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Legal Services Corporation

Inspector General  
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## MEMORANDUM

**TO:** Richard L. Sloane, Chief of Staff and Special Assistant to the President

**FROM:** David C. Maddox, Assistant Inspector General for Management and Evaluation   
Daniel Sheahan, Program Evaluation Analyst 

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

**DATE:** July 12, 2012

**SUBJECT:** Comments on the Draft Legal Services Corporation Strategic Plan 2012-2016

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### Introduction:

The Office of Inspector General (OIG) applauds the Legal Services Corporation (LSC) Board and Management for the good leadership in putting forward this thoughtful draft Strategic Plan to create a common vision by which the Board, Management, the OIG and other stakeholders can organize around to guide future directions and resources. We are excited by the positive themes brought forward in the plan including leadership, increasing the quantity of legal services, accountability, responsibility and transparency.

We offer these comments to assist LSC in a positive manner to increase the efficiency and effectiveness of the operations of LSC and its grantees and to prevent fraud, waste and abuse as is the OIG mission.

The OIG offers these comments during the public comment period while recognizing our independent reporting responsibilities that may require the OIG to assess LSC performance of its mission if requested to do so by the Congress. This memorandum is not a standard OIG report and does not contain recommendations that must be considered by LSC. Further these comments

were not developed by the professional standards applicable to most other OIG projects. Please consider our comments to be advisory in nature only.

**Areas for Consideration:**

1. Establishing an Annual Performance Cycle. The plan could set out a commitment of a formal annual management performance cycle so that many of the aspirations and strategies of the plan do not fall through the cracks. The long-term success of a strategic plan is likely based on the annual implementation, deployment of resources and performance of program strategies. The cycle used by federal funded organizations is based on the Government Performance and Results Act (GPRA) and modernization revisions. The GPRA requires government agencies to develop multi-year strategic plans, and to submit annual performance plans with their budget requests, along with a report on the previous year's performance results in terms of that year's plan; thus, integrating the organizational planning, performance and budget management cycle. Previously LSC made a public commitment to become more GPRA-like, but failed to follow through, potentially leading to harmful performance effects.<sup>1</sup> As an organizational management strategy best practice, we encourage the formalization of annual LSC performance plans to define the future year's performance goals, activities and resource levels, express the performance indicators to be used to measure validated results, and detail results in reaching the performance goals at the end of each fiscal year in a performance report.
  
2. Self-Assess the Plan. In May 1997, the United States General Accounting Office (now the United States Government Accountability Office) (GAO) prepared a document entitled "Agencies' Strategic Plans under GPRA: Key Questions to Facilitate Congressional Review." Appendix I contains a list of GAO questions designed for Congressional staff to ask federal agencies about the agency strategic plan. In preparation for your discussions with LSC oversight committees and LSC's own assessment of the strengths and weakness of the draft plan, we encourage you to examine these questions.
  
3. Grant Making Excellence. LSC as a grant-making organization needs to ensure it is following grant making best practices. A formal program to reach out and compare itself to other grant-making organizations would

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<sup>1</sup> LSC Board of Director's Semiannual Report to the Congress, April 1, 1997 - September 30, 1997. "Although LSC is not a federal agency, and thus not subject to GPRA, it has elected to follow a planning process based upon GPRA, to bring its budget processes into conformity with those of federal agencies and, more importantly, to promote sound management and effective realization of the Corporation's mission."

help to ensure LSC is an outstanding grant maker. Such organizations could include quasi-federal and non-profit organizations whose grants serve both entirely different populations and the very same populations as LSC grants so that LSC keeps an eye on the grant making universe and best practices.

4. Challenges. LSC faces a number of functional challenges that could impede success of the plan unless more specific strategies are designed to overcome them. These challenges and strategies may be worthy of consideration for further expansion in the plan or future annual performance plans.
  - a. Information Management\Technology – This is of strategic importance to the success of this plan and plays a role in every goal or initiative identified. To support these efforts, LSC should give serious consideration to creating an executive-level information management\technology department, headed by a Chief Information Officer (a senior management official<sup>2</sup>). This official's charge would be to architect internal LSC information management and technology operations as well as initiatives in the larger national legal services delivery system(i.e., to create a national legal aid technology investment plan, and to assist with the creation and collection of improved grantee performance data.) Some consideration could also be given to creating a Board Technology Committee or Information Technology Investment Review Committee to oversee this critical area in helping LSC grantees serve more eligible persons.
  - b. Performance Management and Accountability – As clearly identified in the plan, LSC must develop and effectively use better and more reliable performance data to determine its program effectiveness and that of its grantees, empower more informed grant making and administration decisions, and produce a more effective business case message in support of the LSC mission. We highlight this here only to emphasize that this has been a continuing historical challenge for the organization and needs a skilled, focused and innovative solution.
  - c. Compliance – Ensuring regulatory as well as financial compliance is one of the fundamental roles LSC plays as a federal funds 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

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<sup>2</sup> Such CIO positions have long been required by law at many federal agencies and entities.

programs along with the regulatory review process could be given some consideration for inclusion to ensure an effective compliance effort. We note very minimal coverage of the compliance function in the draft.

