

LEGAL SERVICES CORPORATION
BOARD OF DIRECTORS

O P E N S E S S I O N

Saturday, October 29, 2005
9:00 a.m.

The Grove Hotel
245 South Capitol Boulevard
Boise, Idaho

BOARD MEMBERS PRESENT:

Frank B. Strickland, Chairman
Lillian R. BeVier, Vice Chairman
Herbert S. Garten
David Hall
Michael D. McKay
Thomas R. Meites
Florentino A. Subia
Bernice Phillips
Thomas Fuentes
Ernestine Watlington (by telephone)

OTHERS PRESENT:

Helaine M. Barnett, *ex officio*
Charles N. Jeffress, Chief Administrative Officer
Victor M. Fortuno, Vice President for Legal Affairs,
General Counsel & Corporate Secretary
David Richardson, Treasurer & Comptroller
Patricia D. Batie, Manager of Board Operations
Thomas Polgar, Director, Office of
Governmental Relations & Public Affairs
Richard "Kirt" West, Inspector General
Laurie Tarantowicz, Assistant Inspector General
and Legal Counsel
Don Saunders, Director of Civil Legal Services,
National Legal Aid & Defender Association (NLADA)
Linda Perle, Center for Law and Social Policy
Mattie C. Condray, Senior Assistant General Counsel
Mickie Subia
Karen Sarjeant, Vice President for Programs &
Compliance
Sarah Singleton, Board Nominee
Thomas F. Smegal, Jr., Chairman, Friends of the
Legal Services Corporation and member, American
Bar Association Standing Committee on Legal Aid
& Indigent Defendants (by telephone)

C O N T E N T S

	PAGE
Approval of agenda	5
Approval of minutes of the Board's meeting of July 30, 2005	6
Approval of minutes of the executive session of the Board's meeting of July 30, 2005	6
Approval of minutes of the Board's meeting of October 11, 2005	7
Consider and act on "Strategic Directions for 2006-2010"	8
Chairman's Report	90
Members' Reports	92
President's Report	98
Inspector General's Report	113
Consider and act on the Report of the Provision for the Delivery of Legal Services Committee	119
Consider and act on the Report of the Finance Committee	122
Consider and act on the Report of the Operations and Regulations Committee	156
Consider and act on the Report of the Performance Review Committee	163
Consider and act on delegating to the Chairman responsibility for general supervision of the Inspector General in accordance with OMB's Memorandum for Heads of Designated Federal Entities, M-93-01 (November 13, 1992)	163

(Continued)

C O N T E N T S (Continued)

	PAGE:
Discussion of Board's review of LSC materials	165
Consider and act on other business	170
Public comment	170
Consider and act on whether to authorize an executive session of the Board to address items listed below under Closed Session	170

MOTIONS: Pages 5, 6, 6, 7, 124, 125, 127, 130, 154,
157, 158, 159, 164, and 171.

P R O C E E D I N G S

(9:00 a.m.)

MR. STRICKLAND: Good morning everybody.

Let me call to order a meeting of the Board of Directors of the Legal Services Corporation.

Today is October 29, 2005, and we're in Boise, Idaho.

First, let me welcome to the meeting Sarah Singleton, a nominee to our Board from Santa Fe.

Sarah, we're glad to have you and hope your confirmation proceeds quickly, and we look forward to having you on our Board as soon as that is completed.

Also, I want to note for the record that Helaine Barnett totally surprised last night when she received an award from Legal Aid Services of Idaho.

Apparently, she was told that there would be an award, and she thought that was to the judge, who did get an award, but it turned out there were actually two awards.

And I'm sure all of us congratulate her for that award.

The first thing I'd like to do is entertain a

1 motion to amend the agenda.

2 There's one item on here that I asked to be
3 placed on the agenda, and I gave the wrong wording, so
4 in Item 14, the words "day-to-day oversight" should be
5 amended to read "general supervision," to be consistent
6 with the OMB guidelines that are referenced in that
7 item.

8 So I would entertain a motion to approve the
9 agenda with that amendment.

10 Is there such a motion?

11 M O T I O N

12 MS. BEVIER: So moved.

13 MR. FUENTES: Second.

14 MR. STRICKLAND: Any discussion?

15 (No response.)

16 MR. STRICKLAND: All those in favor, please
17 say aye.

18 (Chorus of ayes.)

19 MR. STRICKLAND: Those opposed, nay.

20 (No response.)

21 MR. STRICKLAND: The ayes have it and the
22 agenda is approved as amended.

1 MR. STRICKLAND: Second?

2 MS. BeVIER: Second.

3 MR. STRICKLAND: All those in favor, please
4 say aye.

5 (Chorus of ayes.)

6 MR. STRICKLAND: Those opposed, nay.

7 (No response.)

8 MR. STRICKLAND: The ayes have it.

9 And I guess that's all of our minutes.

10 Beg your pardon. Item 4 is the approval of
11 the minutes of the Board's meeting of October 11, 2005.

12 Is there a motion to approve those minutes?

13 M O T I O N

14 MR. FUENTES: So moved.

15 MS. BeVIER: Second.

16 MR. STRICKLAND: All those in favor, please
17 say aye.

18 (Chorus of ayes.)

19 MR. STRICKLAND: Those opposed, nay.

20 (No response.)

21 MR. STRICKLAND: And those minutes are
22 approved.

1 Also, I heard the voice of Ernestine
2 Watlington.

3 Ernestine, good morning and welcome to our
4 meeting.

5 MS. WATLINGTON: Good morning, Frank. I'm on,
6 and I'm glad to hear everybody's voice.

7 MR. STRICKLAND: We're glad to hear your
8 voice. You're coming in loud and clear.

9 MS. WATLINGTON: Thank you.

10 MR. STRICKLAND: And thank you for
11 participating yesterday, as well. You were coming in
12 clearly then, too.

13 The main item of business this morning is to
14 continue our discussion on strategic directions.

15 The specific agenda item is, consider and act
16 on strategic directions for 2006 through 2010, and
17 we've asked Charles Jeffress to lead us in that
18 discussion.

19 If you would come forward.

20 Oh, by the way, before we do that, I want to
21 officially, you heard me mention at breakfast an
22 article in the Fulton County Daily Report which

1 included a picture of our government affairs officer
2 and some other notables, so Tom, at your convenience,
3 you can step up and obtain that publication.

4 I'm sure I can get other copies of this if you
5 really need it.

6 Charles, welcome to the podium, and we'll let
7 you take it from here.

8 Do I understand I need to move out, when you
9 get to your power point, I need to get out of the
10 light, and I'll be glad to do that.

11 MR. JEFFRESS: Thank you, Mr. Chairman. I
12 appreciate that.

13 Here we are again, and I appreciate all of you
14 all's thoughtful participation in this process for
15 strategic directions, and your patience.

16 In keeping with the conversation around the
17 breakfast table this morning, certainly my part of the
18 presentation will be relatively straightforward and
19 hopefully expeditious.

20 I invite your discussion on any point that we
21 get to.

22 In terms of the plan for the day and how we

1 want to proceed, or how I would suggest we proceed, the
2 strategic directions document has in it now the goals
3 -- the mission, the goals, the objectives, and the
4 strategies, and some new performance measures.

5 In July, in Monterey, we went over the
6 mission, the goals, the objectives, and the strategies,
7 fulfilled those goals and objectives, and you provided
8 quite a bit of feedback.

9 We've taken that to heart and have modified
10 the document reflecting that feedback.

11 The new part of the document is on performance
12 measures. These are still in what I would call a
13 developmental stage. They still need work, still need
14 attention.

15 Matter of fact, I expect that even once we
16 publish this in January, we have the kind of measures
17 that after a little experience with them, we're going
18 to want to revisit and refine, so I'll commend these
19 for your consideration today.

20 I expect that within a year we will want to
21 look back and see where we are with these measures and
22 see whether they're doing the job for what we want to

1 do, but I'll talk about those more in a minute.

2 What I would propose is that we relatively
3 quickly review the goals and objectives and mission and
4 strategies that we talked about in July, and then spend
5 most of our time looking at these measures and seeing
6 whether they are -- what your view is of them and how
7 we plan to use them.

8 In terms of the materials that you have before
9 you, I'm going to use a power point presentation to go
10 through my part of it.

11 You have a copy of those slides in front of
12 you that's labeled "Strategic Directions 2006-2010."

13 Ms. Watlington, we sent these to you earlier
14 in the week. Do you have that?

15 MS. WATLINGTON: Yeah, I have it in front of
16 me.

17 MR. JEFFRESS: Okay. Well, good.

18 Also here in the room members have a
19 "Strategic Directions 2006-2010" that is the version
20 that you had in July, so in the event that you want to
21 look back and see how it looked in July versus how it
22 looks today, you have a document in front of you that

1 you could compare the two.

2 I don't believe we're going to need to refer
3 to that much, but I wanted you to have that in the
4 event you wanted to see how things had changed.

5 And in terms of where we go from here, so we
6 have a sense of the process, after today, and we get
7 your input on this draft strategic directions document
8 as it stands, we will take that direction, take those
9 comments to heart, incorporate those comments into the
10 strategic directions document, and it would be our
11 intent then to publish it in mid-November for public
12 comment, and give the public a month to comment upon
13 our draft strategic directions document, then come back
14 to you at the January meeting, nor ADR presentation,
15 but come back to you at the January meeting with a
16 final proposal for you to actually vote on in January
17 and to adopt, again, with a caveat that we know our
18 performance measures are still in the developmental
19 stage and what we adopt in January we may want to
20 revisit in another year to see whether our measurements
21 are in fact doing the job for us that we want done.

22 But that would be my suggestion for how we

1 proceed today.

2 Any questions about the process or where we
3 are or where we're headed?

4 MR. STRICKLAND: Charles, one point.

5 MR. JEFFRESS: Yes.

6 MR. STRICKLAND: I forgot to say, as we
7 commenced the meeting today, that I wanted to welcome
8 to our Board Tom Fuentes and Bernice Phillips, who were
9 confirmed recently by the Senate and sworn in in
10 ceremonies in their home communities, and we very much
11 welcome you to the Board and look forward to working
12 with both of you.

13 Go ahead, Charles.

14 MR. JEFFRESS: Okay.

15 Well, now, I'm going to start my slides, Mr.
16 Chairman, so you may want to move your chair, and I
17 need to cut these lights down.

18 Do you need your notebook, Mr. Chairman?

19 MR. STRICKLAND: Well, maybe I should.

20 MR. JEFFRESS: One way I find that speeds up
21 my presentation is if I stand up, so I'm going to, if
22 that's all right with you, stand as I go through this.

1 The first part of our strategic directions is
2 our mission statement, and this mission statement is
3 worded, has incorporated your comments from last July
4 and has not changed since then.

5 LSC's mission is to promoted equal access to
6 justice in our nation and to provide high quality civil
7 legal assistance to low-income persons.

8 Under this mission, we've adopted three goals.

9 I said we've adopted, we're proposing three goals
10 under this mission.

11 These again are worded as we left them in
12 July. We took your comments and incorporated those
13 comments and these have not been revised since.

14 That is:

15 To increase public awareness of and support
16 for civil legal services to low-income persons in order
17 to respond appropriately to more of their legal needs;

18 Second, to enhance the quality and compliance
19 of legal services programs;

20 Third, to ensure that LSC operates efficiently
21 and effectively.

22 So I hope those are familiar to you, and those

1 again reflect the changes that we made in July that
2 have not been further modified since then.

3 Under each goal, we have objectives to meet.

4 This is the first goal. We have four
5 objectives under Goal 1:

6 To first, more effectively inform the public
7 of what LSC grantees do;

8 To seek additional resources for legal
9 services work;

10 As the principal leader in the legal
11 services/access to justice community, strengthen
12 collaborations and strategic partnerships; and

13 Four, increase access to and expand ways of
14 providing assistance.

15 And those objectives, again, are the ones that
16 you helped us refine in July and those are the same as
17 we left them in July.

18 Under each objective now, we have a series of
19 strategies.

20 So under Objective 1, we have two strategies.

21 These strategies are consistent with what you
22 saw in July, but they have been somewhat improved.

1 We collapsed several of them and made them a
2 little broader to reduce the number of strategies
3 overall, and we hopefully have been a little more
4 precise with what we intend these strategies to be.

5 The first strategy, collect and distribute
6 stories about the meaningful differences made in
7 client's lives; and

8 Second, continue to identify and publicize
9 needs that are not being met.

10 In the narrative in your book which is on Page
11 74 of your Board notebook in front of you, you'll see
12 each of these strategies has a brief paragraph with a
13 little more description of what it is that these
14 strategies are referring to, so if you wanted to follow
15 along in the notebook as we go through these and read
16 those brief paragraphs, I'm not intending to read them
17 during my presentation, but they are in the book for
18 your information.

19 Particularly in this case, the Strategy 1,
20 collect and distribute stories about the meaningful
21 differences made in clients' lives, I think we actually
22 collapsed three of the strategies that we had in going

1 through the strategies that we had had in July into
2 this one strategy.

3 Hearing no comment, I'm just going to keep
4 right on going, so anytime you have a question or you
5 want to make a comment or offer a refinement, please do
6 so.

7 Hearing none, and knowing the Ohio State game
8 starts in 45 minutes:

9 The second objective under Goal 1 is to seek
10 additional resources for legal services work.

11 The strategies here reflect where we hope to
12 get those resources:

13 First, the federal government;

14 Second the private sector for projects of
15 national significance.

16 The second strategy is exactly as we left it
17 in July.

18 The first strategy, we had originally had two
19 there, one suggesting seek resources from Congress and
20 other, seek -- encourage federal agencies to see LSC
21 grantees as potential deliverers of service.

22 We collapsed those two into the federal

1 government rather than singling out Congress as a
2 target.

3 Yes, sir. Okay.

4 MR. McKAY: I have a question about the second
5 one, and it seems to restrict the private sector to
6 projects of national significance.

7 And the Provision Committee is going to
8 address, in the next couple of meetings, the question
9 of what role if any LSC should play in encouraging
10 private, attorneys in private practice to contribute
11 their time to providing legal services to low-income
12 people.

13 And it seems to me that this strategy, by
14 limiting it to projects of national significance, would
15 be inconsistent with this possible strategy of playing
16 a role of encouraging private attorneys to be involved.

17 And so I'm wondering if -- I guess my question
18 is, what did you have in mind when we used the phrase,
19 "projects of national significance," and I'm wondering
20 if it might be appropriate to either drop that clause
21 or add a recognition that an important additional
22 resource is arguably the most precious commodity, and

1 that is a donation of legal services from attorneys in
2 the private sector.

3 MR. JEFFRESS: And that's obviously a very
4 important part of what we want to do.

5 I guess I would go back to the word resources
6 here.

7 We, in fact, are using the words resources
8 here to mean money. We are talking about seek
9 additional funding for legal services work, I think.

10 We used the word resources originally when we
11 had a lot of different ways of considering resources,
12 but as we refined this, this became funding.

13 Now, what we do have in a later objective of
14 strengthening partnerships is seeking more pro bono
15 assistance, and it is, what you suggested is explicitly
16 in these strategies, but it's not in this where we used
17 the word resources to mean funding.

18 MR. MEITES: Would you be happier, Mike, if it
19 said, "seek additional funding" rather than "seek
20 additional resources"?

21 MR. McKAY: I sure would, because resources it
22 seems to me could be interpreted differently from the

1 way you interpret it.

2 MR. JEFFRESS: As you so indicate, I think
3 you're right, and at one point we did have a broader
4 meaning for the term resources, but here we really are
5 referring to funding.

6 MR. GARTEN: I wonder if the order there is
7 right. I would prefer an emphasis in the reverse
8 order.

9 MR. JEFFRESS: I think the reason it's in the
10 order it's in now is because all of the resources that
11 LSC currently receives come through the federal
12 government. We in fact receive nothing at this point
13 from the private sector.

14 The addition of the private sector was thought
15 of as a new initiative, a new area that we might
16 explore, but certainly we don't expect it to be a major
17 portion of the funding for LSC.

18 So I think the reason they're in that order
19 now is with respect to where most of the resources
20 come, but obviously, what you'll prefer --

21 MR. STRICKLAND: Right now, you got it listed
22 in order of magnitude, I guess.

1 MR. JEFFRESS: That's correct.

2 MR. GARTEN: That seems appropriate to me, the
3 way it is.

4 MR. STRICKLAND: The order of magnitude.

5 MR. GARTEN: The order of magnitude.

6 MR. JEFFRESS: Other comments on this area?

7 (No response.)

8 MR. JEFFRESS: Okay.

9 Objective 3 under Goal 1 -- and Mr. McKay, I
10 think we get to one of the issues you were pointing
11 out:

12 As the principal leader in the legal
13 services/access to justice community, strengthen
14 collaborations and strategic partnerships.

15 And here we listed the kind of groups that we
16 wish to partner with or to strengthen partnerships with
17 or seek additional assistance from.

18 Most of those bullets are the same as you saw
19 in July. We have added the last bullet following the
20 hurricanes. We added organizations to assist with
21 disaster recoveries.

22 I think as has been discussed, as we seek

1 supplemental funds for our grantees who are providing
2 services to those people affected, we felt like we
3 needed to develop more permanent relationships with
4 these organizations so that when disasters occur, we
5 can respond more quickly, more expeditiously to the
6 needs.

