



Office of Inspector General  
Legal Services Corporation

**Inspector General**

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## MEMORANDUM

**TO:** Rebecca Fertig Cohen, Chief of Staff

**FROM:** David C. Maddox, Assistant Inspector General for Management and Evaluation  
Daniel Sheahan, Senior Program Evaluation Analyst  
Alison Ottenbreit, Operations Specialist

**THROUGH:** Jeffrey E. Schanz, Inspector General

**DATE:** September 25, 2020

**SUBJECT:** Considerations – Legal Services Corporation Strategic Plan 2021-2025

**CC:** Ronald S. Flagg, LSC President

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### Introduction:

In our opinion, over the last decade LSC as an organization has greatly improved. In embarking on updating LSC's Strategic Plan, the LSC Board and management will create a continuing vision around which the Board, management, the OIG and other stakeholders can organize; it will guide future directions, resources and results, and enhance public confidence in LSC and its ability to carry out its mission, especially during these turbulent times. The current Plan nicely weaves relevant themes, including increasing the availability and quality of legal services, providing leadership as a voice for civil legal services for eligible low-income persons, and maintaining high management standards to sustain an accountable grants management organization.

We offer these comments to assist LSC in its mission and in furtherance of the OIG's mission to increase the efficiency and effectiveness of the operations of LSC and its grantees and to prevent fraud, waste and abuse.

The OIG offers these comments during the early phases of the strategic planning effort, while recognizing that our independent reporting responsibilities may require the OIG to assess LSC's performance of its mission. This memorandum is not a standard OIG report and does not contain recommendations with required follow-up by LSC. Please consider our comments to be advisory in nature only.

While coming from a relatively strong foundation, and armed with the feedback from multiple stakeholders, LSC may wish to use the occasion to perform a self-assessment of its strengths and opportunities, and the challenges and threats it faces, in order to align its activities, core processes, and resources to best support mission-related outcomes.

Attached as an appendix is a subsection of Government Accountability Office (GAO) document entitled "Agencies' Strategic Plans under GPRA: Key Questions to Facilitate Congressional Review", which we have previously provided. It contains a list of GAO questions designed for Congressional staff to ask federal agencies about the agency and its strategic plan. We encourage you to examine these questions as LSC considers its future directions.

In this document, the OIG lays out what we see as the major strengths, opportunities, challenges and threats for LSC's thoughtful strategic, tactical and operational planning. Some areas are rather detailed and are offered for consideration as the umbrella of a strategic plan is created.

### **Strengths and Opportunities:**

#### **1. Facilitation and Coordination**

LSC has made unprecedented strides in expanding the dialogue about the need for legal aid beyond the legal aid community, law schools and overseers, to include other federal programs, private law firms, the Conference of Chief Justices and national business and other leaders. We encourage the further expansion of this dialogue, along with gathering additional data, in order to identify and provide data-driven information to improve the national, state and local level discourse. In this way, LSC may help find the best solutions to the core challenges LSC and the eligible population face.

LSC could consider that in its leadership role, it is positioned to work with legal aid providers (inside and outside the funding network), equal access to justice commissions, the courts and others, in facilitating state-based strategies to improve the availability of legal services on an issue basis. One common area of collaborative leadership to increase access to services could be advocating for greater simplification and standardization of legal forms on a state-wide basis. Such standardization, along with automation and replication, would create economies of scale, allowing more people to gain greater online access and further enhance the TIG program's A2J forms and navigator development efforts.

Further facilitation considerations could include more in-depth program-level coordination with other federal organizations created to serve similar populations, as there are opportunities for enhanced strategic and program level collaboration and coordination efforts.

A. One possible approach:

The goals and challenges identified by the Health Resources and Services Administration (HRSA.GOV) are worth considering based on certain similarities in certain mission areas.<sup>1</sup> HRSA, within the U.S. Department of Health and Human Services, is the primary federal agency responsible for improving access to health care and enhancing health systems of care for the tens of millions of people who are geographically isolated and/or economically or medically vulnerable. HRSA programs help those in need of high-quality primary health care, including people with HIV, pregnant women, and mothers. HRSA supports the training of health professionals and the distribution of providers to areas where they are needed most. Its mission is “to improve health outcomes and address health disparities through access to quality services, a skilled health workforce, and innovative, high-value programs.”

HRSA’s network is constructed of 90-plus programs and more than 3,000 grantees. HRSA is a much better funded organization, whose precursor dates to 1943, and we believe they employ several strategies, approaches and programs that could be of value for LSC to consider.

