

LEGAL SERVICES CORPORATION

750 First Street, N.E.
Washington, D.C. 20002

Board of Directors

RESOLUTION

Adopting the Legal Services Corporation's Consolidated Operating Budget for Fiscal Year 1998

[Resolution # 98-002]

WHEREAS, the Legal Services Corporation ("Corporation") Board of Directors ("Board") has reviewed the Fiscal Year 1998 appropriation for the Corporation, as well as its Fiscal Year 1997 carryover; and

WHEREAS, the Corporation's Management and its Inspector General have presented the Board with a Fiscal Year 1998 Consolidated Operating Budget ("COB") which reflects the total amount of funds available;

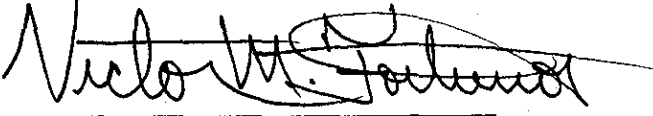
NOW, THEREFORE, BE IT RESOLVED, the Board of Directors of the Legal Services Corporation hereby adopts the Fiscal Year 1998 COB shown in the documents attached hereto, of which \$276,306,655 is designated for the Delivery of Legal Assistance, \$8,079,122 is for Management & Administration, and \$1,632,910 is for the Office of Inspector General.

BE IT FURTHER RESOLVED that, upon receipt of AmeriCorp Grant Funds ("grant funds") from the Corporation for National Service, such grant funds shall be incorporated into the appropriate category of the Corporation's Fiscal Year 1998 COB.

Adopted by the Board of Directors
on February 7, 1998



Douglas S. Eakeley, Chair
Board of Directors



Victor M. Fortuno, General Counsel
& Corporate Secretary

Fiscal Year 1998 Consolidated Operating Budget


LEGAL SERVICES CORPORATION

750 First Street, NE, 11th Floor, Washington, D.C. 20002-4250
(202) 336-8880 Fax (202) 336-8959

John McKay
President

MEMORANDUM

TO: Maria Luisa Mercado, Chair
Finance Committee

FROM: John McKay 
President

DATE: January 27, 1998

RE: Fiscal Year (FY) 1998 Consolidated Operating Budget

Currently, the Corporation is functioning under a temporary operating authority approved during the September Board Meeting. The elements are now available to complete an annual operating budget. The annual financial audit has been completed, the carryover determined and the FY 1998 appropriation process has been completed. Management has reviewed operations and is adjusting for operational needs of the current management. The attached documents present a summary of the review and the resulting consolidated operating budget for 1998. The budget also includes the one-time cost associated with the purchase of new furniture and the cost of our new financial and human resources software. Key areas in this proposed budget include the following items:

- ▶ 5 Board meetings: 3 in Washington and 2 out of town.
- ▶ 39 full time equivalent (FTE) staff members distributed among the following offices.

	Full Time Equivalent	Actual Staff at Year-End
Executive Office	6	6
General Counsel	5	6
Governmental Relations and Public Affairs	4	5

	Full Time Equivalent	Actual Staff at Year-End
Administration/HR	12	13
Comptroller	5	6
Information Technology	7	7
Total M&A staff	39	43

- ▶ 30 FTE staff members in the Office of Program Operations.

	Full Time Equivalent	Actual Staff at Year-End
Program Operations	30	31

- ▶ Salary increases and adjustments for staff have been projected at 5.5%.
- ▶ Total occupancy costs (\$1,252,050) for headquarters space has been budgeted in the Office of Administration/Human Resources, net of subleases and the Deferred Rent Incentive.
- ▶ The one-time cost associated with the purchase of furniture (\$212,000) is included in the Office of Administration/Human Resources budget. The funds were approved by the Board during the September Board Meeting. Since the furniture was not received until FY 98, the transactions will have the effect of increasing both the budget and expenses for the Capital Expenditures budget.
- ▶ The costs of our financial and human resources software (\$101,675) that was approved last year is also included in the Office of Information Technology (OIT) Capital Expenditures budget because the software was not delivered until FY 1998.
- ▶ The one-time cost of migrating the existing data to the financial and human resources software and programming cost for tailoring the system are included in the OIT consultant budget (\$143,000).

Maria Luisa Mercado
January 27, 1998
FY 1998 COB
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- ▶ And the programming cost associated with the next phase of the Grants Information Management System (GIMS) is also included in the OIT consulting budget in the amount of \$83,000.

The Office of Inspector General (OIG) has budgeted for 16 staff members. Additional significant elements of the OIG budget are consulting costs and capital purchases. Consulting expenses are projected in the following areas: (1) LSC annual financial audit (\$27,000); (2) update of the Audit Information Management System (AIMS) and development of a case tracking software application (\$65,000); and, (3) audits of grantee compliance and information reporting (\$65,960). The capital budget is for office furniture and equipment (\$73,916) and for other computer-related purchases (\$34,000).

If you have any questions regarding this information prior to the Finance Committee Meeting or Board Meeting, please give me a call at (202) 336-8880. Otherwise, I will gladly answer any questions during the upcoming series of meetings.