7 If you look at the narrative in your book that
8 goes with these strategies, and I believe that's on
9 Page 81, it talks a little about what we hope to
10 achieve with each of these groups.

11 And Mr. McKay, one point, I know we had pro
12 bono assistance -- oh, no. That's in the next
13 objective.

14 Objective 4, we will actually get to the words
15 "pro bono." We list private attorneys here, but the
16 next objective, we actually get to listing pro bono.

17 As a matter of fact, why don't I just move on
18 to that.

19 I'm sorry. Want to go back?

20 MS. BEVIER: Yes.

21 MR. JEFFRESS: Okay.

22 MS. BEVIER: I see this, that we're going to

1 seek collaboration with other organizations with common
2 constituencies.

3 I think that's new, isn't it, but maybe it's
4 not?

5 MR. JEFFRESS: What we --

6 MS. BeVIER: I'll tell you my concern there.

7 MR. JEFFRESS: Go ahead.

8 MS. BeVIER: It has to do with the
9 preservation, and I think LSC's need to preserve our
10 mission, which is equal justice, right, and equal
11 justice to individual clients.

12 And when we start talking about reaching out
13 to organizations that assist with common
14 constituencies, we're talking about becoming a more --
15 we're talking about being a poverty organization.

16 I think it's true that our constituents are
17 low-income people. Our mission is to provide legal
18 services to low-income people.

19 What our hope is, is that providing legal
20 services will help them improve their lives, and that's
21 certainly true.

22 I think we got in trouble was having a more

1 expanding notion that what our mission was, was as a
2 poverty organization rather than an equal justice
3 organization.

4 I think we we've managed to become effective
5 and politically viable again is keeping our eye on the
6 equal justice mission rather than on the poverty
7 mission.

8 So while I think, you know, resolving issues
9 of poverty is a wonderful mission, I don't think it's
10 ours, and I think we're likely to get in trouble.

11 So common constituencies could mean -- I don't
12 know what -- other organizations with common
13 constituencies means other organizations who serve poor
14 people, and I just don't know whether that begins to
15 get us into --

16 MR. JEFFRESS: What we were trying to capture
17 here is building ties and relationships with
18 organizations that might assist us with our mission.

19 The example that we've used a lot is the
20 American Association of Retired Persons, AARP. They
21 serve a lot of seniors that need assistance.

22 And when we are looking for assistance with

1 talking to people on Capitol Hill, we feel like if we
2 had a relationship with AARP and spoke with them about
3 the kinds of services we provide, we might get their
4 assistance in speaking up for this mission.

5 An earlier wording of this had "with other
6 organizations interested in delivering legal services,"
7 and perhaps that would make you more comfortable
8 than --

9 MS. BEVIER: That would certainly make me much
10 more comfortable.

11 MR. JEFFRESS: -- talking about common
12 constituencies, because that keeps it focused on legal
13 services as opposed to broader --

14 MS. BEVIER: Yes.

15 I just think it's important both politically
16 and in terms of keeping our focus on what it is that we
17 do to try to retain that, you know, that very focused
18 mission.

19 MR. STRICKLAND: I could concur in that. We
20 can just recite the name of our organization, and
21 that's the obvious reminder of what we're all about.

22 So I endorse what you said, Lillian.

1 MR. JEFFRESS: In our narrative, we tried to
2 be a little clearer that we're talking about
3 organizations who share the mission of equal access to
4 justice, but we can take the common constituencies as
5 being the area that raises the concern.

6 We should modify that, and perhaps in the
7 narrative, we talk about organizations on issues of
8 mutual concern, restrict that to legal services issues,
9 as well.

10 MS. BeVIER: I think it would be wise and
11 prudent to do that.

12 MR. JEFFRESS: Other comment, or other board
13 members have concern about that?

14 MR. GARTEN: Yeah. In an other area, when we
15 talk about with IOLTA groups, I think you'll find that
16 all states presently have lawyer trust fund accounts
17 dedicated to IOLTA.

18 Some of them are mandatory, a few are not
19 mandatory, they're voluntary, but all states.

20 Then I come to this question that comes up
21 with the ABA all the time on resolutions.

22 Someone invariably will get up and say, "You

1 forgot to mention the Commonwealth of Puerto Rico and
2 the territories."

3 And we do have principal funders we know in
4 Puerto Rico, and interesting enough, that's the only
5 place where there is no IOLTA program, but in all of
6 the 50 states, we do have it presently.

7 So I don't know how you handle that. The ABA
8 just automatically says the Commonwealth of Puerto Rico
9 and the territories, and our jurisdiction certainly
10 includes Puerto Rico.

11 MR. JEFFRESS: Yes. And we clearly support
12 legal services in various territories, as well.

13 MR. GARTEN: And it was something that hit me
14 to begin with. When you talk about in our nation,
15 under the mission, would it be appropriate to enlarge
16 upon that?

17 I don't know the answer to it.

18 MR. JEFFRESS: Aren't the territories a part
19 of the nation?

20 MR. GARTEN: That is the question I have. Tom
21 tells me he thought that it was.

22 But certainly here you might want to make some

1 distinction.

2 MR. JEFFRESS: I certainly think the people in
3 Puerto Rico consider themselves a part of the nation,
4 so I would --

5 MR. GARTEN: This is for citizens of the
6 United States, and Puerto Rico citizens are citizens of
7 the United States.

8 MS. WATLINGTON: This is Ernestine. Is Guam
9 also included in that?

10 MR. JEFFRESS: I'm sorry Ms. Watlington. You
11 asked is who included in that?

12 MS. WATLINGTON: Guam.

13 MR. JEFFRESS: Guam. It is one of the
14 territories, yes.

15 MR. STRICKLAND: Herb, say again what you said
16 about whether or not in Puerto Rico there's an IOLTA
17 program?

18 MR. GARTEN: They do not have an one. That's
19 the conversations I had when we visited there.

20 MR. STRICKLAND: It may also follow then that
21 none of the territories --

22 MR. GARTEN: I don't know the answer to that.

1 All I do know is that all 50 states presently have
2 IOLTA programs.

3 MR. JEFFRESS: Well, in the narrative, when we
4 talk about having relationships with the IOLTA groups,
5 in the narrative, perhaps we should take note that
6 where IOLTA groups not exist, we should encourage them.

7 That's really LSC, working through its grantees, would
8 have to do that.

9 I don't know that the national organization
10 would be well-placed to go into an individual territory
11 or into a commonwealth and suggest they do that.

12 MR. GARTEN: Instead of saying many states,
13 you could just say that every state, all states have
14 IOLTA programs.

15 MR. JEFFRESS: Well, every state has -- okay.

16 Every state has programs, but I'm not sure that every
17 state's funds are directed to legal aid programs.

18 MR. GARTEN: They are.

19 MR. JEFFRESS: Are they?

20 MR. GARTEN: Yes.

21 MR. JEFFRESS: And in some states, the IOLTA
22 funds are used for things other than legal aid, like

1 here in Idaho, a certain percentage of the funds go to
2 other things.

3 MR. GARTEN: I think substantially all of the
4 funds are -- I just point this out to you.

5 MR. JEFFRESS: In the narrative, we can --

6 MR. GARTEN: How you handle Puerto Rico and
7 the territories, it's up to you.

8 MR. JEFFRESS: Okay. We will take that into
9 account in the narrative in some way.

10 Other comments on this objective?

11 (No response.)

12 MR. JEFFRESS: Moving to the next one,
13 Objective 4 under Goal 1, four strategies.

14 And these are the same as you saw them in July
15 with one modification, and we talked about this a
16 little in July.

17 In July, we talked about the promoting
18 different approaches to dispute resolution is more of a
19 state by state issue rather than a national issue, and
20 what exactly is the role of legal services in promoting
21 alternative dispute resolution.

22 We felt like that was perhaps a distraction

1 from our focus goal, which is providing legal
2 representation whether it be in ADR situations or in
3 courtroom situations.

4 So that strategy disappeared. Otherwise,
5 these are what we discussed in July.

6 MR. MEITES: I'm not crazy about the first
7 one.

8 The first one sounds like we have a goal of
9 teaching the United States citizens what their legal
10 rights and responsibilities are.

11 I don't think that that's our job at all, our
12 job. It may be our grantees' job, but we don't issue
13 pamphlets saying, "Your rights as a homeowner."

14 I actually like what you say in the comment
15 better than what you say in here.

16 The comment says, in the last sentence, make
17 people more aware of their legal rights and
18 responsibilities and the types of assistance available
19 from legal services.

20 I like the second part of that, the emphasis
21 on the types of assistance available from legal
22 services.

1 I'm not saying that the first bullet as you
2 have it isn't correct in a very general sense, but I
3 think that a far more important strategy is to inform
4 the potential users of our grantee services of what is
5 available to them.

6 And so I would like types of available from
7 legal services to be in the bullet and I'm not sure
8 that I agree that the sentence as phrased in the first
9 bullet is part of our strategy that is ours to do at
10 all.

11 MR. MCKAY: I agree.

12 MR. JEFFRESS: We currently have community
13 outreach in education as one of the activities expected
14 of grantees.

15 MR. MEITES: But not of us.

16 MR. JEFFRESS: But of our grantees.

17 MR. MEITES: Maybe that's what I'm getting at.

18 Are these strategies for our organization or for our
19 grantees?

20 I was under the impression that these are our
21 goals and objectives, not the goals and objectives
22 we're trying to foster in our grantees.

1 MR. JEFFRESS: I think that's a fine line,
2 because certainly part of our objectives have to be
3 what it is we want to encourage our grantees to do.

4 But these are not -- but you're exactly right.
5 We are not going to do community outreach ourselves,
6 or legal education ourselves. That's exactly right.

7 MR. MEITES: I don't have a solution for that,
8 but I certainly think we should include the second part
9 of the last sentence, and maybe I'd be happy to just
10 leave the legal rights and responsibilities out, and we
11 don't really have to identify what kind of education we
12 believe they should be involved in and have it includes
13 types of assistance available.

14 MR. JEFFRESS: I have that clearly in terms of
15 type of assistance available, but what about the
16 previous phrase there in the narrative, which is making
17 people more aware of their legal rights and
18 responsibilities?

19 Is that also a concern for you in terms of
20 making people aware of their legal rights and
21 responsibilities?

22 MR. MEITES: Help me out. I'm operating at a

1 disadvantage.

2 Are these strategies that we're asking our
3 grantees to undertake or is this what we're supposed to
4 be doing?

5 MR. JEFFRESS: Well, certainly in terms of pro
6 bono activities, we don't in fact do that ourselves.
7 It has to be at the grantee level.

8 MR. MEITES: That's fair. Okay. I can go
9 with the first part, if you add the assistance part
10 there. That's fair.

11 MR. GARTEN: I'm not sure I understand what
12 you're proposing to do.

13 MR. MEITES: I'm proposing just to expand the
14 first bullet to include "encourage community outreach
15 and education about legal right and responsibilities"
16 and then add "and the types of assistance available
17 from legal services," to just add that to the bullet.

18 MR. STRICKLAND: It's really from legal
19 services programs, is the --

20 MR. MEITES: Right.

21 MS. BEVIER: Well, could you -- would it
22 require amending all of these if we said in this

1 bullet, "encourage grantees to engage in community
2 outreach and education"?

3 Because that's what the text says, then, in
4 that sentence that you just quoted --

5 MR. MEITES: Yeah.

6 MS. BeVIER: -- "In conformity with
7 congressional restrictions, grantees will be
8 encouraged."

9 So maybe we could add more words --

10 MR. MEITES: Right.

11 MS. BeVIER: -- and that would clarify it.

12 MR. MEITES: That would solve my problem.

13 MS. BeVIER: Okay.

14 MR. JEFFRESS: I do think it is assumed in
15 many places in these strategies that grantees are the
16 ones who are actually delivering these services.

17 MS. BeVIER: That's exactly right.

18 MR. JEFFRESS: It would be a little awkward if
19 every one said "grantees," but particularly here, if
20 we're talking about a type of activity that legal
21 services itself doesn't do, it might be appropriate to
22 do this.

1 MS. BEVIER: Well, you know, we might -- this
2 is one where it comes up as an issue, and we're not
3 terribly worried about consistency unless it starts to
4 really bother us.

5 MR. JEFFRESS: All right. Right.

6 And I won't offer this as exact wording.
7 Obviously, we'll go back and work on it.

8 But it would say something like, "Encourage
9 community outreach and education by grantees about
10 legal rights and responsibilities and the types of
11 assistance available from legal services programs."

12 MS. BEVIER: That works.

13 MR. JEFFRESS: Is that something like what you
14 want?

15 MR. MEITES: Thank you.

16 MR. STRICKLAND: I have a minor --

17 MR. JEFFRESS: Yes.

18 MR. STRICKLAND: -- question about an item
19 here in the narrative under the last bullet.

20 MR. JEFFRESS: Mm-hmm.

21 MR. STRICKLAND: HotDocs. Would you phrase
22 what HotDocs is? I'm sure I've heard it before, but I

1 can't remember exactly what that is.

2 MR. JEFFRESS: Perhaps it should have a
3 copyright term after it. I'm not sure. I'll have to
4 double check that.

5 When Camille was presenting yesterday what
6 Idaho is doing with these forms, she is using a
7 software feature called HotDocs, and those are the
8 types of -- that's the way we will get other states, if
9 they're willing, to adopt those forms and put them on
10 their web sites.

11 MR. STRICKLAND: Well, to the extent these
12 strategic directions are published somewhere, your
13 point is well taken, if that's some sort of federally
14 protected service mark or whatever. What would it be,
15 Lillian, a service mark?

16 MS. BEVIER: That's probably a trademark, but
17 then the software itself is protected by copyright.

18 MR. JEFFRESS: Perhaps I'd be better off just
19 spelling it out as opposed to using a shorthand.

20 MR. STRICKLAND: Or if it needs to have an
21 R or something --

22 MR. JEFFRESS: Yes.

1 MS. BEVIER: Yeah. Is it registered? If it's
2 not registered, it should just be a TM.

3 MR. JEFFRESS: And I'll have to pursue that.

4 MR. STRICKLAND: We're really being nit-picky
5 here --

6 MR. JEFFRESS: We should be --

7 MS. BEVIER: That's not the kind of mistake
8 you want the Legal Services Corporation to make.

9 MR. JEFFRESS: Exactly right. If it's a
10 protected trademark, we need to be careful of that.

11 MR. STRICKLAND: All right.

12 MR. JEFFRESS: All right. That's the last
13 objective under Goal 1.

14 I was going to move to Goal 2 unless folks
15 want to revisit any part of Goal 1.

16 (No response.)

17 MR. JEFFRESS: Okay, Goal 2, if we recall, is
18 enhancing the quality and compliance of legal services
19 programs.

20 We have three objectives under Goal 2, and
21 these objectives have not changed since what you saw in
22 July:

1 Effectively use LSD performance criteria and
2 other indicia of high-quality legal services;

3 Increase training and technical assistance;
4 and

5 Develop and enhance innovative approaches.

6 Under the first objective, we have five
7 strategies, and these are identical to what you saw in
8 July.

9 And then there is narrative about these
10 specific strategies on Page 85 in your notebook, 85 and
11 86, if you want to look at that.

12 Any comments on those?

13 (No response.)

14 MR. JEFFRESS: Then I'll move on to Objective
15 2 under Goal 2, which is, increase training and
16 technical assistance.

17 And we have collapsed the strategies into
18 three. We had -- let's see -- 1, 2, 3, 4, 5, 6, 7, 8
19 -- nine, I think, bullets back in July, and it seemed
20 like too much detail, and a number of the methods of
21 training and ways of providing training we thought we
22 could collapse into a couple of these strategies.

1 So these strategies:

2 Enhance the collection and distribution of
3 best practices information;

4 Provide training for grantee staff on
5 effective program operations and how to demonstrate
6 full compliance with regulations; and then

7 Continue to promote the diversity of legal
8 services providers' boards, staff, and leadership."

9 And really, the second bullet is a pretty
10 expansive bullet that encompasses a number of the items
11 that were in this previously.

12 The narrative explaining these is on Pages 86
13 and 87 of the book.

14 Yes.

15 MS. BeVIER: The narrative has four
16 strategies. The second one is, more effectively
17 communicate to grantees LSC's expectations of how to
18 comply.

19 And that's not here.

20 MR. JEFFRESS: Thank you for pointing that
21 out. I have a disconnect here. We have --

22 MS. BeVIER: Maybe you meant that -- maybe

1 your thought was that that was collapsed into the
2 second one.

3 MR. JEFFRESS: Two and three are in the Board
4 book on Pages 86 and 87, in fact are supposed to be
5 covered by the second strategy up here, but we have
6 "how to demonstrate full compliance with regulations."

7 MS. BEVIER: Yeah, I think --

8 MR. JEFFRESS: And that bullet, the second
9 bullet, and I should have perhaps deleted that. I
10 check what happened.

11 The second bullet on Page 86 really has been
12 combined with the first bullet on Page 87.

13 MS. BEVIER: Then I have a question about --

14 MR. JEFFRESS: Yes, mm-hmm?

15 MS. BEVIER: -- whether we want them to learn
16 how to demonstrate full compliance or whether we want
17 them to learn how to fully comply.

