

Richard Sloane

From: Ann L. Routt <aroutt@lsscm.org>
Sent: Wednesday, July 11, 2012 5:17 PM
To: Richard Sloane
Cc: Mike Chielens
Subject: Correction - Comments - LSC Strategic Plan 2012-16
Attachments: LSC strategic plan comments 7-12.docx

Please disregard the earlier-emailed attachment. This is the correct version.

Dear Mr. Sloan,

Please find attached comments on the June 2012 Draft of the LSC Strategic Plan 2012-16, submitted on behalf of the Legal Services Association of Michigan.

Thank you for your attention to this matter.

Ann L. Routt
Co-chair, LSAM

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To: LSC Board of Directors

From: Ann Routt and Mike Chielens, co-chairs, Legal Services Association of Michigan

RE: LSC Strategic Plan 2012-2016

Date: July 11, 2012

We are writing on behalf of the Legal Services Association of Michigan (LSAM). LSAM is a non-profit organization created in 1982; LSAM's membership is the 13 largest legal services providers in the state. Its members include all six LSC grantees and several non-LSC providers.

LSAM members have reviewed LSC's draft Strategic Plan. While we support the concept of the Plan—having published goals addresses our shared value of transparency—we are very concerned by what we see as a major change in LSC's role contemplated by the Plan. We are writing to comment on several recommendations in the Plan that we think would have negative effects on the national legal services community.

We urge you not to act on the Plan at the July LSC board meeting. Rather, we urge you to revise the Plan in light of these comments and to act on a modified plan document at a future meeting.

- 1. LSC's primary obligation to the nation and to the field is to increase federal funding for grantees.** This was a stated goal in the 2006 plan—it is not included in this plan.

From a grantee perspective, the importance of LSC funding to the overall legal services system cannot be overstated. This is the core funding stream that makes the whole system possible. LSC funding is the glue that holds the national legal services delivery system together. Any reduction in this funding ripples down and erodes the entire system. Due to the LSC funding cuts in 2011 and 2012, we are all experiencing this erosion at this time. Michigan has lost almost 20% of its LSC program staff over the past year.

The legal services delivery system desperately needs more LSC resources at this time. We understand that advocating for LSC funding increases in the current political environment is difficult and discouraging. However, this is the most important service that the LSC board and staff can perform for the nation. We urge you to make this the primary strategic goal of the Corporation.

- 2. The Role of the LSC.** We are very concerned that the overall Plan moves LSC away from its historical roles of funding and regulating its grantees and into a series of new initiatives and new services that will create a larger and less efficient administrative structure at LSC. We believe that this expanded administrative structure is unnecessary; further we feel that these efforts will undermine LSC's credibility with Congress and the field.

One of LSC's strengths for many years has been its lean administrative structure. There was a time when LSC could say that 97% of every federal dollar went to provide services in local communities. This was a very powerful message to Congress. Over time, LSC has continued to expand its centralized management structure—today about 92% of LSC funding goes to field grants and 8% supports administrative costs and LSC-managed discretionary grant programs.

The Plan represents further administrative expansion. The Plan identifies a number of new initiatives for LSC—all of which will expand LSC's discretionary administrative role at the expense of its historical grant management role. These new initiatives are more consistent with the mission of a nonprofit organization; they are inconsistent with a governmental agency charged with grant management, grantee oversight, and regulatory enforcement.

Two specific initiatives are discussed in Section 4 and Section 5 below. Our broader concern that cuts across all these new initiatives is that LSC's new roles are inappropriate for a governmental agency; will limit LSC's effectiveness in performing its governmental functions; and will undermine its grantees' efforts to provide services to their clients.

3. **Performance Management Systems.** At pages 6-7 of the draft Plan, LSC discusses implementing "outcome metrics", "efficiency metrics", and "performance triggers".

On the one hand, we recognize the benefit of outcomes reporting. LSAM members have been experimenting with outcome measurement systems since at least 2005. As part of a statewide collaborative foreclosure grant, all the LSC field programs began reporting using one outcome reporting system (connected to the LSC CSR system) in 2009. We understand that such a system can be created and that such a system can be a powerful tool in explaining the value of legal services to funders and to the public.

So while we support outcome reporting systems, we urge LSC to approach this project as a partnership with the field. We have looked at a number of outcome systems—and we have seen several that are very significant drains on program resources; we have seen others that, in our opinion, tell the wrong stories. The need for study and testing and flexibility in this area cannot be over-emphasized. Outcomes need to be designed to benefit individual programs in achieving their goals and avoid comparing programs with each other for evaluation purposes. Also, we urge LSC to be cognizant of the need for testing, training, and phase in before implementing a new program. Unless all advocates understand the system and are applying the categories consistently, the system will not be effective.

While we support outcome measurement, we would advise against "efficiency metrics" and against financial awards for "high performing" programs. We're not aware of any credible efficiency metrics in legal services delivery. Imperfectly drawn metrics could skew the outcome reporting system (by discouraging the reporting of negative outcomes) and could discourage programs from engaging in community impact work and/or from accepting difficult cases.