LEGAL SERVICES CORPORATION
STATEMENT OF FUNDS AVAILABLE
AND FUND BALANCES
FOR FISCAL YEAR 1998

ATTACHMENT A

	GRANT FUNDS	MANAGEMENT & ADMINISTRATION	INSPECTOR GENERAL	TOTALS
FY 1998 APPROPRIATIONS	274,400,000	\$7,100,000	\$1,500,000	283,000,000
DEFERRED REVENUE - RESTRICTED	17,932	---	---	17,932
FIELD PROGRAMS	13,595	---	---	13,595
US COURT OF VETERANS APPEALS	4,337	---	---	4,337
FY 1997 FUND BALANCE	1,098,723	679,122	132,910	1,910,755
UNDESIGNATED	---	399,312	58,994	458,306
DESIGNATED	1,098,723	279,810	73,916	1,452,449
US COURT OF VETERANS APPEALS AMERICORPS FUNDS	790,000	---	---	790,000
OTHER FUNDS AVAILABLE	---	300,000	---	300,000
	\$276,306,655	\$8,079,122	\$1,632,910	\$286,018,687

LEGAL SERVICES CORPORATION
 CONSOLIDATED OPERATING BUDGET WORK SHEET
 PROPOSED FOR THE FISCAL YEAR 1998

ATTACHMENT

	(1)	(2)	(3)	(4)	(5)
	FY 1998 APPROPRIATION LEVELS	ALLOCATION OF FY 1997 CARRYOVER	BUDGET PRIOR TO ADJUSTMENTS	COURT OF VETS APPEALS AMERICORPS & ADJUSTMENTS	FY 98 BUDGET
I. DELIVERY OF LEGAL ASSISTANCE	274,400,000	1,116,655	275,516,655	790,000	276,306,655
A. FIELD PROGRAMS	274,400,000	1,116,655	275,516,655	790,000	276,306,655
1. Basic Field Programs	274,400,000	1,055,172	275,455,172	---	275,455,172
2. Special Emergency Funds	---	13,595	13,595	---	13,595
3. US Court of Veterans Appeals Funds	---	4,337	4,337	790,000	794,337
4. Americorps Funds	---	---	---	---	---
5. Grants From Other Funds Available	---	43,551	43,551	---	43,551
II. CORPORATION MANAGEMENT & GRANT ADMINISTRATION	8,600,000	673,916	9,273,916	438,116	9,712,032
A. MANAGEMENT & ADMINISTRATION	7,100,000	600,000	7,700,000	379,122	8,079,122
1. Board of Directors	---	---	157,000	---	157,000
2. Executive Office	---	---	829,000	(86,200)	742,800
3. General Counsel	---	---	590,450	16,100	606,550
4. Governmental Relations/Public Affs	---	---	---	253,625	253,625
5. Administrator / Human Resources	---	---	2,265,025	227,600	2,492,625
6. Comptroller	---	---	402,240	23,610	425,850
7. Information Technology	---	---	798,695	100,787	899,482
8. Program Operations	---	---	2,657,590	(156,400)	2,501,190
9. Contingency Funds	---	---	---	---	---
B. INSPECTOR GENERAL	1,500,000	73,916	1,573,916	58,994	1,632,910
TOTAL BUDGET	\$283,000,000	\$1,790,571	\$284,790,571	\$1,228,116	\$286,018,687

LEGAL SERVICES CORPORATION
CORPORATION MANAGEMENT & GRANT ADMINISTRATION
PROPOSED BUDGET FOR FY 1998

ATTACHMENT C

BUDGET CATEGORY	BOARD OF DIRECTORS	EXECUTIVE OFFICES	GENERAL COUNSEL	GOV'TAL RELATIONS/ PUB. AFFAIRS	ADMIN / HUMAN RESOURCES	OFFICE OF THE COMPT	OFFICE OF INFORMATION TECHNOLOGY	PROGRAM OPERATIONS	PROPOSED FY 1998 BUDGET	OFFICE OF INSPECTOR GENERAL	TOTAL BUDGET
PERSONNEL COMPENSATION	\$0	\$484,275	\$348,275	\$179,775	\$439,000	\$284,800	320,300	\$1,746,825	\$3,803,250	\$1,034,324	4,837,574
PERSONNEL BENEFITS	0	122,725	97,575	59,450	159,800	83,600	91,200	435,615	1,049,765	236,291	1,288,056
TOTAL COMPEN/BENEFITS	0	607,000	445,850	239,225	598,800	368,400	411,500	2,182,440	4,853,015	1,272,615	6,125,630
TEMP. EMPLOYEE PAY	0	57,500	13,500	0	9,000	14,740	0	21,600	116,340	16,175	132,515
CONSULTING	57,200	21,300	112,000	0	43,000	2,500	246,995	119,500	602,495	162,760	765,255
TRAVEL & TRANSPORTATION	66,000	36,000	15,000	5,500	48,900	5,600	55,000	137,000	369,000	45,633	414,633
COMMUNICATIONS	4,000	5,500	1,600	400	82,575	1,000	1,500	12,500	109,075	4,000	113,075
OCCUPANCY COSTS	2,500	0	0	0	1,252,050	0	0	2,200	1,256,750	0	1,256,750
PRINTING & REPRODUCTION	500	1,000	100	0	70,500	100	200	900	73,300	2,000	75,300
OTHER OPERATING EXPENSES	26,800	14,500	18,500	8,500	162,500	22,300	14,845	25,050	292,995	21,811	314,806
CAPITAL EXPENDITURES	0	0	0	0	225,500	11,210	169,442	0	406,152	107,916	514,068
OTHER	0	0	0	0	0	0	0	0	0	0	0
TOTAL	157,000	742,800	606,550	253,625	2,492,625	425,850	899,482	2,501,190	8,079,122	1,632,910	9,712,032