18 I mean, both, obviously. We want them to
19 comply and then we want them to be able to communicate
20 they're complying. Maybe that's a nit-pick.

21 MR. JEFFRESS: Right. Well, the second bullet
22 that's in your book on Page 86 --

1 MS. BeVIER: That's about how to comply.

2 MR. JEFFRESS: -- refer to how LSC should be
3 communicating to grantees.

4 MS. BeVIER: Yes.

5 MR. JEFFRESS: That we should be clearer or
6 more effectively communicating to grantees about how to
7 comply.

8 MS. BeVIER: Right.

9 MR. JEFFRESS: And our communicating that,
10 people complying, people demonstrating compliance are
11 related. It seems like we should collapse that into
12 one strategy.

13 MS. BeVIER: That's fine. I guess I would
14 prefer that the training we provide them is on how to
15 comply.

16 MR. JEFFRESS: How to comply, okay.

17 MS. BeVIER: But --

18 MR. JEFFRESS: Okay.

19 MS. BeVIER: -- but I do understand that
20 teaching them how to communicate their compliance is
21 also important.

22 MR. JEFFRESS: But how to comply, the strategy

1 should be how to comply. A part of how to comply is
2 how to -- what documentation you need to demonstrate
3 it. Okay.

4 We'll put in the narrative the information
5 about the documentation and demonstrating compliance,
6 but the strategy will really focus on training on how
7 to comply.

8 MS. BEVIER: That suits me. I don't know
9 about others.

10 MR. JEFFRESS: Other comments?

11 (No response.)

12 MR. JEFFRESS: Thank you. That's a very good
13 catch.

14 I will point out another mistake in that same
15 area.

16 In your narrative on Page 87, the fourth
17 bullet says, "To continue to promote the diversity of
18 legal services providers forward staff and leadership."

19 The last two words in that narrative, the
20 staffs of the new organizations, obviously I copied and
21 pasted something I shouldn't have done there. That's
22 the staffs of the grantees.

1 This was a strategy in the previous document,
2 when we're doing state planning and encouraging new
3 organizations to form statewide and organizations to
4 merge. They're no longer new organizations. We're
5 just referring to them as grantees at this point.

6 MR. GARTEN: You're using the words
7 "providers" and "grantees" interchangeably throughout?

8 MR. JEFFRESS: We are.

9 MR. GARTEN: All right. Do you believe that's
10 the best practice?

11 MR. JEFFRESS: We could do differently.
12 Sometimes it got awkward saying grantees so many times.
13 I think we're just looking for synonyms.

14 MR. GARTEN: I don't have a problem with it.
15 I just wanted to point it out.

16 MR. JEFFRESS: Right.

17 All right. Go to Objective 3 under Goal 2,
18 which is, develop and enhance innovative approaches.

19 Here, we're talking about innovative
20 approaches obviously for the delivery of legal
21 services, and these are focused on things that LSC is
22 doing:

1 Implement and evaluate a model mentoring
2 program. You'll have heard some about that;

3 Evaluate and assess the impact of the loan
4 repayment assistance program on retention and
5 recruitment of legal services attorneys. And we're
6 well on the way on that in terms of initiating the
7 program. Obviously, over the next five years, we'll be
8 evaluating and assessing the impact of it; and then

9 Work hard to support -- to improve support for
10 hard to serve areas and populations, such as rural
11 area, migrants, Native Americans, and limited English
12 proficiency clients. We added that in July.

13 MR. MEITES: I'm troubled by this.

14 I think that the strategies, the first the
15 second strategies are a level of specificity much
16 different than the other strategies. They are very
17 specific.

18 MR. JEFFRESS: Yes.

19 MR. MEITES: I think they're too specific. I
20 think we should have a broader statement of what the
21 core elements of the first and second bullets are.

22 And in addition, the innovative approach which

1 I think belongs here is technology, which isn't
2 mentioned at all.

3 This is really micromanaging our strategies by
4 picking exactly three and only three strategies that
5 are the innovative approaches we're going to use in the
6 next five years.

7 So I would urge you to consider much broader
8 statements of the kind of strategies that we believe
9 are appropriate and then to add as a strategy
10 technological innovation, which in fact, from my
11 experience on the Board, is far and away the most
12 important change that I see in order to enhance the
13 effectiveness of our grantees.

14 MR. JEFFRESS: Two points.

15 I like your point about these being overly
16 specific compared to the other strategies. That
17 strikes me as exactly the right analysis.

18 I will say the technology which we had in here
19 we also had in Goal 1, Objective 4, in terms of using
20 technology to expand access and availability, and
21 rather than have it both places, we left it in Goal 1.
22 We could put it back here.

1 MR. MEITES: That's fair. We don't have to
2 say it twice. But --

3 MR. JEFFRESS: It does kind of beg the
4 question on innovation, why technology isn't there,
5 though. That's a good point.

6 MS. BeVIER: I don't think it hurts to have it
7 both places. I mean, you know --

8 MR. JEFFRESS: It does seem to fit here, as
9 well.

10 MS. BeVIER: It does.

11 MR. MEITES: It does fit here.

12 MS. BeVIER: You know, we're using it for one
13 purpose there, but there are other ways perhaps of
14 using technology.

15 So I wonder if the first one you could address
16 by talking about implement and evaluate programs such
17 as model mentoring and LRAP, you know, and have them be
18 examples of new things that we've done, but not to be
19 -- you know -- so that they get understood to be
20 strategic but they're also just examples of kinds of
21 things we might do that are not technology.

22 Does that work for you, Tom?

1 MR. MEITES: That would, exactly. That's a
2 kind of more generalized approach --

3 MS. BEVIER: Yeah.

4 MR. MEITES: -- that I think is appropriate
5 here.

6 MR. JEFFRESS: And I think that's a good
7 point, because within the administration, obviously,
8 we've talked about, you know, what are going to be the
9 next innovative approaches.

10 There's discussion about peer review kinds of
11 initiatives, other kinds of initiatives, and I'd
12 actually like it better making it broader and using
13 some examples as indication we will be doing additional
14 new things, we well.

15 We will work on revising those strategies,
16 then, to reflect both a broader approach to innovative
17 programs and reinserting technology in here as an
18 innovative effort.

19 That was very helpful.

20 Going on then to Goal 3.

21 This is our support goal essentially, to
22 ensure that LSC operates efficiently and effectively.

1 And this is -- all these are focused on LSC.

2 These are not grantee strategies.

3 We don't have separate objectives here. These
4 are all strategies under Goal 3:

5 Closer collaboration between operating units
6 of LSC.

7 We spent a while in July talking about what an
8 office of LSC was, and rather than go back to the use
9 of offices, we talked about operating units of LSC.

10 Otherwise -- let's see -- we had added a few
11 strategies here that you did not see in July.

12 Following the inspector general audit of our
13 space requirements, the organization agreed to review
14 and do a space needs assessment, so we have added to
15 our strategic plan, review and modify space
16 requirements as appropriate. That was not there
17 previously.

18 I think, actually, that may be the only one.

19 Nationwide contracts for service was talked
20 about.

21 It was not on what you received last time, but
22 we have this past year done a nationwide contract for

1 Lexis Nexis and there may be other ways that we could
2 develop nationwide contracts that would be supportive
3 of grantees, so that was added, as well.

4 MS. BeVIER: I have a question.

5 This gets back to technology again.

6 One of the ways that you can increase the
7 usefulness of technology is making certain that your
8 employees are adequately trained, and, you know it
9 makes a big difference, I think, with respect to making
10 good use of technology if there's a tech person who is
11 trying to identify the needs that can be served,
12 because people who haven't used technology -- I'm
13 speaking from personal experience -- people who haven't
14 used it and are unfamiliar with it don't have an idea
15 of what it can do for them.

16 And it may be that you feel that you've got
17 all your forms and your e-mail and your, you know,
18 communication systems and so forth to the place where
19 they need to be to make all of those systems the
20 technology help you're getting within LSC's offices,
21 but I'm wondering if a review of your own technological
22 support needs and whether they're being adequately

1 served might be something that you might do to make
2 yourselves work, to make us, to make the Corporation
3 work a little bit more efficiently

4 I don't know whether that's true, because I
5 don't know what use you make of it, but I think it's
6 important that there be someone -- well, that you
7 undertake that as a means of making sure you're using
8 your own technology effectively.

9 MR. JEFFRESS: That's absolutely right.

10 Two of the strategies here and one of the
11 measures we'll get to later I think speak to that.

12 MS. BeVIER: Oh, okay.

13 MR. JEFFRESS: In terms of enhancing database
14 capacities and knowledge management capabilities,
15 that's really making sure the technology stays up to
16 date, and then where we talk about adding to the
17 capacity of the LSC staff by enhancing skills through
18 training and career development, one of the types of
19 training that we anticipate would be the training in
20 new technologies.

21 MS. BeVIER: Yeah, right. It could -- that's
22 right. I see how those are included in there.

1 I'm just hoping that there's somebody with --
2 if you have a tech person who has a sort of
3 entrepreneurial model and pursues the notion of, "I'm
4 really going to make this work for this organization,
5 I'm going to show them what they can do that they don't
6 presently know," I think that can work wonderfully.

7 And we may have such a person and I don't know
8 about it.

9 I'm just -- as a recipient of tech services, I
10 know what a difference it can make in my work and my
11 use of technology.

12 MR. JEFFRESS: I share your experience. It's
13 wonderful to have somebody show you something new that
14 they're excited about it.

15 MS. BEVIER: Right, and not expect you to ask
16 them.

17 MR. JEFFRESS: Right. Right. I concur with
18 that.

19 MS. BEVIER: But you don't have to put that in
20 a strategy, just so long as you have an idea that it
21 might well be there.

22 MR. JEFFRESS: I think we can affirm that. I

1 hope we have covered this, I certainly intended to have
2 covered it.

3 That' the end of the --

4 MR. FUENTES: Excuse me.

5 MR. JEFFRESS: I'm sorry?

6 MR. FUENTES: I just had one.

7 MR. JEFFRESS: Yes, Mr. Fuentes.

8 MR. FUENTES: This point seems to be an
9 appropriate place to include something more specific in
10 terms of encouraging and rewarding fiscal concern.

11 It just seems to me that we need to be saying
12 that we want the staff at headquarters to be buying
13 into efficiencies, fiscal approach, carefulness, and I
14 don't -- I see, you know, a couple of points here where
15 we're going to review and modify space requirements. I
16 can see that as a possibility of impacting a closer
17 bottom line.

18 But a lot of these things that we're talking
19 about in here lend to the growth of government and
20 where we could rein in the growth of government, I'd
21 like to see that more specifically addressed and I
22 think this is the point where that would be

1 appropriate.

2 MR. JEFFRESS: I think the president and the
3 staff share that concern.

4 Matter of fact, when we get to the measures,
5 you'll see administrative costs as a percentage of
6 operations is one of the measures that we think we
7 should measure ourselves on.

8 But you're right, we don't address that in the
9 strategies, and if you're going to measure it, you
10 probably should emphasize it in the strategic portion
11 of it, as well.

12 MR. STRICKLAND: I guess you touch on it to
13 some extent in Bullet Point Number 2, "bottom-up
14 reviews of LSC operations." It may not be specific
15 enough --

16 MR. JEFFRESS: Well, we could add to that
17 bottom-up review "to assure the most efficient and
18 economical operation possible."

19 MS. BEVIER: And fiscal responsibility.

20 MR. JEFFRESS: Mm-hmm.

21 Other reactions to that point?

22 (No response.)

1 MR. JEFFRESS: It sounds to me like something
2 we should incorporate.

3 We'll work on that then and a way of adding to
4 that either bottom-up review or adding a bullet there
5 on fiscal responsibility.

6 Other comments, then, on Goal 3?

7 (No response.)

8 MR. JEFFRESS: Okay. We then move to what's
9 new this morning, and of course you got this in
10 advance, but we haven't had a chance to talk about it
11 collectively, which is performance measures.

12 And let me say at the outset, remind you what
13 I said at the outset, that these are in a developmental
14 stage.

15 The strategic directions document adopted by
16 the Board in 2000 had no performance measures in it at
17 all.

18 We tried, talked about it a lot, but couldn't
19 come up with any measures that people felt they were
20 comfortable with, had any confidence in, and so there
21 were no measures included in the last strategic
22 directions document.

1 Speaking for the executive team and the staff
2 task force that worked on this for the past, seems like
3 forever, but it's only been about four or five months,
4 I understand why the 2000 document had and performance
5 measures. I think it's extremely difficult to do and
6 to do well.

7 What you will see and what we're about to go
8 over, I would really classify at this point more as
9 indicators than they are actual measures, but they are
10 items that we felt like we could -- information we
11 could capture and report back to the Board and the
12 public and the Congress as indicators of what we are
13 doing.

14 These measures that we're about to see listed
15 at this point though are the areas in which we believe
16 we could capture information.

17 We have not yet set goals for how much more we
18 want to do in each of these areas, and I think in the
19 next iteration of this document I would hope we would
20 feel confident enough to set some actual goals here and
21 set some quantitative measures.

22 But at this point, what we have for you to

1 consider and to talk about are the areas in which we
2 believe we should capture information and report it
3 back as indicators of our performance, not yet having
4 the confidence, or a baseline number, in many cases, to
5 know where we are, so knowing how far we can go is hard
6 to know if we can't report today where we exactly are.

7 MS. BeVIER: So we are just looking for
8 benchmarking now, that's what we're trying to do,
9 right?

10 MR. JEFFRESS: That's really essentially what
11 we're doing, is establishing baselines -- benchmarking,
12 establishing baselines in these areas.

13 There may be other areas where you all will
14 suggest we should do that, and we're happy to add
15 things in here.

16 You may have suggestions on how to refine
17 what's here. If you believe you have a quantitative
18 number you think we should shoot for in any of these,
19 by all means, let's talk about that, as well.

20 But we still consider these developmental
21 measures.

22 Goal 1 -- and again, these are measures of our

1 ability to achieve the goal, so the measures don't
2 relate specifically to the strategies, necessarily.
3 They're indicators of are we achieving our goals.

4 The goal here really has three difference
5 components: increasing public awareness of legal
6 services; increasing public support for civil legal
7 services; and responding appropriately to more of the
8 legal needs of low-income persons.

9 So we have six measures here. Each of these
10 measures addresses the three different components of
11 this goal.

12 The first two, the count of media articles and
13 the collective visits to legal services web sites, we
14 feel like are indicators of public awareness of legal
15 services.

16 Clearly, the more coverage there is in the
17 press of all types, the more likely that there is more
18 public awareness of what legal services does.

19 So as a rough indicator of public awareness,
20 the number of media articles we thought was an
21 indication.

22 Collective visits to legal services web sites

1 -- again, the more awareness there is of the
2 availability of legal services, the more likely people
3 are to visit the web sites. If we get more visits to
4 web sites, then we think that's an indication of more
5 awareness.

6 But again, these are the areas that we're
7 measuring. We don't yeah have baselines to say,
8 "Here's where we are now, here's where we'd like to
9 go." That is something I would hope would develop in
10 the next year or two, and then we can come back and
11 revisit later.

12 But those first two bullets are intended as
13 indicators of public awareness.

14 The next two are -- I'm sorry, the next one,
15 the third bullet is an indication of public support,
16 and this goes back to Mr. McKay's point where we talked
17 about resources, which was changed to funding, the
18 overall funding to support equal access work.

19 And while our strategies were to pursue
20 federal funding and to pursue private funding for
21 projects of national significance, we believe here we
22 should be reporting on the total funding that is

1 provided from state judicial fees, from state
2 appropriations, through IOLTA.

3 This information is available, can be
4 collected, and can be reported back to you and to the
5 public, so the overall funding here includes a number
6 of different subsets of funding, but as a measure, we
7 just -- we put overall funding as the measure.

8 And the last three bullets refer to whether we
9 are responding appropriately to more needs of low-
10 income persons.

11 We did the unable to serve study from March to
12 May of this year, which you saw in the justice gap
13 document, where one of every two persons was turned
14 away.

15 We don't intend to do that on an everyday
16 basis. That's a lot of work for our grantees to record
17 that kind of information, but we do think periodically
18 we should do these kinds of counts to get some sense of
19 what level of service we are providing to people who
20 ask for it.

21 The analysis of the case service review data
22 -- these are the number of cases that grantees -- the

1 perhaps I can spell that out -- these are the number of
2 cases that, and the types of cases that grantees take
3 on during the course of the year and what happens with
4 them.

5 And then the bottom one, this is, really, it's
6 going to be an emerging area, the forms downloaded from
7 grantee web sites.

8 As people are provided assistance with their
9 pro se activities, we hope that they will use the forms
10 that are available through these web sites, and by
11 measuring the actual downloads of the forms, while we
12 cannot say the people who file have got their forms
13 from legal services grantees, we can at least say
14 people are using that resource to help them in their
15 filings.

16 Comments on these?

17 Mr. Meites.

18 MR. MEITES: Yeah, I'm troubled by, certainly
19 by one of the bullets, and maybe by a couple.

20 One thing we've learned from our travels
21 around the United States is that different states have
22 different levels of ability to help finance their share

1 of legal services. Frankly put, there are rich states
2 and poor states.