**HRSA’s Strategic goals are to:**

[Goal 1: Improve Access to Quality Health Services](#)

[Goal 2: Foster a Health Care Workforce Able to Address Current and Emerging Needs](#)

[Goal 3: Achieve Health Equity and Enhance Population Health](#)

[Goal 4: Optimize HRSA Operations and Strengthen Program Management](#)

LSC could consider a few of these goals and underlying efforts as part of its new strategic plan, such as directly training the grantee workforce and enhancing their ability to address the variety of legal needs (LSC’s training program has already begun to do this – including it in the strategic plan would formalize it). Also, for example, under Goal 3, HRSA is leveraging advisory councils to better understand community requirements, integrating public health and primary care services, using evidence-based decision-making to guide efforts to address health disparities, and promoting illness prevention and healthy

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<sup>1</sup> We have not assessed the effectiveness of the HRSA strategy nor its execution, but provide this information as a resource, given the clear similarities.

behaviors. Something similar could be done by LSC within legal aid.

Further consideration of HRSA's Guiding Principles in meeting the mission and guiding the aspects of organizational decision making and resource allocation could spur LSC innovation. HRSA Guiding Principles include:

- Implement value-based health care delivery for all programs to optimize financial investments and improve patient outcomes;
- Better leverage data to improve evidence-based decision making and organizational performance management;
- Partner with an array of stakeholders, including individuals, families, and communities; Federal, State, local, territorial, and tribal government agencies; and the public, private, and international health sectors to achieve optimal health outcomes;
- Reduce regulatory and administrative burdens on our grantees and partners; and
- Emerge as a leading agency in harnessing technology and adopting innovative practices to improve health outcomes.

These Goals, underlying strategies and Guiding Principles could be considered in LSC's strategic plan and approach to the future. HRSA's Strategic plan can be found at: <https://www.hrsa.gov/sites/default/files/hrsa/about/strategic-plan/HRSA-strategic-plan-2019-2022.pdf>. HRSA also could potentially function as a strategic partner for LSC (a national medical-legal partnership).

#### B. Other possible resources:

Other possible federal resources and potential relationships could be leveraged through a federal partners program as they serve many of the same populations as LSC including:

- HHS: Administration for Community Living, including Administration on Aging (Title III grants from Older Americans Act) and the Office of Disability; Administration for Children and Families, including Legal Assistance; Title III-B Providers for Elder Rights Programs; Administration for Native Americans; the Office of Human Services and Emergency Preparedness and Response; and the Office of Community Services, Economic Development grants; Office of Minority Health, including the National Infrastructure for Mitigating the Impact of COVID-19 within Racial and Ethnic Minority Communities Initiative.
- DOJ: Legal Assistance for Victims Grant Program, Office of Violence Against Women (19 programs resulting from the Violence against Women Act, including Legal Assistance for Victims Grant Program and the STOP Violence against Women formula grant program) and the Native American Rights Fund.
- HUD: Fair Housing Initiative Program; Continuum of Care Homeless Assistance Programs; Supportive Housing for Persons w/Disabilities; Emergency Solutions Grants Program; and HUD-Veterans Affairs Supportive Housing Programs.

## 2. Grant Making Excellence

LSC, as a grant-making organization, is making progress in this core functional area with the implementation of a new grants management system. LSC needs to continually ensure it is following grant-making best practices. A formal program to reach out and compare itself to other grant-making organizations would provide an opportunity for LSC to ensure it is an outstanding grant maker. Such organizations could include quasi-federal and non-profit organizations whose grants are not civil legal aid based. They could serve different populations or the very same populations as LSC grants, so that LSC keeps an eye on the grant making universe and considers new programs and best practices.

## 3. Human Capital Management

In support of its mission, LSC has improved its management of human resources from the identification of skillset needs, recruitment, training and retaining a competent and motivated workforce. LSC has successfully hired and retained competent executive and management personnel and created the Office of Data Governance and Analysis (ODGA) to fill a strategic weakness. The grantees are undergoing a significant turnover period in leadership, and LSC should continue efforts to provide training programs to reach out to these new leaders.

## 4. Planning and Performance Cycle

Another strength of LSC is the established management performance and reporting cycle. This keeps LSC's performance in reaching the goals and strategies of the plan transparent and in front of decision makers, so important aspects do not fall through the cracks. This is true of the President's annual LSC Plan performance update, annual performance plan and report and, down through the annual office performance plan level, to the staff's individual performance plans.

In terms of a strategic plan or annual plan, a plan that is structured to allow for quantifiable measurement in the accomplishment of specific objectives may be increasingly useful. Such objectives are called SMART Objectives—Specific, Measurable, Attainable, Relevant, Time-Bound.