For the reasons stated in #1 and #2 above, we oppose an LSC-administered “financial rewards” system—such a system would expand LSC’s administrative structure and would further politicize the LSC-grantee relationship.

- 4. Grantee Training.** At page 8-9 of the draft Plan, LSC suggests that it will dramatically expand its training capacity to add “best practice training”, “peer support and collaboration programs” and “management support”. We oppose LSC’s expansion of its work in providing training and support services.

LSAM’s members are committed to providing quality training and support to their staff and to accessing such support for their programs. The training and support resources available in Michigan are among the best in the nation. They include the Michigan Poverty Law Program, the Michigan state support program created in 1997 as a joint project between Legal Services of South Central Michigan and the University of Michigan Law School. In 1982, the Michigan programs (along with colleagues from other states) created the Committee on Regional Training (CORT) a multi-state consortium that provides skills-based, substantive law, and management trainings.¹ Despite this strong commitment to training and support, we oppose these LSC initiatives for several reasons.

First, there are other entities already providing national training services—the National Legal Aid and Defender Association (NLADA) already provides training and peer support services; one of NLADA’s most important annual trainings is the Equal Justice Conference, which is co-sponsored by the American Bar Association; almost all LSAM members are members of the Management Information Exchange (MIE) which provides an excellent curriculum of management and fundraising trainings. Each organization provides important, high quality, national services. Each of these organizations relies on training subscriptions in order to continue its services. These trainings provide important opportunities for LSAM members to network with non-LSC-funded and private bar colleagues. There is not a need for additional national training and support services at this time. We believe that an LSC-sponsored training and support program would be a more limited and less effective package of services; we also believe that LSC’s presence in this area would threaten the viability of the current national network.

Second, these are not appropriate roles for LSC. LSC is a funder and a monitor of regulatory compliance. LSC is not and should not become a services provider. All LSAM members work with organizations (local, state, and, on a national level, MIE) that are management services organizations (MSOs). These organizations provide us with technical assistance and strategic advice. These are critical services to our programs. However, it would be totally inappropriate for a funder to provide these services. Sometimes we seek advice about how to address a program weakness—we would be reluctant to bring these issues to a funder. Sometimes we seek advice because compliance with a specific regulation is very difficult for us—we would be

¹ We recognize that the training resources are uneven across the country. There are several states or regions where excellent support and training resources have been developed; in other areas these resources have not been developed. Our view is that high quality national training resources already exist and that state and regional trainings are most efficiently provided on a regional basis. It is far more cost effective to pay for travel and lodging for four trainers than for forty trainees. We would encourage LSC to facilitate efforts to create additional regional training entities. It should also be noted that if skills trainings are to be considered at the national level, the Shriver Center is already providing these.

very reluctant to bring these issues to LSC. If LSC were to assume this proposed MSO role it would create a conflict with the investigation and enforcement roles mandated by Congress.

Third, as discussed above, these functions would require a dramatically expanded LSC administrative structure.

5. **Fundraising.** At p. 12 of the draft Plan, LSC states its intent to “create an internal advancement office” in order to “pursue private sources of financial support”. In addition to raising its own funds and operating its own extra-governmental grant-funded programs, LSC would plan to provide advice and technical assistance to grantees on fundraising and development.

In Michigan—as state and federal funding sources have eroded and as all levels of government have experienced funding reductions—LSAM members’ ability to attract private national foundation grants has been the one bright spot on an otherwise bleak funding horizon. It is a real challenge to convince a national foundation funder to look favorably on regional, LSC-restricted providers. However, we have had some notable successes over the past five years in approaching these funders.

Based on our knowledge of and extensive contacts with a number of national funders, we do not believe that it is possible for LSC to create and promote an advancement division without competing for funding with its grantees.

As discussed above, the creation of a competent professional advancement division within LSC would be a significant expansion of management (and a significant commitment of resources) into a non-governmental service area.

Finally, we are not sure that LSC can expect success in fundraising. Many LSAM members have worked with government entities that have expanded their missions to attempt to raise private donation dollars—very few of these have been successful. Currently, large foundations are prioritizing grants that include collaboration-based programs documenting community connections and developed on the impact model. It’s not clear to us that LSC would be an attractive grantee based on these criteria.

6. **Conclusion.** We apologize that these comments focus on our criticisms of the Plan. LSAM supports the concept of a Strategic Plan and has no objection to many of the specific proposals in the Plan. However, we feel that the overall thrust of the Plan is a radical change in the purpose of the Corporation—we feel that LSC is walking away from its congressionally mandated role to fund and to regulate its grantees and is seeking to become a wholly different kind of organization. This new organization, with its vastly expanded administrative structure, will provide substantial management services to its grantees; will fundraise aggressively (almost certainly against its grantees); and will manage a variety of discretionary grant programs.

We disagree with the new direction proposed in the Plan. We urge the Corporation to revise the Plan in order to focus on the functions mandated by Congress and most needed by the programs in the field and the clients they serve. Those functions are to increase federal funding for legal services to the poor and to assure Congress that its grantees are operating in compliance with federal regulations and restrictions.

Thank you for the opportunity to comment. Please contact either of us if you have any questions or would like any additional information.