3 And to compare the overall funding to support
4 equal access work, say in Idaho or Montana versus
5 Maryland in terms of raw dollars is not, I think, a
6 valid measure.

7 So I would like to see the overall funding be
8 somehow refined to funding in light of resources
9 potentially available.

10 MR. JEFFRESS: What we had anticipated here is
11 that we would not -- that we would aggregate the data,
12 so we would not highlight what Louisiana funding is
13 compared to New York's, that we would report total
14 state funding from all states for legal services.

15 MR. MEITES: So overall, you don't mean
16 overall by state, but overall on a nationwide --

17 MR. GARTEN: It's not comparative.

18 MR. JEFFRESS: The data is available by state,
19 but we wouldn't be reporting it by state.

20 MR. MEITES: Then my problem is the word
21 "overall."

22 MR. JEFFRESS: Okay.

1 MR. MEITES: I thought that was state-
2 specific, and you mean nationwide.

3 MR. JEFFRESS: I really mean nationwide.
4 Okay.

5 MR. GARTEN: I might say that that information
6 is available through the ABA, state by state.

7 MR. MEITES: It is, but I don't think it's
8 fair to measure --

9 MR. GARTEN: I don't think it was
10 intended like that.

11 MR. MEITES: -- grantees on that basis.

12 MR. JEFFRESS: All right.

13 But you said there was another bullet, as
14 well.

15 MR. MEITES: Again, if you're talking
16 nationwide, the periodic counts on a state by state
17 basis I think would also be misleading.

18 Again, if it's a nationwide measure, then I
19 have no problems with it.

20 MR. JEFFRESS: We are meaning in each of these
21 cases to give you national numbers and not separately
22 identify it by state, although we will have to count it

1 state by state --

2 MR. MEITES: I understand --

3 MR. JEFFRESS: -- come up with the number,
4 but the reporting would be on a nationwide basis.

5 MR. STRICKLAND: What is it that's available
6 through the ABA, Herb? I didn't --

7 MR. GARTEN: Individual state by state
8 comparisons of where the funds for legal services come
9 from -- IOLTA, contributions, other funding sources
10 like filing fee surcharges.

11 There may be six or seven different sources
12 that are reported state by state and compiled by the
13 ABA,

14 MR. STRICKLAND: So the ABA then measures, for
15 example, if some grantee has considerable success at
16 leveraging a fundraising drive or --

17 MR. GARTEN: Yes. Yeah.

18 MR. STRICKLAND: The ABA does measure --

19 MR. GARTEN: And then they wind up with a very
20 interesting statistic as to what is available per
21 population in each state, and Tom pointed out Maryland
22 is usually within one, two, or three, and a state like

1 Mississippi may be at the bottom.

2 So that comparative information is available,
3 and it's done on a yearly basis.

4 MR. JEFFRESS: Something Tom just reminded me
5 of is worthy of consideration.

6 While we collect this data from LSC grantees
7 for state-level funding and private sources of support,
8 and we do that on an annual basis, we obviously don't
9 collect it from non-LSC grantees. That is included,
10 though, in what the AA does.

11 MR. GARTEN: That's correct, it's the total.

12 MR. JEFFRESS: And in developing this measure,
13 we had really anticipated using the ABA measures
14 because this is equal access work whether it happens to
15 be LSC-funded or not, so we can separate this, and
16 perhaps we should make a point of separating it, what
17 level of support LSC grantees are receiving over the
18 years, and then have a separate report for total legal
19 services/ equal access to justice work, because the ABA
20 is more inclusive than what we have in our database.

21 Other comments on these measures or indicators
22 for Goal 1?

1 And again, these are -- there's a little bit
2 of narrative in your book on Pages 91 and 92.

3 (No response.)

4 MR. JEFFRESS: All right. Then we'll move on.
5 Performance measures for Goal 2.

6 And here, we're talking about the quality and
7 compliance of legal services programs.

8 We have eight different measures, and again we
9 don't have quantitative numbers yet, but these are the
10 areas in which we believe we can collect information
11 and develop quantitative numbers to report.

12 First, there are LSC performance criteria
13 measures.

14 The Provisions Committee yesterday discussed
15 those performance criteria. Of course, I'm biased, but
16 I think they are excellent questions, and then very
17 well developed questions to evaluate the performance of
18 legal services programs.

19 We have not directly quantified those yet. We
20 do use the criteria in making determinations of which
21 applicants to award grants to.

22 It's only one of the criteria that we use, but

1 it is one of those criteria, so as we gain more
2 experience with those, the performance on these, our
3 performance criteria would be a useful measure, we
4 believe.

5 Scores on competitive grant evaluations.

6 We compete every grant every third year, and
7 so over a period of time we can measure the scores on
8 these competitive grants. We can measure whether or
9 not the quality of these grant applications is
10 improving.

11 Diversity numbers for grantee boards,
12 leadership, and staff.

13 We actually collect those, and once again
14 here, if it's not clear, I should emphasize here we're
15 talking about aggregate numbers, we are not talking
16 about reporting on individual grantees one at a time in
17 terms of these numbers. We're talking about aggregate
18 numbers nationwide.

19 Grantee attorney retention.

20 This is put in in part because we have this
21 pilot LRAP program. We want to assess and evaluate the
22 impact of that program.

1 While there are a lot of things that affect
2 retention other than just LRAP, certainly in terms of
3 the quality of programs, having a low amount of
4 turnover generally is going to suggest we have more
5 experienced people providing the service.

6 The amount of training provided for grantee
7 staff.

8 Once again, on a nationwide basis, we try
9 record and collect as a part of the application process
10 what kind of training is provided for grantee staff.

11 The number of technical assistance and
12 training sessions conducted by LSC -- where we go out
13 and offer the training and technical assistance.

14 The last two relate to our findings in the
15 course of our program visits by our Office of
16 Compliance and Evaluation.

17 When they go out and visit a program, we in
18 fact have a checklist of items that are to be reviewed,
19 so we want a report on the percent of in-compliance
20 findings, and again this would be aggregated. It's
21 available program by program, but it would be reporting
22 nationwide what we find in terms of in compliance on

1 these items.

2 Where we find that there are issues that are
3 not in compliance, we believe we should measure how
4 long it takes people to get the problems fixed, and
5 sometimes when we say this needs to be addressed,
6 people might address 75 percent of it but not quite fix
7 it all.

8 So the degree of resolution we're really
9 talking about how much people comply. Sometimes they
10 don't get to the level they would like.

11 So the last bullet, and we have not yet -- I
12 don't have numbers I can tell you about. We don't yet
13 have a system in place to report this, but we believe
14 in terms of the interest of the public and the
15 compliance with the regulations some kind of reporting
16 on programs responses would be appropriate.

17 MR. MEITES: I'm going to make a heretical
18 suggestion.

19 It strikes me you're measuring everything
20 about the racehorse. You're measuring how the stable
21 looks, how well the horse is groomed, how well the
22 jockey looks, how experienced the trainer is, but

1 you're not asking whether the horse won the race.

2 What about whether our grantees obtain
3 successful outcomes for their clients? Isn't that,
4 after all, what legal services is about?

5 MR. JEFFRESS: It is and it's something that's
6 been much discussed, and if we talk about, and we have
7 the analysis of the case data, it was in the last
8 performance measure.

9 The question is, what is the success? In many
10 cases, it's not winning the case. It may be a
11 resolution that is, in fact, short of a win in a case,
12 but a resolution that resolves the problem and helps
13 everybody.

14 MR. MEITES: Well, I'm with you on that. I'm
15 willing to be fairly generous about self-scoring
16 whether it's success.

17 But I know when I lose, and I assume that the
18 lawyers who work for our grantees know when they lose.

19 It's not that hard to tell, actually. Painful,
20 sometimes.

21 And, you know, you get into the whole debate
22 about whether you're educating for tests or educating

1 for education, but educating for tests is kind of part
2 of the business.

3 So I would ask the staff to consider
4 including, as a performance measure, outcomes for
5 individual clients.

6 MR. JEFFRESS: It's not that the staff hasn't
7 considered that.

8 We struggled with how do you measure those
9 outcomes, what measurement of outcomes -- if it is, in
10 fact, the attorney handling the case evaluation of was
11 this a success, that's something we don't now do. It's
12 something that could be done, but we're going to have
13 wildly disparate views of whether it was a success or
14 not. I'm not sure they would be meaningful data.

15 Absent that, we've been struggling with it.
16 We'd like to have some way to do this, and we'd welcome
17 suggestions.

18 MS. BeVIER: Well, maybe it ought to be -- I
19 mean, maybe what the work needs to be done is some sort
20 of a qualitative assessment, a personal qualitative
21 assessment or something of that nature that is
22 admittedly not win/lose, because it's not that way, but

1 if you could begin to try to develop some way of
2 assessing or just evaluating outcomes so that, you
3 know, on one hand is really awful, and on the other
4 hand is exactly what we wanted.

5 I realize the difficulty. There are many
6 variables in these things. But it seems to me it might
7 be worth looking at sort of some way of coming up with
8 something.

9 MR. McKAY: And just because it's a difficult
10 question, and I think everyone agrees that it is,
11 doesn't mean it shouldn't be addressed.

12 MR. JEFFRESS: Certainly.

13 MR. McKAY: And Tom is right. You know when
14 you lose, and that's going to be pretty easy to find.

15 You know, there was a -- you brought a motion
16 for a TRO on behalf of your client and you lost.
17 That's a loss.

18 But there is, we recognize, there is that -- a
19 large, a good quantity of cases where it would be hard
20 to characterize, and I think I do embrace Tom's
21 standard. That is, if, you know, they think they did
22 well for the client, then that's -- that could be a

1 win.

2 But since quality of service to the client is
3 so darned important, we should have it up there, even
4 though it's a difficult one.

5 MR. STRICKLAND: How do you measure brief
6 advice?

7 Suppose a client calls in and says, "I've got
8 this problem, what do I do about it?" And the legal
9 aid lawyer says, "You do X." And the client, perhaps
10 unknown to the legal aid lawyer, goes and does X, and
11 that's it?

12 MR. MEITES: I was -- we happen to have an
13 expert on assessing outcomes in civil litigation --
14 Helaine.

15 She ran a huge civil litigation program in the
16 toughest litigation and negotiation venue in the United
17 States, and presumably, Helaine, you, from time to
18 time, would look and see whether your staff is doing a
19 reasonable job at getting favorable outcomes, or is
20 that something that, from your experience, is just
21 impossible to do?

22 MS. BARNETT: I think you have identified an

1 area which is -- which, in the legal services
2 community, generally we've been struggling with how to
3 do effectively.

4 LSC actually had two conferences on outcome,
5 summits on outcomes. There was no resolution of what
6 to do.

7 In fact, the best that came out of it is we
8 should try to tell our clients' stories better than
9 we're doing.

10 It is a very difficult area. I think you're
11 absolutely right to raise it. We will continue to
12 struggle with it.

13 Just to take the chairman's example, we give
14 advice. Well, was the advice followed? We don't
15 follow up to check if the advice was followed.

16 How do we evaluate the outcome with brief
17 services when we neither know whether they followed --
18 didn't follow it or whether they followed it and it was
19 successful or they followed it and they weren't
20 successful?

21 So we're left with a large part of service
22 rendered by grantees today for just brief service, and

1 how should we be looking at evaluating the outcome of
2 that delivery method?

3 MR. MEITES: And I agree, it's easy to tell
4 when you lose, but there's various degrees of not
5 losing that are a spectrum of success.

6 But I think that, you know, when you're trying
7 to measure the size of the elephant, you don't just
8 look at the shadow, and those are all shadows up there.

9 And even though it's hard to measure, I think
10 it would be important for you to at least to put in
11 here somewhere that we're taking these secondary
12 measures because the primary measure is something that
13 can't be calculated, if that's your conclusion.

14 MS. WATLINGTON: This is Ernestine.

15 I have a question, is that who our are
16 clients? Are we just supposed to fund the programs so
17 that they can make legal services accessible to anyone
18 with low income and our clients would be the programs
19 and not individual clients?

20 MR. JEFFRESS: Ms. Watlington, I think in
21 terms of success here, we're really talking about the
22 individual clients' success, and whether the clients

1 that the programs are serving are, (a), getting the
2 proper kind of advice, and (2), that advice assists
3 them in resolving the problem to their satisfaction.

4 So --

5 MS. WATLINGTON: But the only way we still
6 would know that is through the programs, right?

7 MR. JEFFRESS: That's correct.

8 MR. GARTEN: I might add that I recall at some
9 conference comments from some local programs to the
10 effect that they were attempting to follow a practice
11 that car dealerships do when you have service, that
12 they send you a postcard and ask for replies as to
13 whether you were satisfied with the service.

14 Helaine, I haven't heard anything as to
15 whether any of those programs were successful or not or
16 whether they're following through.

17 MS. BARNETT: I'm not sure if this is
18 responsive, Mr. Garten, but in our performance criteria
19 we asked whether programs had client satisfaction
20 surveys, do they follow up.

21 We don't specify what they should ask in the
22 survey, but we do say, and the point of our performance

1 criteria is that programs follow what we have
2 identified as our best practices. That's the best way
3 of trying to ensure they're providing high quality
4 legal assistance.

5 MR. GARTEN: Well, then, maybe we could tie
6 that suggestion into what Tom has presented to us, that
7 we follow up on evaluations that the individual
8 programs are doing.

9 I don't know of any successful one. I mean, I
10 just recall that there was discussion about doing it
11 along the lines of what you have reported to us.

12 Ernestine, does that sort of respond to your
13 question?

14 MS. WATLINGTON: It kind of brings us back to
15 what I think we seem to be getting away from. You
16 know, who are we supposed to be serving?

17 And my feeling always was, as a client, that
18 we're supposed to supporting the programs who are our
19 clients, so that they could provide the type of legal
20 services, so that everyone would have access to legal
21 services.

22 So I think it's somewhere getting us back to

1 some kind of idea, and the best way to know that is the
2 sense of the program.

3 MR. JEFFRESS: I would ask Mr. Meites. Are,
4 in fact, client satisfaction surveys the same as
5 success?

6 MR. MEITES: It's a start. But the fact is,
7 the doctor and the patient view the outcome
8 differently. If the patient lives, he's satisfied.
9 But hopefully, the doctor has a higher internal
10 criteria for success than that.

11 I've clearly stumbled into something that I
12 know nothing about, and people have been talking about
13 it for years, which is typical of Board members.

14 But nonetheless, it's probably something that
15 you should --

16 MR. GARTEN: It sounds like you do know
17 something about horse races.

18 (Laughter.)

19 MR. MEITES: I do know something about winning
20 and losing litigation.

21 A PARTICIPANT: At least the stables.

22 (Laughter.)

1 MR. MEITES: What I'm not clear about is
2 whether there's a resolution to this, but I think that
3 you're performance measures should at least try to
4 address client satisfaction and outcomes.

5 MR. JEFFRESS: You have named the very thing
6 that we have tried to avoid. You're exactly right.

7 And I think it's appropriate to name it, and I
8 just recognize how difficult it is to satisfy that.
9 You're exactly right to, I think, to phrase it.

10 MS. BEVIER: Can I just say something?

11 I know it's obvious, but I just feel I have to
12 say it.

13 The whole point of this funding that we get
14 and give to our grantees is to improve people's lives
15 by the delivery of legal services, and if we're
16 basically saying, "We don't know," then -- and I
17 understand the difficulty, but just keep trying is what
18 I would suggest.

19 I think it's really important that we be sure
20 that that is, in fact, what we're doing, and if there
21 are things that we're doing that aren't improving
22 people's lives, we should maybe shift the resources to

1 a place where they can.

2 MS. BARNETT: I think we certainly can
3 demonstrate that we are, and I think what we need to
4 discuss internally and come back to is, you know, we
5 should certainly seek to address how we can first
6 identify client satisfaction and the measure of
7 outcomes.

8 I don't have any question that we're doing it,
9 and -- but in order to be able to effectively show the
10 outcomes and the client satisfaction, I think Mr.
11 Meites is absolutely right, client satisfaction is not
12 the best -- it's an indicator, but not the only
13 indicator of a beneficial outcome.

14 MS. BeVIER: Right, because sometimes clients
15 are not happy even if you've done really well, so --

16 MR. JEFFRESS: Right. Right.

17 And I will say, for the measures that we're
18 presenting to you today, we worked hard to try to
19 define measures where we believe we can collect and
20 report the information without adding large burdens to
21 what directives our grantees have to key.

22 I do think if we get to true outcome measures

1 and success measures, we are probably talking about
2 developing a new reporting requirement of some type for
3 grantees, which may be altogether appropriate, but
4 until we are really clear on what that should be and
5 the value of it, it's kind of hard to suggest at this
6 point having additional reporting from grantees.

7 Certainly, as Helaine said, we'll take your
8 suggestion seriously and try to work on this, on that
9 measure.

10 Moving on, then, to the last goal, and this is
11 the next to the last slide:

12 Ensuring that LSC operates efficiently and
13 effectively.

14 There are -- again, here are some very
15 specifics that may be too specific, but they are things
16 that we are committed to doing, and we want to measure
17 for ourselves which of these are really appropriate for
18 reporting publicly and are important for reporting
19 publicly, and we would welcome some input on.