## Challenges and Threats

LSC faces several functional challenges that could impede LSC's ability, with the assistance of the plan, to further the LSC mission, unless additional strategies are designed to overcome them. These challenges and strategies may be worth considering, for further expansion or the development of programs to target them in the upcoming plan or future annual performance plans.

### 1. Addressing the Shortfall in Legal Services Delivery System

Before the COVID-19 pandemic, the shortfall in legal aid delivery system capacity was the most critical challenge to program effectiveness facing LSC. A 2019 LSC intake census showed that 42% of the eligible legal problems presented to the grantee services network received no service of any kind. As a result of the COVID-19 pandemic and the resulting spike in unemployment and resulting hardships and evictions, the large shortfall between the provision of legal aid services and the demand by eligible low-income persons for legal services has increased. LSC's case services numbers reported through the network of grant recipients have appeared relatively unchanged for years. LSC should consider directly targeting innovative programs to address the gap between the supply and demand for legal services for eligible clients.

This most critical problem can be approached from multiple directions, and may require the skill-sets of multiple professions, including: attaining additional funding for client services (public and private); increasing legal services delivery capacities through additional human resources; making legal services delivery more efficient and effective; and supporting new delivery mechanisms, among others. Innovative and effective strategies and programs are required to target and address this overall challenge.

#### A. Additional avenues of funding:

LSC has had a four-year series of federal funding increases but should work to identify additional ways to fund client service as the need for legal aid services continues to increase. Under the leadership of this Board, LSC has leveraged its private fund-raising and research functions – for example, to improve grantees' website effectiveness and to train local librarians to identify legal problems. Additional projects likely will be undertaken in the same manner, and we encourage this. As discussed by the Board, one item for consideration for revenue generation at the grantee level is potentially charging fees to clients on a sliding scale. LSC should continue to leverage its research, data analysis, evaluation and policy making assets to use evidence-based decision-making to spot opportunities, make a strong best case and guide resources as OMB proposed in 2012.<sup>2</sup>

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<sup>2</sup> See OMB's May 2012 Memo (M-12-14) "Use of Evidence and Evaluation in the 2014 Budget"; [https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/memoranda/2012/m-12-14\\_1.pdf](https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/memoranda/2012/m-12-14_1.pdf) which includes a number of evaluation initiatives with particular relevance for LSC consideration.

B. More efficient and effective legal services delivery:

Under the LSC Act, LSC must “[e]nsure that grants and contracts are made so as to provide the most economical and effective delivery of legal assistance to persons in both urban and rural areas.” LSC Act, Section 1007(a)(3).

The OIG supports validating and possibly increasing program effectiveness through a variety of research and analysis areas in a formal research agenda supporting LSC’s mission objectives. Such topics could include: the effectiveness of different intake and legal services delivery methods such as a voucher or other systems to address the underserved in small, tribal and rural areas; cost/benefit analyses of the most promising Technology Initiative Grant projects targeted for replication to increase access to services; identification of the characteristics of a model legal services office; effectiveness testing of performance based concept grants and general innovation grants beyond those directly associated with technology; research of the aforementioned client fee sliding scales based on ability to pay to provide a better economic foundation for legal aid, and a means for expanding the quantity of persons served; and effectiveness of loan repayment and forgiveness and economic incentive programs in the recruitment and retention of providers.

The results of such studies and pilot projects, with adequate methodological rigor, could help find innovative ways to maximize the uses of scarce financial resources and provide increased knowledge to shape future LSC policy and improve the effectiveness of the civil justice system for LSC’s target population.

C. Identify systematic ways in which organizations outside of traditional legal aid may provide more efficient service to clients in addressing civil legal needs:

This type of informative evaluation has not been reviewed in many years, years which have included much evolution, including advances in the application of information technology such as smart phones and the remote provision of legal services (further rolled out in reaction to COVID-19).

Pre-paid legal services providers, such the program run by the United Automobile Workers, report higher efficiencies than many LSC grantees and could be reviewed for approaches and lessons learned that can be applied regarding LSC funded services.

LSC could start with a review of the relative merits of the various and most effective methods in use, such as hotlines, web tools, pre-paid legal services, etc. LSC could possibly fund innovation grants or contracts, much like the Pro Bono Innovation grants, to devise and test alternatives (broader in scope than TIG or Pro Bono grants). Such grants could be contracted to current grantees as well as other organizations.

