In that same area, applications for legal assistance rose more than 25% in 2006 compared to the twelve months immediately before the storm. In 2010, that number was 42% higher than in the 12 months ending August 29, 2005. The disaster area still has not recovered, and has experienced a 14% drop in poverty population using the 2000 census and the 2009 ACS survey. Surely, LSC would have been scrambling for a way to address cutting funding to the disaster area even though the ACS said that the number of people living in poverty had declined in the area. Since Katrina, we have seen disaster strike many places in our country. The next big disaster could come at any time and strike anywhere. If another massive displacement of low-income people happens in our country, we would hope that LSC's response would not be to slash the local program's funding.

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In conclusion, there have been numerous complicated formulae over the years to responsibly reallocate funding to reflect shifts in poverty demographics in the country. Using the ACS is another step in discharging that responsibility. However, the concept can be further refined by adopting a reasonable limit to the cuts to take place to any one grantee in a single year, and we would urge LSC to adopt such a limit.

If you have any questions concerning these comments, please feel free to contact us directly.

Sincerely,

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cc: Mr. James J. Davidson, III, President  
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