20 Average lapsed time for LSC report production.

21 We know that we can be more efficient timely
22 in getting our reports out, so we -- and certainly have

1 records internally of when we make our visits and when
2 we return from them and when the reports get issued.

3 So reducing lapsed time would be a goal here.

4 Achieving conformance with benchmark staffing
5 levels for administrative staff.

6 We mentioned to you when we looked at the
7 strategies we wanted to do a bottom-up review of our
8 operations. We'll be looking at similar organizations,
9 similar size, similar types of responsibilities, and
10 try to get a best practice mark here for what it takes
11 to run an organization administratively.

12 Conformance with benchmark office space
13 requirements. We mentioned that earlier.

14 Continue to report on the diversity of LSC
15 staff and leadership. We will be reporting on the
16 grantees, so we should be reporting on ourselves. We
17 would like ourselves to be a model of diversity.

18 The amount of training for LSC staff where the
19 needs have been assessed.

20 The administrative costs as a percentage of
21 our total LSC appropriation.

22 And then, bottom line, achieving conformance

1 with benchmark IT sophistication levels.

2 We are -- we have looked at a couple of
3 different IT measures of levels of sophistication of
4 IT. I think we will have one to centralize on to use
5 as a benchmark for us shortly, so we'll have some way
6 of saying -- measuring whether or not we're keeping up
7 with it, with our technological development or not.

8 So these are the particular measures that we
9 will be collecting information on for ourselves and
10 showing that we're operating efficiently and
11 effectively and reporting on it as much or as little as
12 you would like.

13 MR. STRICKLAND: By reporting, you mean to the
14 Board in terms of these performance measures?

15 MR. JEFFRESS: Certainly they would come to
16 the Board if y'all would be interested in them. It
17 would be a public document. I'm not suggesting it
18 would be private, but whether the public is really
19 interested in some of these, I'm not sure.

20 MR. STRICKLAND: Perhaps not, but I took this
21 entire goal to be internal in terms of you're measuring
22 yourself --

1 MR. JEFFRESS: That's correct.

2 MR. STRICKLAND: -- and informing the Board
3 as to how you're doing against the measures.

4 MR. JEFFRESS: Right.

5 I will say in terms of administrative costs,
6 we didn't specifically address this in the Finance
7 Committee, but on spending last year it was about 4.5
8 percent of the total appropriation, was management and
9 administration and inspector general together. If you
10 add those together, it was about 4.5 percent.

11 And because there were no personnel they can
12 see, I don't know that that's going to be typical, but
13 certainly 5 percent is, you know, what would be
14 expected and I would hope we could achieve on a regular
15 basis on administration.

16 MR. STRICKLAND: Do you have a similar thought
17 on all these other items, or are you just now starting
18 to measure those?

19 MR. JEFFRESS: We're just -- we don't have
20 baselines, really, for any of this, and I would think
21 that the first year, for all of these, Goal 1, 2, and
22 3, that our real challenge this next year is to develop

1 the baseline measures to make sure what we include, to
2 see what we have problems with, and come back to you
3 all with a report at the end of the year 2006, and that
4 report probably is going to be delivered early in 2007.

5 These are the number on these measurements as
6 they were reported to you, and we could talk about
7 whether it's really measuring the right things, whether
8 we were able to get meaningful data and whether there's
9 some kind of goal that you would want to set for the
10 next years.

11 MR. STRICKLAND: So where do we go from here,
12 now that we're through --

13 MR. JEFFRESS: All right.

14 MR. STRICKLAND: I say we're through. We've
15 gone through all the pages you have here under
16 strategic directions. What's next?

17 MR. JEFFRESS: Right. The next steps is, we
18 will take your comments that we got today and refine
19 this document.

20 We would prefer to publish this for public
21 comment in the middle of November, give the public 30
22 days to respond, and then we would incorporate what

1 kind of public comment we get to the extent we felt
2 like they were appropriate, and come back to you in
3 January and say, "Here's the document where we
4 incorporated what we heard today, here are the public
5 comments, here's how we would suggest accommodating the
6 public comments," and it be our hope that you would be
7 willing to approve that as the strategic directions
8 document for the next five years at the January Board
9 meeting.

10 So we would look towards --

11 MS. BARNETT: Excuse me.

12 There would be one step, that we would come
13 back in January with the revisions that you made today,
14 with a list of the public comments, and our proposals
15 for you as to what would be accepted, and then you
16 would finalize the document as you have done at each
17 stage for proposed adoption by the board.

18 MR. STRICKLAND: So between now and the
19 meeting at the end of January, we would have gone
20 through the public comment period?

21 MS. BARNETT: Yes.

22 MR. STRICKLAND: Okay.

1 MR. JEFFRESS: It's a very tight time period.
2 That mid-November to mid-December is frequently not a
3 time of great production.

4 So we're asking the public to focus in a
5 difficult time, but I would hope we would get some
6 thoughtful comments for you all to consider.

7 MR. GARTEN: When would you have your final
8 recommendations in draft form?

9 MR. JEFFRESS: We try to give you the
10 information two weeks prior to the Board meeting, so it
11 would be our intent by mid-January to have a final
12 recommendation for you all to look at in advance of the
13 Board meeting.

14 MR. STRICKLAND: Inclusive of the public
15 comments?

16 MR. JEFFRESS: Inclusive of the public
17 comments, but the public comments are separately
18 identified, so you all --

19 MR. GARTEN: And your recommendations as to
20 the final draft?

21 MR. JEFFRESS: Right.

22 MR. FUENTES: I wonder if what is going to

1 come back to us, the changes as a consequence of this
2 meeting.

3 Would it be difficult to highlight or show in
4 a text variation, you know, a type style variation or
5 something, that we don't have to re-digest everything
6 that we've approved here? Because obviously, we've
7 probably approved 95 percent of what we've done and we
8 could see it a little more clearly a little more
9 quickly?

10 MR. JEFFRESS: We can certainly do that, make
11 it easier for you to review the changes and not have to
12 read the whole document.

13 MR. STRICKLAND: That's a good idea, Tom.
14 So would you follow that suggestion?

15 MR. JEFFRESS: We will certainly --

16 MR. STRICKLAND: And I think what we would be
17 talking about then, as I understand it, would be, well,
18 "Let's use this word rather than that word," it
19 wouldn't be some substantive change. We would have
20 some edits. Is that --

21 MR. FUENTES: Yeah.

22 MR. STRICKLAND: -- back to Charles?

1 Is that acceptable to the Board, if we take
2 that approach, and ask Charles to give us that draft?

3 Okay. Do we need to take any action this
4 morning, or do we just receive your report and then
5 move on to the next step?

6 MR. JEFFRESS: As long as you all are
7 satisfied with the direction we're going, we'll keep
8 going in that direction, and you vote in January.

9 MR. STRICKLAND: Is it a fair statement to
10 assume from the discussion here that we're satisfied
11 with the direction Charles is taking and we want him to
12 move ahead as he's outlined?

13 MR. MEITES: Yes.

14 MR. STRICKLAND: Okay.

15 MS. BEVIER: Mr. Chairman?

16 MR. STRICKLAND: Yes.

17 MS. BEVIER: I would like to commend the staff
18 and Charles and Helaine.

19 I'm sure that this is a document that is the
20 product of tons and tons of hours, and I really think
21 it's got us focused in a way that's very, very useful,
22 and it might -- you know, to have a focus and a sense

1 of direction and a way of measuring yourself is very
2 important to accomplishing your mission, and I think
3 you've done a great job.

4 So I think it's just super. Thank you.

5 MR. STRICKLAND: Charles, you have proven to
6 be the ideal person to lead us in this discussion.

7 I think when you first presented it at the
8 last meeting, all of us were talking after the meeting
9 about what an outstanding job you did then, and I think
10 you did it again today.

11 Why don't we take -- this seems like a logical
12 place to take about a 10 or 15-minute recess, so we'll
13 reconvene in 15 minutes.

14 (A brief recess was taken.)

15 MR. STRICKLAND: Ladies and gentlemen, let's
16 reconvene the Board meeting.

17 And the next item, since we determined before
18 we took a break that we don't need to take any action
19 at this time on strategic directions, we'll move into
20 some of our reports, beginning with the chairman's
21 report.

22 And as usual, I have to call on Helaine to

1 remind me of what I've done in the past two or three
2 months that I might not otherwise recall, since she was
3 helpful in framing that for me.

4 In August, both Helaine and I attended the
5 SCLAID meeting at the ABA annual meeting in Chicago,
6 and Helaine may have been there longer than I was. It
7 was just a day trip for me.

8 Then in September, immediately before the
9 special meeting of the finance committee, I had a
10 couple of visits on the Hill, Congressman Wolf of
11 Virginia and the legislative director, Senator Shelby
12 of Alabama.

13 Then locally, in Atlanta, my long-time friend,
14 Steve Gottlieb, who is executive director of Atlanta
15 Legal Aid, celebrated his 25th anniversary. Oh, I beg
16 your pardon. A group of his friends staged a
17 celebration of his 25th anniversary, and I was pleased
18 to be invited to that.

19 And Atlanta Legal Aid asked me to write a
20 letter in support of a grant of a program that Steve
21 and others developed for a joint relationship with
22 Atlanta Legal Aid, Georgia State University College of

1 Law, and the Children's Hospital of Atlanta to provide
2 legal services to eligible patients and families
3 associated with that hospital.

4 It's something that Steve and others have been
5 working on for about 10 years, to get organized, and
6 they announced it about a year ago, and this was, as I
7 understood it, an application for a grant of about \$1
8 million from the Woodruff Foundation in Atlanta.

9 So I don't know the outcome, but I was pleased
10 to be able to write a letter in support of that grant
11 application.

12 And I think that concludes my report, so let
13 me turn to other members of the Board.

14 And I believe that Sarah, why don't you come
15 first? Sarah is going to give a member's report for
16 David Hall, relative to something that they were both
17 involved in, and David asked Sarah to make that
18 presentation.

19 So we welcome you, Sarah.

20 MS. SINGLETON: Thank you, Mr. Chairman,
21 members of the Board.

22 David Hall and I both attended a portion of

1 the 2005 Illinois Legal Aid Advocate's Conference,
2 which was held in Chicago earlier this week.

3 They had, I believe, 340 conference
4 registrants there, which is the largest gathering of
5 legal aid providers in Illinois that they have ever
6 had, and it was attended by both your grantees as well
7 as other providers, particularly from the Chicago area.

8 They learned of -- there were reports from
9 people about developments in Illinois, including the
10 increase in state funding for legal aid in Illinois, a
11 recruitment and retention study that's being conducted
12 by one of the -- Legal Aid Foundation, I think.

13 Then a pro bono report proposal is being made
14 to have both reporting of pro bono hours and to have
15 local district pro bono committees, much along the
16 lines of the Florida example.

17 In addition, after that, David gave the
18 keynote speech, and I can tell you, it was quite
19 beautiful.

20 David speaks in metaphors. Unfortunately, I
21 don't think in metaphors, so it's going to be hard for
22 me to report exactly what he said, but the title was,

1 "Thirsting for Justice in Desert Places," and the gist
2 of it was there's a lot of thirsty people out there;
3 the legal aid providers are like an oasis, but they
4 have to make sure they don't dry up.

5 So that, in a nutshell, took a very beautiful
6 speech and kind of boiled it down.

7 The other thing that I did there, or that went
8 on there, was we held an ABA Standards Task Force
9 hearing where we took comments from legal aid providers
10 in Illinois on the revisions to the Standards for
11 Providers of Legal Services to the Poor.

12 These standards are very similar to the things
13 that you heard about yesterday when Karen gave her
14 report on the, not performance criteria, but -- yeah,
15 okay, all right. Yes. They covered the same topics.

16 I'm hopeful there's not going to be a lot of
17 disconnect between the two, but I -- and I'm fairly
18 certain there won't.

19 And I think both David and I left the meeting
20 at about that time, so I can't tell you about the rest
21 of it.

22 MR. STRICKLAND: Thank you very much. We

1 appreciate it.

2 MS. SINGLETON: Thank you.

3 MR. STRICKLAND: Let's go around the table and
4 see if any members have reports they'd like to give.

5 Lico, do you have any report for us?

6 MR. SUBIA: Well, we make a run last Sunday
7 for the orphan's home, and we collect \$4,000.

8 MR. STRICKLAND: Wonderful. Good work.

9 Anything else?

10 Bernice? You're going to have a report later
11 on behalf of the Provision Committee, right? Okay.

12 Herb?

13 MR. GARTEN: Yeah. I have to report I'm an
14 ABA appointment, the special advisor to the Standing
15 Committee on Legal Aid and Indigent Defendants, and I
16 attended the SCLAID meeting, which was a full day
17 meeting in Chicago, same meeting that Frank and Helaine
18 were present at, also.

19 And of course, that meeting goes on and on,
20 and there's so many topics that are covered that it's
21 just a wonderful experience for anybody interested in
22 legal services.

1 I'd like to report on an event that took place
2 in Baltimore on September 15th.

3 It was the 15th anniversary of the Pro Bono
4 Resource Center of Maryland, which was formerly known
5 as the People's Pro Bono Action Center, and it was a
6 fund-raiser at the new African American Museum in
7 Baltimore.

8 We had over 300 people present, and awards
9 were given out to about 16 individuals who, during the
10 last 15 years, had promoted pro bono services in
11 Maryland, and there were people recommended by the past
12 presidents of the last 15, 16 years.

13 And I was honored by the fact that I had
14 formed the People's Pro Bono Center the year I was
15 president of the state bar, and it's continued, and is
16 the statewide pro bono coordinator and is an arm of the
17 Maryland state bar, but it gets support from
18 organizations and law firms throughout the state.

19 I don't have the exact amount of funds that
20 were raised, but it was probably in excess of \$30,000
21 for the evening after all expenses.

22 The important thing, in addition to fund

1 raising, was the fact that pro bono is a known item in
2 Maryland even among non-lawyers in the profession.
3 It's just an everyday, accepted word, and the support
4 has been very, very substantial from outside the
5 community.

6 We also had one of our staff members that was
7 honored that evening, John Eidleman, for work he had
8 done, and he had been nominated by a past president,
9 and he was there.

10 And I think there was one or two other staff
11 people who attended the event that evening, which was a
12 formal affair.

13 And we're very proud of what we've been able
14 to do and the acknowledgments that we made to these
15 individuals.

16 So it's something that might be utilized in
17 other jurisdictions.

18 We got a good crowd, because we invited all
19 the ex-presidents. Everybody had to pay, but they
20 showed up, and their honorees, of course, showed up,
21 and the friends and family of the honorees showed up,
22 so that -- and it highlighted the importance of pro

1 bono activities in our state.

2 MR. STRICKLAND: Thank you, Herb.

3 Tom?

4 MR. FUENTES: No report.

5 MR. STRICKLAND: All right, Helaine, we're
6 ready, then, for the president's report.

7 MS. BARNETT: Thank you, Mr. Chairman.

8 The most significant events affecting our work
9 since our last Board meeting on July 30th arose out of
10 the national disasters affecting the Gulf states.

11 I'm proud that LSC played a leadership role in
12 initiating the coordination of disaster relief to its
13 effective programs. Our response has been multi-
14 faceted.

15 We immediately initiated contact with our
16 programs in the affected states to determine the safety
17 of their staff and the extent of damage to their
18 offices.

19 We began weekly conference calls with the
20 program directors in the affected states and those with
21 disaster assistance expertise.

22 The call-in group for these calls continues to

1 expand, includes other funders, program representatives
2 from states that received evacuees, the ABA, NLADA,
3 CLASP, and others who are helping to provide disaster
4 response legal services.

5 Another action that we took was to review our
6 regulations and reporting requirements, and where
7 appropriate, assured programs of a flexible
8 interpretation of existing requirements to ensure that
9 legal assistance is made available to those in need as
10 a result of the disaster.

11 During the week of September 19th, as I
12 reported to you, Karen Sarjeant and I visited our
13 programs in Alabama, Mississippi, and Louisiana.

14 During our trip, we provided disaster relief
15 grants of \$50,000 to the Mississippi Center for Legal
16 Services and to Southeastern Louisiana for their
17 immediate needs.

18 All members of the staff of our programs are
19 safe. However, many members of the staff from the New
20 Orleans office have had to relocate from their homes,
21 find alternative housing, look for new schools for
22 their children, deal with not having their belongings,

1 and manage the uncertainty of displacement.

2 On our trip, we participated in a day-long
3 symposium in Alabama on coordinating disaster legal
4 assistance.

5 We met with the two executive directors of our
6 two programs in Mississippi and other key members of
7 their staff at the Hattiesburg office.

8 We also made a site visit to the Gulfport
9 office to assess its damage. The Gulfport office
10 consists of two adjoining buildings. One building
11 housed the branch office and the other housed the
12 programs for the housing center.

13 The branch office building suffered
14 substantial damage. The roof was blown off and water
15 covered the entire office. The building is not
16 expected to be fully repaired before the end of the
17 year.