#### D. Improve performance measurement and accountability:

LSC should develop and effectively use better and more reliable grantee performance data and metrics to improve on the legacy case services review system: to determine outcomes, grantee program effectiveness, empower more data and evidence informed decisions at the grantee and LSC levels, and produce a more effective business case message in support of the LSC mission at the local, state and national levels. The collection of output and outcome measures are key to providing evidence of grantees' success and effective use of funds.

Through the recent Cares Act reporting, grantees are providing case level reporting to LSC on a quarterly basis for the first time. The new grants management system will be a key asset in collecting, compiling and reporting on this data. ODGA has the technical capability to measure, analyze, and report on grantee data, including outcome data for the first time. This can be of great technical assistance to grantee programs, especially those that do not have the resources to do this themselves. Being that LSC has the capacity to dive deeply into the data, developing general benchmarks would be a positive step to identify grantees' efficiency and effectiveness. Performance measurement has been a continuing historical challenge for the LSC organization, and LSC needs a targeted and innovative solution that clearly and appropriately tracks the spectrum of services provided through LSC grant programs, while recognizing the differing characteristics of the individual grantees and their service areas.

#### E. Information Management/Technology

Information Management and Technology is of strategic importance to LSC's success in delivering on its mission and plays a role in every goal or initiative identified by the current Plan. As such, consideration should be given to increasing its recognition in the strategic plan and through creating a Board Technology Committee, augmented with technology subject matter experts, to provide Board level oversight and leadership in this critical area. The Committee could also help leverage return on investments focused on enabling LSC grantees to serve more eligible persons.

To support these efforts, LSC should give serious consideration to creating a formal national legal aid technology investment plan to focus on using advancements in technology to improve access to services and the quality of legal service. Working to ensure additional systematization, standardization, replication and automation of court and provider operational methods could further improve system efficiency. Consideration could also be given to establishing a legal technology project clearinghouse that openly shares information and technologies on legal-aid and court-based technology projects (including both successes and failures).

## 2. Grant Oversight

Leadership capabilities and experience levels vary throughout the LSC-funded network. Grants management at the grantee level is challenged by an increasingly complex portfolio of recurring and special grant programs requiring skilled oversight and adequate staffing (e.g., a grantee can receive funding through the following LSC grant programs: Basic Field, Pro bono, Technology Innovation Grants, Disaster Relief, CARES Act, Veterans Grants, subgrants, and private fund research projects).

LSC is adjusting its monitoring approach to be comprehensive to accommodate for the more complex grant portfolio, and to ensure responsive and accurate reporting by LSC grantees. Changes may include capitalizing on ODGA to identify new methods for evaluating risk, realigning staff, assessing reporting requirements and new monitoring processes. Likewise, the increasing portfolio brings a greater need to ensure sufficient controls are in place to prevent and detect fraud.

LSC is in the process of streamlining the reporting requirements of grantees as part of developing its new grants management system. While remaining mindful of the potential burden on grantees, adding reporting requirements, such as requirements specific to special grant programs like CARES and Disaster Relief and requirements for grantees receiving multiple types of funding, would enable LSC to better determine the grantees' effectiveness. Likewise, increased follow-up on required or recommended changes may increase overall compliance and improve efficiency, ensuring recommended changes are implemented and regulations followed.

LSC needs to continue to lead grantees to implement a strong "Tone at the Top"<sup>3</sup> and effective leadership, including active involvement of grantee boards and management of sub-grant programs. This would include updating and maintaining current policies and procedures of a grantee's internal control structure encompassing all areas of management, placing emphasis on performing high quality work, sound fiscal management, using modern management techniques and training staff. This effort would help to improve operational effectiveness and provide reasonable assurance of compliance with applicable laws and regulations.

Recent OIG work has shown that grantees need to strengthen acquisition management and contracting programs to ensure they comply with contract management best practices and LSC guidance, obtain best value, and ensure expenditures are reasonable and meet deliverables, protecting the integrity of scarce LSC funds. General accounting needs to be improved over disbursements, fixed assets, credit cards, cost allocation and derivative income – all areas of common OIG findings. LSC's new Financial Management

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<sup>3</sup> "**Tone at the Top**" is a term that is used to define management's leadership and commitment towards openness, honesty, integrity, and ethical behavior. It is the most important component of the organizational control environment -

[https://www.acfe.com/uploadedFiles/ACFE\\_Website/Content/documents/tone-at-the-top-research.pdf](https://www.acfe.com/uploadedFiles/ACFE_Website/Content/documents/tone-at-the-top-research.pdf).

Manual, and the other improvements made as a result of the Fiscal Oversight Task Force report, should be helpful to this goal.