- d. Resource Management– This is an underlying supposition of the plan, and as a steward of federal funds, LSC and its grantees must strive to get the greatest value for the public dollar spent; thus allowing more clients to be served. The plan could consider a strategy to improve resource management to better integrate budget, resources, plans, actions and results via the use of activity based cost accounting, so the cost (including human resource costs) of all operational activities, cases or projects are visible. This would lead to greater accountability in resource allocations and allow LSC to determine if the value to customers outweighs the costs of production. Internal application of such activity based reporting could reshape LSC’s managerial accounting reporting, which possibly could lead to cost savings through process elimination or improvement.
  - e. Human Capital Management – The importance of managing human capital, hiring, training and retaining a competent and motivated workforce cannot be overstated. Creating official career development paths and training programs for the various professions employed by LSC could be considered as well as commitments to make LSC into more of a performance-based employer.
5. Opportunities. The plan may wish to consider a more expanded view of coordination with other federal organizations<sup>3</sup>, as there are opportunities for a number of enhanced strategic collaboration and coordination efforts on a number of different fronts. As a federal OIG, the OIG can help via a coordination role to bring entities together in an effort to improve organizational effectiveness and efficiencies. From a quick review, we identified the following possible federal partners that serve many of the same populations as LSC:
- a. DOJ (Legal Assistance for Victims Grant Program, Rural Domestic Violence and Child Victimization Enforcement, President’s Family Justice Center Initiative grant, Older Americans Act, Native American Rights Fund, Farm Counseling);
  - b. HUD (Fair Housing Initiative Program, Farm Worker Housing, Housing Counseling, Continuum of Care Homeless Assistance Programs);

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<sup>3</sup> See the draft Plan at the bottom of page 5.

- c. USDA (Food & Nutrition Service); SSA (Office of Employment Support Programs); and
  - d. HHS (Administration on Aging, Rural Doctor Health Services and Administration for Children and Families' Migrant Head Start, Community Economic Development Programs, Office of Minority Health, etc.)
6. Facilitator Role. The plan could consider that LSC, via its leadership role, is positioned to work with legal aid providers, equal access to justice commissions, the courts and others in facilitating state based strategies to improve the availability of legal services. One common area of collaborative emphasis could be advocating for greater simplification and standardization of legal forms so that automating the production of all forms would become more economically viable through the economies of scale.
7. Research and Analysis. The plan highlights several areas to identify current best practices in the field and goes further to describe a new research function. The OIG supports the identification of this need to consider a new way to increase program effectiveness through a variety of research and analysis areas.<sup>4</sup> Such topics could include: the effectiveness of different intake and legal services delivery methods (such as a voucher system in rural areas that may be losing offices as a result of decreases in funding); cost/benefit analyses of the most promising Technology Initiative Grant projects for possible further replication; 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 sliding client fee scales based on ability to pay to provide a better economic foundation for legal aid, thus expanding the quantity of persons served. The results of such studies 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 effectiveness of the civil justice system for LSC's target population.
8. Direct Comments:
- a. Page 1. "Since April of 2011, LSC's federal appropriation has been reduced by 18 percent." By our math the 18 percent decline is in the basic field line of the appropriation and not the entire federal appropriation, which had a slightly lower decline percentage.

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<sup>4</sup> See OMB's May 2012 Memo (M-12-14) "Use of Evidence and Evaluation in the 2014 Budget"; [http://www.whitehouse.gov/sites/default/files/omb/memoranda/2012/m-12-14\\_1.pdf](http://www.whitehouse.gov/sites/default/files/omb/memoranda/2012/m-12-14_1.pdf), which includes a number of evaluation initiatives with particular relevance for LSC consideration.

- b. Please clarify the use of “peer-reviewed” professional standards of fiscal transparency and accountability in the following statement on page 4:

“Both to live up to that trust and to justify further confidence, LSC will be a prudent steward of the resources allocated to it. LSC will comply with the parameters expressed by Congress and conform to the highest peer-reviewed professional standards of fiscal transparency and accountability, both within the Corporation and in its fiscal oversight of those who receive funds from LSC.”

- c. Page 14. Use of “LSC Office of Inspector General (OIG)” is not required. A simple reference to the Office of Inspector General (OIG) would be understandable.

## APPENDIX I

### 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?