18 The computer equipment was saved because staff
19 had placed the equipment on top of desks and tables.
20 It is possible water from the roof got into some of the
21 equipment, nevertheless.

22 The good news is that the program received

1 five laptops from the Pfizer Company.

2 On November 1st, the program will move the
3 five Gulfport staff members temporarily into a
4 previously unstaffed satellite office in the city of
5 Pascagoula. This satellite space was flooded during
6 the storm, but will be ready for occupancy by next
7 week.

8 Minnesota Legal Services has offered the
9 program a sufficient number of desks and chairs to
10 furnish the satellite space for the temporary branch
11 office, but their housing center flooding was flooded
12 by six inches of water during the storm, but the
13 landlord is predicting it will be ready for occupancy
14 by the end of the year.

15 We also met with two executive directors of
16 our Louisiana programs to hear how their programs have
17 been impacted and the issues they are facing.

18 Although the programs have not sustained
19 physical damage as a result of Hurricane Katrina, they
20 were dealing with tremendous numbers of evacuees.

21 We met with the co-directors of the Southeast
22 Louisiana programs, and we also met with staff of the

1 Hammond office and some staff for the New Orleans and
2 Covington offices.

3 We also made a site visit to our New Orleans
4 office. Storm damage consisted of a leaky roof, water
5 damage to much of the furniture, one wall, and the
6 carpeting was completely soaked. Office equipment
7 appears to have escaped damage.

8 The good news is that Southeast Louisiana
9 plans to reopen this office by the week of November 7.

10 The Comet office of the Southeast Legal
11 Services was completely submerged by the storm waters.
12 All equipment and client files were lost. The office
13 was previously staffed by a managing attorney and a
14 secretary.

15 The Monroe office of Southeast Legal Services
16 did not suffer any significant damage. It is open and
17 currently houses approximately 15 staff members from
18 the New Orleans office.

19 As a result of Hurricane Rita, the Arcadiana
20 office in Lake Charles was closed for a significant
21 period of time, but did reopen on October 17th.

22 All staff are back in the office, and we were

1 on the seventh floor of a bank building, in while the
2 whole first floor of the bank building suffered damage,
3 the program's seventh floor suite did not suffer
4 physical damage.

5 In partnership with NLADA, the ABA, and Pro
6 Bono Net, we developed a joint web site that I invite
7 you to look at, katrinalegalaid.org, to enable
8 programs, clients and volunteer attorneys, and many
9 others to obtain credible and timely information on
10 developing needs of clients and the programs in the
11 affected area.

12 The web site serves as a single point of entry
13 for individuals affected by the disaster, providing
14 information about disaster assistance and where to
15 obtain it, for legal advocates providing substantive
16 law information, and for attorneys and others who are
17 seeking information about how to volunteer to help with
18 legal issues related to the disaster.

19 The web site was launched on September 27th,
20 and during its first three weeks in existence the site
21 registered 2,174 visits and 5,732 page views. The most
22 frequent library downloads have been the Hurricane

1 Katrina Helping Hand Book, FEMA flyers that list legal
2 services offices as a resource, and bankruptcy
3 materials.

4 As a result of Hurricane Wilma, our initial
5 information is that it is anticipated that two interior
6 offices of Florida Rural Legal Assistance suffered
7 damage and may well be closed for approximately six
8 months.

9 The Texas Beaumont office sustained water
10 damage and some roof damage, but they are expected to
11 open after being closed basically for lack of
12 electricity.

13 And remarkably, our Galveston office of the
14 Texas program sustained no damage, although they are
15 reporting in Texas 300,000 evacuees.

16 So we will continue to stay in close contact
17 with our programs.

18 Recovery from these disasters will be long
19 term, as will the problems that face clients in these
20 service areas.

21 We expect that, based on experience from other
22 disasters, our client communities will be facing

1 increasing legal needs related to the disasters for
2 several years.

3 With help from LSC, LSC programs around the
4 country are coordinating responses and working together
5 to provide assistance to those newly displaced persons.

6 A brief update on some LSC in initiatives.

7 Due to Hurricane Katrina, we postponed our
8 September 19th conversation on quality in the deep
9 south and we hope to reschedule the meeting on quality
10 at a later date, as well as we hope to meet at the
11 NLADA annual meeting with representatives of the IOLTA
12 community for input in our quality conversation.

13 And then finally, we plan a fourth
14 conversation involving emerging new leaders, which we
15 hope will also take place before the end of the year.

16 On our performance criteria, we sent you a
17 draft of our proposed revisions to date, and as you
18 will hear from Bernice, the Provision Committee has
19 spent their entire session devoted to a discussion of
20 performance criteria.

21 After this meeting, we intend to send the
22 performance criteria to all our executive directors for

1 their comments.

2 When we receive their comments, we will
3 reconvene a final gathering of our advisory group to
4 consider those comments, and then we will complete the
5 process, and we intend to report to the Board in
6 January if there have been any major differences in the
7 draft that we present.

8 With regard to our LRAP pilot program, LSC
9 received 62 deserving applications from LSC programs,
10 and in fact, we made a selection in early October of 15
11 programs where we looked for a representative sample
12 based on geographic balance, size, statewide and non-
13 statewide service areas, rural and urban, and whether
14 the programs received a migrant and/or Native American
15 grant.

16 Under the programs' guidelines, we are
17 preparing to provide assistance to 67 attorneys over a
18 three-year period. Forty-two of these will be for
19 people to test retention and 25 will be to test
20 recruitment.

21 And we expect to receive applications from the
22 attorneys by October 31st and make the final

1 selections, and they are eligible for up to \$5,000 for
2 each of three years, the payments to be retroactive to
3 October 1st.

4 The leadership mentoring pilot project, we
5 received a very impressive pool of 28 protege
6 applications and 13 mentor applications.

7 On October 21st we announced the 10 mentors
8 and the 10 proteges. On October 26th, we had an
9 initial telephone conference call, and Board Member
10 David Hall participated in giving an inspirational
11 welcome to the group.

12 We will have the first orientation and first
13 group training for the mentors and proteges on the days
14 preceding the NLADA conference on the 14th and 16th in
15 Orlando, Florida.

16 Documenting the Justice Gap. As you know, at
17 a telephone conference meeting of this Board, the Board
18 unanimously approved the report on Documenting the
19 Justice Gap in America, the Current Unmet Legal Needs
20 of Low-income Americans.

21 Accordingly, we publicly released the report
22 on October 17th.

1 The report was distributed to all LSC
2 executive directors and their Board chairs, ABA
3 leaders, and the ABA SCLAID Committee, chairs of State
4 Access to Justice Commission, state IOLTA directors,
5 state Supreme Court justices, state bar presidents,
6 presidents of other nationwide bar associations, OMB
7 staff members, NLADA staff, select members of Congress,
8 Harriet Meiers, and Alberto Gonzales, the attorney
9 general.

10 We have been receiving requests from our
11 grantees and from other chief justices for additional
12 copies. 2,500 copies have already been sent out.

13 Upon releasing the report, LSC also sent it to
14 all major news outlets. We are aware of stories
15 appearing in about 50 newspapers to date and the
16 coverage has been uniformly positive.

17 On joint visits, we're continuing our pilot
18 project.

19 Since my last report to you, we completed two
20 additional pilot joint visits to Michigan Indian Legal
21 Services, Legal Services of Eastern Missouri. We have
22 one more planned in 2005 in November to West Tennessee

1 Legal Services.

2 We continue to evaluate these pilot visits and
3 will be making decisions about their role in our
4 ongoing quality programs.

5 With regard to our TIG grants, we have made 17
6 awards in the open category, as you recall the
7 categories this year, one for open category and one for
8 a web site category that totalled just over \$1 million
9 and 12 awards in the web site category of approximately
10 \$192,000.

11 All the grantees of these awards we expect to
12 attend the TIG annual conference which always takes
13 place in January.

14 As our chairman reported and as Herb Garten
15 reported, I also attended the ABA meeting in Chicago.

16 I presented an update on LSC's fiscal 2006
17 appropriations at a meeting of state bar presidents and
18 bar executives, and Karen Serjeant and I attended a
19 dinner with all of the IOLTA directors.

20 I spent a day visiting with Sheldon Wootman,
21 the executive director of the Legal Assistance
22 Foundation of Metropolitan Chicago and his staff.

1 I also attended an event where Dick Culeson,
2 the executive director of Legal Aid of the Blue Grass,
3 was presented with the ABA Hopson Award on behalf of
4 the work of his program in responding to the serious
5 impact on low-income individuals of the changes in
6 Kentucky's Medicaid laws.

7 I also attended the SCLAID meeting and
8 participated as a member of the ABA House of Delegates.

9 Finally, I was invited as a guest of the Legal
10 Aid Foundation of Taiwan to participate in their 2005
11 International Forum on Legal Aid in Taipei, Taiwan on
12 October 15 through 17th.

13 In addition to Taiwan, other participants in
14 the forum were from Australia, Cambodia, Costa Rica,
15 Czech Republic, England, Germany, Hong Kong, Korea,
16 India, Indonesia, Japan, Malaysia, Philippines, Saudi
17 Arabia, Thailand, and Vietnam.

18 It was an opportunity for representatives from
19 around the world, including 10 countries from Southeast
20 Asia, to share their experiences with the provision of
21 legal services to the poor, to engage in exchange of
22 ideas, and to network.

1 I presented a report on the work of the Legal
2 Services Corporation and I presented a paper on the
3 quality agenda.

4 Also, we had a meeting with the President of
5 Taiwan, and I was asked to make some brief remarks at
6 that meeting to him, which I did.

7 We believe it is important for LSC to be
8 represented at international legal aid conferences,
9 since there are things LSC can share with other
10 countries whose legal assistance programs are not as
11 fully developed as ours.

12 Also, we believe it's important that the
13 United States participate in any international
14 gathering devoted to civil legal assistance to the
15 poor, to show how LSC grantees and other providers of
16 legal services operate within the United States.

17 The Taiwan Legal Aid Act, which was patterned
18 after the Legal Services Corporation Act, was enacted
19 by the President of Taiwan on January 1, 2004. Within
20 one year, they have established 19 branch offices and
21 helped more than 17,000 poor residents of Taiwan.

22 By way of background, a delegation from the

1 Taiwan Legal Foundation visited LSC at the end of May.

2 Tom Polgar took them to visit the Legal Aid Bureau of
3 Maryland, during which Wilhelm Joseph, executive
4 director, and his senior staff provided the delegation
5 with a detailed briefing of their operations.

6 At LSC's office, we discussed LSC operations,
7 and they were most interested in our relationship with
8 the grantees and what we did for quality control.

9 William Joseph, executive director of the
10 Legal Aid Bureau in Maryland also was invited and
11 attended the forum with me.

12 So I think from this report you can see that
13 we have had at LSC a very busy and productive three
14 months since our last Board meeting.

15 MR. STRICKLAND: Anybody have questions for
16 Helaine? That's quite a report. You've been very
17 busy.

18 How did you handle the language situation in
19 the Taiwan conference?

20 MS. BARNETT: The conference was exceedingly
21 well organized, and there were simultaneous
22 translations, English to Chinese, and so we were

1 provided with the headsets, and the translations were
2 instantaneous.

3 So, of course, I made my report in English,
4 and those who didn't understand English had the
5 simultaneous Chinese.

6 MR. GARTEN: I had a question.

7 Did Tom get the delegation crabcakes when you
8 were in Baltimore?

9 You didn't? What a mistake.

10 MR. STRICKLAND: There are those members of
11 the Board who remember quite well our enjoyable outing
12 in Baltimore with crabcakes.

13 All right, let's move then to the inspector
14 general's report. Kirt West.

15 MR. WEST: Good morning, Mr. Chairman, members
16 of the Board.

17 I just wanted to highlight a few of the things
18 that have gone on in the past few months since our last
19 Board meeting.

20 One, at the last Board meeting, I believe I
21 told you that we were going to be getting the final
22 peer review from AmTrack in terms of how we were

1 running our audit operation. We did receive that. I
2 did forward it to you.

3 The good news from our perspective, it was a
4 clean opinion, or labeled as unqualified opinion.
5 There were some suggestions made by AmTrack in terms of
6 policy changes. Those have been implemented with one
7 to remain, which is developing a followup process for
8 reports that are issued internal within LSC.

9 We are in the process of doing it, and
10 consistent with the A-50 that OMB Circular A-50
11 followup process that would propose that the Board
12 would be the final decision authority in the event that
13 the OIG and management could not agree on audit report,
14 and that will be coming to the Board in draft for its
15 comment before we would put it out in final.

16 The second thing is, we have completed a
17 number of service reviews. This was discussed at
18 length with the Finance Committee.

19 But just for anybody who wasn't there, the
20 upshot of it is we're going to making significant
21 revisions to our compliance supplement to the guidance
22 we give the independent public accountants in the

1 field.

2 We issued a final report on the LSC office
3 space needs that Charles Jeffress made comment to in
4 his strategic directions report.

5 We issued a final audit report on a compressed
6 work schedule where we found that the program was
7 generally effective.

8 We have issued a draft report on the Office of
9 Compliance and Enforcement. I believe we'll probably
10 have a final report within the next month to six weeks.

11 We are beginning work on the Office of
12 Information Management and we'll be beginning one on
13 the Office of Program Performance, with a goal of
14 issuing a final report assessing the overall
15 effectiveness of LSC's oversight of grantees and where
16 there may be some economies, you know, through
17 duplication of efforts, overlap, or if there are gaps.

18 I anticipate spring or summer before we'll
19 have a final capping report on that.

20 We will be getting the corporate audit next
21 week. We have an entrance conference scheduled. This
22 is a meeting between the independent public accountant

1 that we've hired, the corporate treasurer, and a member
2 of my audit staff will be part of that. This is just
3 an annual thing that goes on.

4 And hopefully this time we'll shoot to have
5 the actual report to the Board at its January meeting.

6 In the past, there have been some circumstances beyond
7 our control that we haven't been able to get it 'til
8 the April meeting, but our goal would be to have it in
9 the January meeting.

10 We are beginning a review that I started last
11 year and we want to do annually, which is just a review
12 of the Board's travel, and we're going to expand it to
13 the review of the LSC officers' travel.

14 And it's just to give the assurance to
15 everybody that we're doing things by the rules, and the
16 money is being spent appropriately.

17 And I think what we learned from last year is
18 there needed to be just some materials provided to the
19 Board members in terms of making sure everything was --
20 all the i's were dotted and the t's were crossed.

21 On the investigative side, I reported at the
22 July meeting that there had been an arrest warrant

1 issued for an individual working within a program who
2 had embezzled \$13,000 from that program.

3 In the middle of August, my staff worked with
4 the local police and some law enforcement people out of
5 state, located the person, who had fled the state. The
6 person was arrested, and has returned to the home state
7 and is now awaiting preliminary hearing.

8 We recently received allegations regarding an
9 executive director, and lots of allegations of criminal
10 conduct.

11 We found no criminal conduct whatsoever, but
12 some issues were raised in terms of whether there may
13 be some issues of compliance with our regulations.

14 And I met last week with Karen Serjeant and
15 Danillo Cardona, and referred the matter to them for
16 action.

17 As a result of the embezzlement case, we
18 issued an advisory to all of the executive directors in
19 terms of things they need to watch in terms of their
20 own internal controls, because in the embezzlement
21 case, it was a trusted, long-time employee who actually
22 engaged in the embezzlement.

1 I have since received a number of favorable
2 comments from the executive directors, some of whom
3 said, "I hadn't thought of that, thank you very much,"
4 and they were -- it was a good-news story, where we try
5 to make good news out of bad news.

6 Finally, we will, as part of our duty to
7 comment on existing proposed regulations and
8 legislation, we will be issuing comments on the
9 performance criteria that were discussed.

10 We haven't reviewed it yet, but I think we'll
11 be determining whether we're going to issue comments.
12 I won't say we'll be issuing comments. We'll be
13 looking at them and if we do issue comments, we'll
14 share them with the Board as well as with management.

15 And we will also be at some point doing
16 comments to the revisions that SCLAID is working on, on
17 the civil standards to providers of civil legal --
18 civil assistance to the poor.

19 And the reason we thought that was appropriate
20 is because the competition process incorporates those
21 standards as some of the criteria for evaluating
22 programs.

1 So my staff has been in contact with Bill
2 Whitehurst, and when it's appropriate, we'll be issuing
3 comments.

4 That sort of summarizes, I think, some of the
5 highlights of the activities of the last three months.

6 MR. STRICKLAND: Okay, thank you.

7 Does anyone have questions for Kirt, comments?

8 (No response.)

9 MR. STRICKLAND: Okay, Kirt. Thanks very
10 much.

11 Next is, consider and act on the report of the
12 Provision for the Delivery of Legal Services Committee.

13 And I understand that in the absence of
14 Chairman David Hall, that Bernice Phillips will give us
15 that report.

16 MS. PHILLIPS: That is correct, sir.

17 Mr. Chairman, I will be presenting the report
18 on behalf of Chairman Hall for the Provision Review
19 Committee.

20 The committee received a presentation on Legal
21 Services Corporation performance criteria from Karen
22 Sarjeant, vice president of programs and compliance;

1 Howard Belodoff, associate director of Idaho Legal
2 Services; and Helaine Barnett, president of the
3 corporation spoke about next steps.