LSC is investing in both a new grants management and financial systems that will take time to be fully implemented into LSC operations. LSC should leverage these tools through operational changes and continue to modernize its fundamental management systems. LSC should encourage and continue to provide leadership to the grantees to ensure grantees' management support, case management and triage systems all meet a minimum standard.

### 3. Compliance

Ensuring regulatory as well as financial compliance is one of LSC's fundamental roles as a federally funded grants manager. Program compliance is a statutory obligation that historically has been a major concern of Congressional oversight committees and is the responsibility of both LSC and the grant recipients. A review of LSC and grantee-based compliance programs, along with the ongoing regulatory review process, could be considered for inclusion to ensure an effective compliance effort.

### 4. IT Infrastructure

LSC should emphasize the importance of IT management and security. With the current remote environment, moving reporting and monitoring tasks to electronic records will benefit workflows of both grantees and LSC staff. Ensuring modernization of grantee IT infrastructures is a very pressing need in the remote environment, and LSC should issue guidance to ensure grantees have addressed continuity of operations requirements. Additionally, with the increasing need for telework and the need to protect sensitive data, LSC should advise grantees and monitor progress on protection from cyber threats.

### 5. COVID-19 Pandemic

Beyond dramatically increasing the need for legal aid, COVID-19 has dramatically changed the legal aid environment. COVID-19 created a need to deliver services virtually and to find new ways to work with clients to meet their legal needs. It is likely that after COVID-19 is resolved, virtual working environments will persist, and grantees will need to adapt and ensure they are able to meet the new virtual needs of their staff and clients. Likewise, with the increase in virtual working, grantees will need to ensure their IT infrastructure is equipped to handle remote work. They may also need to shift some operational processes into electronic formats and will need to take precautions to secure and to actively monitor their IT infrastructure from cyber-attacks.

**Conclusion:**

With these comments, we hope to inform consideration of LSC's strengths and opportunities, to use these to LSC's best advantage, as well as its challenges and threats, to avoid risks to LSC's success. We hope you find them useful as LSC considers revisions to its strategic plan.

## APPENDIX

### QUESTIONS DEVELOPED BY GAO FOR CONGRESS TO ASK AGENCIES REGARDING STRATEGIC PLANNING

#### Questions about Mission

1. Is LSC's mission results-oriented, and does it fulfill a public need? If not, how could the mission better focus on results?
2. Is the mission based on statute, and if so, does it cover all relevant statutes, and does it meet with Congressional intent and expectations?
3. Are parts of LSC's functions or activities not covered in the mission statement? Why?
4. Are there developments that suggest the mission and corresponding legislation need to be revised or updated?
5. Is LSC's mission similar to those of other entities, and if so, has coordination occurred? Does unwarranted duplication of missions exist?
6. How is LSC's mission differentiated from those of other entities with similar missions? Are there unique LSC characteristics that give it an advantage in fulfilling its mission, such as location or staff expertise?

#### Questions about Goals

1. Do the goals cover the major functions and operations of LSC? If not, what functions and operations are missing? Are the goals logically related to the mission?
2. Are the goals results-oriented (such as reduce workplace accidents) or are they focused more on outputs (such as inspecting more workplaces)? If so, why?
3. If the goals are not expressed in a quantitative or measurable form, are they expressed in a manner that will allow LSC and Congress to assess whether the goals are achieved?
4. Are all of LSC's goals and priorities consistent with Congress' goals and priorities? When differences exist, why do they exist, and can they be resolved?
5. Do LSC's goals appear similar to the goals in plans of other entities that are performing related activities? If so, are these sets of goals complementary or duplicative?

#### Questions about Objectives and Strategies for Achieving Goals

1. How are the objectives to be achieved? Are the strategies logically linked to the objectives and the day-to-day activities of the managers and staff? Are they consistent with historical resource trends?
2. What steps will LSC take to align its activities, core processes, workforce, and other resources to support its mission-related outcomes?

3. What are the required resources, such as human, capital, and information? Are new regulations or legislation required?
4. What steps is LSC taking to ensure that managers have the authority they need to achieve results? Are there strategies to hold managers accountable for the results? Are there any strategies that focus on providing incentives for managers and other staff to achieve the goals?
5. Do managers have the knowledge, skills, and abilities to implement GPRA? If not, what strategies are needed to develop the necessary capacity?
6. Are technological advances necessary to successfully execute the strategies? If so, how likely are those advances?
7. What, if any, alternative strategies were considered?
8. Are there programs or activities that need to be eliminated, created, or restructured to achieve the goals?