4 Karen gave the committee an overview on the
5 history, how it was first developed in 1993, and how
6 the delivery system was different then, the role it
7 played in the work, such as access to grantees, and how
8 they used it to provide feedback.

9 Other programs modeled their evaluations based
10 on LSC criteria. What they addressed, our performance
11 areas, gave us a back road map.

12 The first performance area dealt with
13 targeting resources to the most pressing area.

14 The second performance area dealt with the
15 relationship with clients.

16 And the third area dealt with how legal
17 services are delivered.

18 The fourth performance area spoke about how --
19 Karen likes to call it back office to legal services,
20 which highlighted the Board financial administration
21 and human resources.

22 Ms. Sarjeant presented the committee with the

1 changes during this time, which consist of
2 responsibilities, statewide delivery, technology, and
3 new congressional restrictions.

4 Karen also spoke about the process for review,
5 which included IOLTA, legal services program, LSC
6 staff, and different committees that review the
7 standards.

8 Ms. Sarjeant concluded with major areas of
9 change, such as emphasis on planning, culture,
10 competency, back office change, and recognition of
11 technology.

12 The committee also heard from Howard Belodoff.
13 Mr. Belodoff focused on Performance Area 3, which he
14 referred to as high-quality legal representation.

15 He stated how it was easy and understandable,
16 how it was better, plus more specific guidance, and how
17 he fully supported the standards, and how they are more
18 flexible now.

19 Next step, Ms. Helaine Barnett, president of
20 Legal Services Corporation, talked about -- I'm sorry.

21 The next step would be based on Board comments
22 distributed to all executive directors, the reconvening

1 of advisory groups, and it would be brought back to us
2 in January, and there should be a full report at
3 April's meeting.

4 This concludes the report, and there is no
5 resolution.

6 MR. STRICKLAND: Does anyone have questions
7 for Bernice?

8 (No response.)

9 MR. STRICKLAND: Thank you very much, Bernice,
10 for that report.

11 Let's move now to consider and act on the
12 report of the Finance Committee. Herb Garten.

13 MR. GARTEN: I believe most of the Board were
14 present at the meeting of the Finance Committee
15 yesterday, but I will try to highlight what took place,
16 and we do have a number of resolutions to be passed by
17 the Board.

18 Mr. Jeffress gave us a report for the 12-month
19 period ending September 30th of the Corporation, a full
20 year-end report, that is subject to audit by the
21 independent certified public accountant, and there are
22 a number of items that were highlighted where we were

1 under and over budget for the year.

2 But the bottom line on the three-page
3 statement that was given to us indicated that in the
4 budget of about \$338.5 million, our actual was about
5 \$334 million, and we had a -- we were under budget in
6 our spending by about \$4.5 million, but part of it is
7 due to items such as the loan repayment plan with \$1
8 million and other items that are to be expended and
9 will be reflected on the final statement.

10 But overall, it was impressive, coming in
11 below our budgeted expenses. Of course some of that
12 under budget figures deals with compensation that was
13 not incurred during the year due to spaces or slots
14 that were not filled.

15 I think unless there are questions, or unless
16 you'd like to speak, Mr. Jeffress, to make any
17 additional comments with regard to that, we would be
18 prepared to act on the first resolution.

19 MR. STRICKLAND: Does anybody on the Board
20 want to hear further from Charles on those matters?

21 (No response.)

22 MR. STRICKLAND: All right. Then let's

1 proceed to the resolutions.

2 MR. GARTEN: All right.

3 The first resolution is to consider and act on
4 the fiscal 2005 consolidated operating budget
5 reallocation.

6 And this ties in our budget with what was
7 actually expended in its Resolution 2005-010, and it
8 was handed out yesterday as part of the package by
9 Charles in the financial report, Page 45.

10 M O T I O N

11 MR. FUENTES: Move adoption of the resolution
12 as presented and recommended.

13 MR. STRICKLAND: Is there a second to that?

14 MS. BeVIER: Second.

15 MR. STRICKLAND: Any discussion on the
16 resolution?

17 (No response.)

18 MR. STRICKLAND: All those in favor, please
19 say aye.

20 (Chorus of ayes.)

21 MR. STRICKLAND: Those opposed, nay.

22 (No response.)

1 MR. STRICKLAND: The resolution is adopted.

2 MR. GARTEN: We also had a Resolution 2005-
3 010, which I skipped over, which is on Page 44, the
4 resolution dealing with the revised consolidated
5 operating budget for fiscal 2005.

6 MR. STRICKLAND: Is there a motion to adopt
7 that?

8 M O T I O N

9 MS. BEVIER: So moved.

10 MR. FUENTES: Second.

11 MR. STRICKLAND: Any discussion on the motion?

12 (No response.)

13 MR. STRICKLAND: All those in favor, please
14 say aye.

15 (Chorus of ayes.)

16 MR. STRICKLAND: Those opposed, nay.

17 (No response.)

18 MR. STRICKLAND: The ayes have it and the
19 resolution is adopted.

20 MR. GARTEN: The next item to consider is the
21 resolution dealing with the budget mark for fiscal year
22 2007.

1 That appears on Page 46 of your book, and I
2 also refer you to Page 47, which gives the detail of
3 the request and what the 2005 appropriation was, the
4 2006, the Senate recommendation with regard to the
5 2006, and of course we don't know what the final
6 figures are because we don't know what the House
7 figures are.

8 What the discussion that we've had on this
9 seems to indicate, from what we've heard from Tom
10 Polgar, is that the final figures will be somewhere
11 below the Senate appropriation figure.

12 And the committee, at its September meeting,
13 reaffirmed yesterday, recommended to the Board the
14 fiscal year 2007 recommendation reflected on Page 47, a
15 total of \$411,800,000, which includes a new item,
16 hurricane relief, of \$1 million, and includes one area
17 that led to considerable discussion both in September
18 and at yesterday's meeting, and that was the request of
19 the inspector general for a budget figure of \$3.5
20 million.

21 Now, I think the first thing to do would be to
22 ask for a motion to adopt the recommendation of the

1 Finance Committee, and then have further discussion or
2 inquiries if we wish to.

3 M O T I O N

4 MS. BEVIER: I move we adopt the resolution of
5 the Finance Committee for the budget mark of 2007.

6 MR. STRICKLAND: That's Resolution 2005-012.

7 MS. BEVIER: Yes.

8 MR. GARTEN: And that is for the total of
9 \$411,800,000.

10 MS. BEVIER: That's correct.

11 MR. STRICKLAND: Is there a second to that
12 motion?

13 MR. FUENTES: Second.

14 MR. STRICKLAND: Any discussion on the motion?

15 MR. MEITES: I decided to pursue my education
16 a bit after the Finance Committee yesterday, and I
17 asked Rick to give me the text of the section that has
18 this odd provision that CPAs are supposed to do
19 compliance audits, in a sense, to see if our grantees
20 are complying with federal law, since I think the sense
21 of the meeting yesterday was that that's not what you
22 usually ask independent public accountants to do.

1 The inspector general is absolutely right.
2 The Congress, in Section 509-A-3 has directed an audit
3 to be conducted of each grantee and to report, among
4 other things, whether the recipient has complied with
5 federal laws and regulations applicable to funds
6 received regardless of source.

7 Not my choice, but Congress's choice, and
8 obviously that's what the auditors have to do.

9 What I was concerned about is what degree of
10 oversight and how much should be spent on overseeing
11 the independent public accountants. There are really
12 two considerations, which counted yesterday as one.

13 One is, how much should we ask Congress to
14 appropriate for oversight of 509-A-3, and also keeping
15 in mind that whatever the inspector general does and
16 asks of the independent public accountants, our
17 grantees are going to have to pay for the independent
18 public accountants' compliance with those requests.

19 The actual text of Section 509-A, the preface,
20 has a rather limited role for the inspector general in
21 this process.

22 It states, "An audit of each person or entity

1 receiving financial assistance from the Legal Services
2 Corporation under this Act, referred to in this section
3 as recipient, shall be conducted in accordance with
4 generally accepted government auditing standards and
5 guidance established by the Office of the Inspector
6 General."

7 Now, we heard from the inspector general that,
8 as I understood it, that his office is preparing a new
9 guidance, which makes perfect sense.

10 It does not suggest, though, that the
11 inspector general is supposed to actively audit the
12 independent public auditors. They're supposed to
13 provide guidance to the independent public auditors.

14 But I think the sense of Congress, as I
15 understand it, is that independent public auditors know
16 their business and are entrusted with doing those jobs.

17 Now, it's true that 509-G authorizes the
18 inspector general to conduct on-site monitoring,
19 audits, and inspections in accordance with federal
20 standards, but my concern is, spending what is
21 estimated as \$600,000 a year to provide guidance is
22 excessive.

1 There is an education process apparently
2 needed, but that can be, I would imagine handled in an
3 expeditious and efficient way by communications in
4 writing, teleconferencing if necessary, but I for one,
5 don't see the need to hire four new auditors and spend
6 hundreds of thousands of dollars in travel to provide
7 guidance to perfectly capable independent public
8 auditors.

9 M O T I O N

10 MR. MEITES: And Herb proposed an amendment
11 yesterday which failed for lack of a second, but let me
12 propose an amendment to the present motion, that the
13 appropriation of \$411,800,000 be reduced by \$600,000 to
14 eliminate -- from the inspector general's
15 appropriation -- to eliminate the increase requested
16 for what I understand is activities with regard to 509-
17 A-3.

18 MR. STRICKLAND: Okay, that's your motion?

19 MR. MEITES: Yes, sir.

20 MR. STRICKLAND: And the impact of that would
21 be that the line item -- I don't see where it appears
22 here --

1 MR. MEITES: Page 47.

2 MR. STRICKLAND: Right -- would be reduced --

3 MR. MEITES: From 3,500,000 to 2 million --

4 MS. BeVIER: 3.5 to 2.9.

5 MR. STRICKLAND: All right, is there a second
6 to that? You're moving to amend. Is there a second to
7 that motion to amend?

8 MR. GARTEN: Second.

9 MR. STRICKLAND: Seconded by Mr. Garten.

10 All right. You've already given some
11 discussion on that, but is there further discussion on
12 that?

13 MR. MEITES: Let me pass around the book, in
14 case anyone wants to see the --

15 MS. BeVIER: I'd like to ask the inspector
16 general, if he's here, about -- I'm sort of looking for
17 a bit of a compromise here.

18 My understanding is he's got to do some new
19 stuff that was not included initially, and that it's --
20 you know, what my concern was yesterday is that, this
21 aspect of the independent auditing function apparently
22 not having been done adequately before, we need to

1 assure ourselves that, in fact, this is not the typical
2 job of an auditor, it's not the typical job of a CPA,
3 and so there might be an occasion, and it might be
4 appropriate to take a look initially at what they are
5 presently doing to get a sense of how, you know, of how
6 an educational process might work.

7 And so I'd like to ask the inspector general
8 to suggest whether there's a compromise figure here
9 that we could -- you know, 600,000 might be too much,
10 because I take it this is extra, it's in addition to
11 what his prior budgets have asked for.

12 So, Kirt, could you sort of help us to figure
13 out a way to kind of help you to do this job without
14 breaking the budget?

15 MR. WEST: I'd like to point out a couple of
16 things before that in terms of sort of the framework
17 that Congress put in, because it's a little, I think
18 it's a little more than Mr. Meites indicated.

19 There's language in 509-C that basically says
20 that no audit costs may be charged to federal funds
21 when the audit required by this section is not made in
22 accordance with guidance promulgated by the OIG, and if

1 the recipient fails to have an acceptable audit in
2 accordance with the guidance promulgated by us, there
3 are following sanctions that end up being recommended
4 by our office, which would be withholding a percentage
5 of the recipient's funding as well as suspension of
6 funding.

7 There's a followup provision that we may
8 suspend the bar of any independent public accountant
9 failing to follow these rules.

10 So there is actually substantial
11 responsibility associated with this, and so part of our
12 responsibility is to make sure that these audits are
13 done in accordance with these government standards that
14 are cited in 509-A.

15 So I think that's sort of the framework of
16 things.

17 The second thing I could point out is -- and
18 again, none of us knows what Congress is going to come
19 up with in 2006 for our budget.

20 My budget was simply, the 3.5 was a \$100,000
21 increase over what was approved by this Board for 2006,
22 and that was sort of the basis, and it was -- at the

1 Finance Committee, I made the point that it was in line
2 with the percentage increase that was asked for and the
3 difference between the management and administration
4 request in 2006 that was approved and what was
5 requested in 2007.

6 The final thing that I'd point out, and some
7 of you weren't at the Finance Committee meeting, is
8 there has been a representation made to the Congress in
9 the past that the Board has not sought to change the
10 inspector general's budget request.

11 Now, it obviously can, you know, decide it can
12 change it and maybe correct the statement, that I
13 believe it was sent to Chairman Sensenbrenner, that
14 "No, we're going to do that," but that was a
15 representation that was made in the past.

16 So I'd like to put it in that context.

17 And I can tell you, I -- you know, this is --
18 you know, as much as -- you know, I'm estimating what
19 things are going to take. You know, we need to do this
20 work.

21 I mean, if I get the money in 2006, and it
22 doesn't appear like I will, but if I were, then I

1 think, you know, perhaps we get done with the work and
2 we determine, as I said before, if we determine after
3 we do a wholesale number of reviews of the IPAs that we
4 don't need to do the next 100, that we've, you know,
5 sort of got things down, and we can do a staff sample
6 that's less, I'd be certainly willing to go back to a
7 smaller number.

8 So I'm kind of at -- I'm not sure what -- I
9 mean, I can just tell you, from my perspective, I think
10 the 3.5 is reasonable, but obviously as the Board, you
11 have the authority to come up with a lesser number than
12 that.

13 MS. BEVIER: It is less of a percentage of the
14 total that we're asking for that year than the IG
15 appropriation was in a request in 2006, so perhaps it's
16 not amiss to say, you know, in the best of all possible
17 worlds, if we were to get our budget request, probably
18 that would impose more obligations on the IG to make
19 sure things were being done right.

20 MR. MEITES: Well, let me pick up on that,
21 because Kirt is absolutely right. There are two ways
22 of looking at it, and just as Lillian said, in terms of

1 absolute increase, it's really in line with the rest of
2 the budget.

3 The problem is that the budget we get from the
4 inspector general is a black box budget.

5 We don't -- I don't know, maybe other people
6 pay more attention than I do, but I don't know how many
7 auditors the inspector general has, I don't know what
8 they do.

9 It's kind of like the Defense Department. You
10 get a budget request and they're going to spend the
11 money.

12 And that's why this \$600,000 figure is kind of
13 just sitting out there, because I don't know what
14 you're going to do with the other 2.9 million.

15 Let me ask the Finance Committee, when it
16 receives the documents setting out potential
17 appropriations, do you receive a detailed work plan
18 from the inspector general as to how many people they
19 are going to be employing and what they're going to be
20 tasked with?

21 MR. GARTEN: The answer is no, and it was
22 obvious yesterday when I asked the question, how much

1 are you going to spend in order to do these audits of
2 the auditors on top of what legal services is doing
3 through compliance and enforcement, I didn't get a
4 figure.

5 I had to establish the figure by asking
6 further questions: how many people are you putting on?

7 And then he volunteered the amount of the travel
8 expenses.

9 And I took the, what would be very reasonable
10 expenses as far as salary was concerned to these four
11 new auditors and I entered a reasonable percentage to
12 cover how it goes along with salary, and then I added
13 the actual figure we got on traveling and came up to
14 \$600,000, but I had to approximate it.

15 MR. MEITES: Did you get more detail in
16 support of the Corporation's budget request?

17 MR. GARTEN: No. No.

18 MR. MEITES: So it's really basically just
19 salary, travel, and so on, it's not divided up by --

20 MR. GARTEN: We don't get the detail of the
21 inspector general's budget.

22 MR. MEITES: Do you get the detail of the

1 Legal Services Corporation, the Corporation's budget
2 request?

3 MR. GARTEN: We see it, the Board gets it.

4 MR. MEITES: Would it help you to get that
5 level of detail from the inspector general?

6 MR. GARTEN: Certainly it would help us.

7 MR. MEITES: Is there a reason you don't get
8 it?

9 MR. WEST: Well, I think in the 2006 request
10 that was sent to OMB, which was part of the
11 Corporation's budget, it was very detailed. We can
12 provide that to you when we do the same detail
13 analysis. It basically talked about increasing the
14 staff.

15 And so that was presented. I think we had a
16 long discussion last year about staff and the
17 difference, at the Finance Committee meeting -- and I'm
18 having to sort of go back --

19 MR. GARTEN: I'm talking about the 2007 mark.

20 MR. WEST: I'm trying to address that. I
21 explained the difference between the 2006 and the 2007
22 was that the 2007 was taking the concept of some

1 temporary employees and contractors, and turning those
2 into full-time positions rather than contractors. That
3 was the major difference.

4 But I think we had a discussion of the FTEs.
5 I don't have it in front of me, but it was somewhere in
6 the ballpark of 26.

7 And I mean, part of what I presented last year
8 was the fact that I took over an office that hadn't had
9 any investigative program, and now we've had a very
10 vigorous investigative program.

11 We've opened up and closed a number of
12 investigations. We've gotten the one arrest. We've
13 had, you know, a number of other cases.

14 So there's been a lot of unaddressed work, and
15 some of this unaddressed work is frankly relating back
16 to the fact that my predecessor, because of
17 uncertainty, didn't do any hiring, didn't do any work,
18 and turned back \$1 million of work that had been
19 previously allocated by the Congress for IG work.

20 And there are some other, you know, big issues
21 that we are looking at down the road that we haven't
22 been able to get to, and one of them has to do with

1 looking at the '96 restrictions and 2005 practices that
2 I talked about some time before.

3 We've gotten some special requests from the
4 Congress that end up taking up, you know, time that we
5 normally would do other work.

6 MR. MEITES: Well, I think I'm more concerned
7 about whether our Finance Committee is getting the
8 level of detail it needs.

9 MR. GARTEN: You're missing the point.

10 You have a motion to amend based upon, I think
11 we have an obligation to Congress as a Board to make
12 certain that all departments connected with this
13 organization are operating efficiently and what we're
14 dealing with is a proposal by the inspector general to
15 set up an additional auditing department to audit the
16 independent auditors, and we had some suggestions
17 yesterday that it wasn't necessary to send more people
18 into the field, that this could be done by educating
19 these accountants if they're not doing the right thing.

20 They're all certified. They're all regulated
21 by the state and the American Institute of Certified
22 Public Accounts. And a conference call could be made

1 to them.

2 We're dealing with 140 independent
3 accountants, unless there's some duplication, that
4 would have to be visited, and I think that's
5 unnecessary and I don't think Congress would want us to
6 spend the money to conduct that.

7 We could have a survey made. We could have
8 the education made. And there could be spot or random
9 audits made by the inspector general.

10 But he doesn't have to go out to all 140 of
11 our organizations that we're supporting, in my opinion,
12 and that was the reason for the amendment that I
13 suggested and what we discussed at the September
14 meeting.

15 So I think, Lillian, your comment about
16 compromising it, as far as I'm concerned, if there
17 would be an acceptance of handling it in a more
18 efficient manner, as I'm certain Congress would want us
19 to do, and it would require a certain amount of funds,
20 I'm prepared to recommend to Tom a friendly amendment
21 to that effect.

22 But based upon what I heard yesterday, based

1 upon 600,000 being a very conservative figure -- I used
2 Baltimore salaries rather than Washington salaries -- I
3 think we should cut this down.

4 MS. BeVIER: Well, I -- at this point, I just
5 want to indicate I think I will not vote for the
6 amendment to take 600,000 off, partly because last year
7 I voted for a request of 3,400 -- 3,400,000 because I
8 thought -- I think enforcement is important.

9 I don't know what's going on in the field.
10 That job -- I do not feel comfortable that the job of
11 the IG, however oddly constructed and conceptualized it
12 is, has been done. I'm a little uneasy about that
13 fact.

14 Since I voted for \$3,400,000 last year and I
15 voted for 340,000 as a request -- 3,400,000 -- 340
16 million last year, and I'm voting for 386 million this
17 year as a request, and I'm only adding, you know,
18 \$100,000 to the IG's, that's why I'm not going to vote
19 for this amendment.

20 I do take your point, Herb, and I do hope that
21 the IG takes your point, to try to find the most
22 efficient way to do this, but I don't know how to run

1 the IG's office and I'm not sure that the status is
2 here, and so that's why I'm going to vote against the
3 amendment.

4 MR. STRICKLAND: Further discussion on the
5 amendment?

6 MR. FUENTES: Mr. Chairman, I would be
7 inclined to vote against the amendment, as well.

8 I think that we went through a good number of
9 these arguments and perspectives yesterday, and I think
10 that a wholesale amendment approach as is currently
11 being offered would handicap the Board in doing our
12 job.

13 And again, I think we need to look at the
14 Office of Inspector General as a very important tool to
15 us to do that side of our work which is oversight and
16 for the long term good of the organization, that we
17 make sure that where we're spending the money on
18 programs, it is being well spent and properly spent.

19 And, you know, corporate America just came
20 through a decade of great difficulties with the
21 auditing community. I'm not indicting all auditors,
22 but I'm fearful of taking an approach of giving a blind

1 eye to CPAs, because they're CPAs that they're going to
2 get the job done.

3 A lot of Wall Street learned that that was
4 inadequate, and I don't think that we should be any
5 less guarded in our efforts.

6 So I would urge a no vote on the amendment.

7 MR. STRICKLAND: Further discussion on the
8 amendment?

9 (No response.)

10 MR. STRICKLAND: All right, let's proceed,
11 then, to a vote.

12 All those in favor of the amendment -- now, if
13 you vote in favor of it -- does everybody understand
14 the amendment?

15 MR. MEITES: I understand the amendment, but
16 tell me what the parliamentary ramifications are.

17 MR. STRICKLAND: Well, I think if you vote
18 against the amendment, then we're back to the main
19 motions.

20 So a vote against the amendment would take us
21 back to the main motion, and the budget markup of
22 411,800,000.

1 So if everybody has an understanding of where
2 we are, we'll proceed, then, to vote on the amendment.

3 All those in favor of the amendment, please --
4 I think we better do a show of hands.

5 Let's do it by show of hands.

6 Those in favor of the amendment.

7 (Show of hands.)

8 MR. STRICKLAND: Two.

9 Those opposed to the amendment.

10 (Show of hands.)

11 MR. STRICKLAND: One, two, three, four, five.

12 Okay. So the amendment fails.

13 MS. WATLINGTON: I don't understand it enough,
14 so I would abstain.

15 MR. STRICKLAND: All right. One abstention.

16 MS. WATLINGTON: Yeah.

17 All right, then, let's proceed to a vote on
18 the main motion, which is the adoption of Resolution
19 2005-012 for a budget mark of 411,800,000.

20 MR. FUENTES: Mr. Chairman?

21 MR. STRICKLAND: Yes.

22 MR. FUENTES: Further discussion on that

1 resolution as offered here.

2 One, I would correct the record. I think
3 unintentionally the acting chairman of the Finance
4 Committee misspoke yesterday.

5 The Finance Committee did not recommend to the
6 Board this resolution. Rather, we let stay the action
7 that was taken at the September meeting.

8 And Herb just indicated that this was reviewed
9 and recommendation was made yesterday. It was not.

10 At the time of the September meeting, this
11 figure, and to make sure that we're dealing precisely,
12 we're talking about the \$411,800,000 figure at this
13 time, and I, as a member of the Finance Committee,
14 voted no, and it is my intent, if that remains the
15 number, to vote no.

16 I believe that we have obligations bigger than
17 ourselves, and those obligations today that face the
18 American nation include a response to Katrina and Rita
19 and Wilma and the war in Iraq.

20 And I don't think that this figure is
21 realistic. I don't think that it is going to fly.

22 And it is my concern for the long-term good of

1 the LSC that we be most careful and modest in our
2 finding budget marks that are realistic.

3 The numbers that have been the budget for the
4 last five years have a pattern to them. I think that
5 this is a very major departure from that pattern. I do
6 not see indications from my reading of political tea
7 leaves of a change of that kind of number and that very
8 significant level in this Congress or this
9 administration.

10 So I think we should be doing something that I
11 consider to be more realistic, and it's for that reason
12 that I will cast a no vote.

13 MR. GARTEN: I have to comment --

14 MR. STRICKLAND: Go ahead.

15 MR. GARTEN: -- on Tom's.

16 The minutes of the Finance Committee meeting
17 of September 30, 2005 on Page 41 clearly reflect,
18 Frank, that the view on the voting that took place,
19 that the motion to amend that I had asked for was
20 defeated, and then it was a restatement of the amended
21 main motion on Page 41, a budget mark of \$411,800,000,
22 including \$1 million for emergency related things.

1 And then on Page 42, the motion passed by a
2 vote of four to one, as follows, and your vote is
3 reflected in the negative, which is the position you've
4 taken from the start.

5 MR. FUENTES: Correct.

6 MR. GARTEN: The discussion yesterday, it
7 seemed to me, was just a reaffirmation of what took
8 place at the September meeting, and there was no intent
9 to mislead you in any way, or mislead anybody else.

10 MR. FUENTES: Well, I wasn't suggesting
11 anybody was misleading. I just think it was misstated
12 that the committee acted yesterday, voted to make
13 recommendation. And we did not.

14 We rather decided that we need not take action
15 yesterday. We had no motion yesterday. We let stand
16 exactly what you're reading to us here.

17 MR. GARTEN: I think we're saying the same
18 thing, and in this instance, you're being more
19 technical than I am, but that's okay.

20 (Laughter.)

21 MR. GARTEN: So I think, as chair, since the
22 motion to amend was defeated, Mr. Chairman, you have

1 before you the motion dealing with -- it's on Page 46.

2 MR. STRICKLAND: Wherever it came from --

3 MR. GARTEN: It was on Page 46.

4 MR. STRICKLAND: Okay. I will interpret where
5 we are.

6 That is, we have before us what I'm calling
7 today the main motion, and that is to adopt Resolution
8 2005-012 with a budget mark of 411,800,000.

9 Any further questions or discussion?

10 MS. BEVIER: Mr. Chairman, I would like to
11 explain my vote on this.

12 I quite agree they there is real danger here
13 of being both overreaching and unrealistic in this
14 budget mark.

15 However, one of the things that we, I think,
16 invited the staff to prepare this survey of unmet
17 needs, one of the reasons for that was to be able to
18 support our claim that we were not getting anywhere
19 near sufficient funding.

20 And although I'm quite skeptical that Congress
21 was unaware of these unmet needs and that's the reason
22 they were not funding us appropriately, I do think

1 that, having asked for the survey, having gotten the
2 survey, being persuaded that the survey makes a very
3 good case for a substantial amount of unmet needs, that
4 we ought to at least make one try for -- and we're not
5 even going anywhere near all the way with what the --
6 you know, we're not asking to have Congress fund fully
7 the needs.

8 So it's a real stretch for me. I'm very
9 skeptical about whether in future I will continue to be
10 so optimistic about this.

11 But I feel as though we owe it to the basic
12 principles that this Corporation was designed to
13 implement to make this statement to Congress.

14 And so -- and I'm very uncomfortable about it
15 for all the reasons you suggest, but that's my --
16 that's why I decided to vote for it, and I think it's
17 appropriate this year that we make the request with
18 that understanding.

19 MR. STRICKLAND: Yes, Tom.

20 MR. MEITES: One thing that I think should be
21 clear, because I did not attend the Finance Committee
22 meeting, and I didn't understand the rationale for this

1 increase on the basic field grant, which is where all
2 of the increase is coming from, and it was explained to
3 me, and someone should correct me if I'm wrong, that
4 this is one-fifth, the amount of the increase is one-
5 fifth of the amount that our staff's work has indicated
6 is needed for us to adequately fund our grantees.

7 Is that a correct statement?

8 MR. STRICKLAND: That's correct, as I
9 understand the present budget.

10 MR. MEITES: On that basis, I agree with
11 Lillian, that we heard this morning in our strategic
12 directions discussions of what our mission is, and one
13 part of it is to inform the public and Congress what
14 the amount of monies needed at least by us to meet our
15 responsibilities.

16 And I agree with Tom that, you know, in a real
17 world politics sense, there are even potential costs
18 for taking this course, but I agree with Lillian that
19 part of our job is to make the statement, even though
20 there may be a down side to it.

21 So I'm going to support it, but without in any
22 way disagreeing with Tom's analysis.

1 MR. STRICKLAND: I share those views, as well.

2 Any further discussion?

3 MR. GARTEN: Let me put the record --

4 MR. STRICKLAND: Yes.

5 MR. GARTEN: I think it would be helpful.

6 Tom, we had had requests from both the ABA and
7 SCLAID to close the gap in a shorter period of time
8 than the five years.

9 And there was another amendment that failed,
10 that I had presented, to reduce the time to four years,
11 but the motion that passed is the one before you, and
12 that was passed at the Finance Committee.

13 I think my recollection --

14 MR. STRICKLAND: That is correct. I recall
15 those motions, and the outcome of the motions.

16 All right. Any further discussion then on the
17 main motion?

18 (No response.)

19 MR. STRICKLAND: All those, then, in favor of
20 the adoption of the resolution before us, please -- can
21 we do this by yeas and nays?

22 MR. GARTEN: Yes.

1 MR. STRICKLAND: All right. Those in favor of
2 the motion, please say aye.

3 (Chorus of ayes.)

4 MR. STRICKLAND: Those opposed?

5 (One nay.)

6 MR. STRICKLAND: All right. Ernestine, did
7 you vote?

8 MR. GARTEN: I think Ernestine has dropped off
9 the line for a moment.

10 MR. STRICKLAND: Okay. The resolution is
11 adopted, and let's move on to the next one.

12 Have you got another one? You've got several.

13 MR. GARTEN: I've got a number of them, but I
14 think we can move along pretty fast with the rest of
15 them.

16 MR. STRICKLAND: All right.

17 MR. GARTEN: All right.

18 The next three, I'd like the Board to consider
19 voting on them collectively, and they deal with
20 individual employee savings plans revisions, some of
21 them, as I understand it, required by recent
22 regulations involving these particular accounts.

1 The resolutions are 2005-013, 2005-014, and
2 2005-015.

3 I have read the material that's presented to
4 us. I am not an expert in this area of the law.

5 But acting on the representations that were
6 made to us by our experts, I would recommend, as I did
7 with the Finance Committee when we considered it, that
8 this Board approve these three resolutions.

9 M O T I O N

10 MR. FUENTES: I so move the recommended
11 resolutions.

12 MR. STRICKLAND: And that's to adopt --

13 MR. FUENTES: All three.

14 MS. BeVIER: Second.

15 MR. STRICKLAND: All right. So we're
16 collectively then being asked to vote on Resolutions
17 2005-013, 014, and 015.

18 It's been moved and seconded that we adopt
19 those as a group.

20 Any discussion on the motion?

21 (No response.)

22 MR. STRICKLAND: Hearing none, let's proceed

1 to a vote.

2 All those in favor of the motion as stated,
3 please say aye.

4 (Chorus of ayes.)

5 MR. STRICKLAND: Those opposed, nay.

6 (No response.)

7 MR. STRICKLAND: The resolution is adopted
8 unanimously, and that takes care of those three.

9 Have you got any more?

10 MR. GARTEN: There is one that we're not
11 prepared to act on, and that deals with the
12 distributions of any emergency funds for hurricane
13 relief that would come out of the supplemental budget
14 amount.

15 And I've been advised by management that when
16 and if those funds are appropriated, we would have to
17 act as a Board to make a determination, and we would
18 have a resolution at that time, which now is deferred.

19 MR. STRICKLAND: Anything else from the
20 Finance Committee?

21 MR. GARTEN: No.

22 MR. STRICKLAND: All right. Thank you, Herb.

1 Let's move on, then, to consider and act on
2 the report of the Operations and Regulations Committee.

3 MR. MEITES: Thank you, Mr. Chairman.

4 Our committee met yesterday, and we considered
5 a staff recommendation with regard to three proposed
6 rulemakings, and it was our recommendation that the
7 Board initiate all three of the rulemakings.

8 The first is with regard to Rule 1631, which
9 deals with expenditures of funds appropriated before, I
10 believe, 1983.

11 The staff persuaded us that this rule is now
12 of no importance since all such funds have long been
13 expended.

14 So our first recommendation is the Board
15 initiate a rulemaking to remove the expenditure of
16 grant funds regulations Part 1631.

17 Because of the nature of this rule, we do not
18 believe that any kind of an informal proceeding is
19 needed, but instead, that the staff be directed to
20 publish a notice in the usual course.

21 MR. STRICKLAND: Do we need to adopt a formal
22 resolution to that effect?

1 M O T I O N

2 MR. MEITES: Yes, we do. We need to adopt a
3 resolution initiating a formal rule.

4 MR. STRICKLAND: So that's your motion.

5 MR. FUENTES: Second.

6 MR. STRICKLAND: All right.

7 Any discussion on the motion?

8 (No response.)

9 MR. STRICKLAND: Hearing none, all those in
10 favor of the motion, please say aye.

11 (Chorus of ayes.)

12 MR. STRICKLAND: Those opposed, nay.

13 (No response.)

14 MR. MEITES: We also received a staff
15 recommendation that a rulemaking be initiated with
16 regard to the client grievance procedure.

17 This is a regulation that has not been
18 reviewed by the Corporation for a number of years.

19 Because it involves a number of issues both on
20 the client side and the grantee side, the staff
21 recommended we initiate a rulemaking -- that it
22 initiates a rulemaking workshop which will lead to a

1 recommendation.

2 We thought this was an appropriate procedure
3 to begin the solicitation of views of interested
4 parties.

5 It was interesting to learn that the
6 Corporation has never used the rulemaking workshop
7 procedure, and we certainly think it is a valuable tool
8 and we applaud the staff's decision to recommend this.

9 M O T I O N

10 MR. MEITES: So I would move that the Board
11 authorize the initiation of a rulemaking to revise
12 client grievance procedure Regulation 1621 and that the
13 process begin with a rulemaking workshop.

14 MR. STRICKLAND: All right. Is there a second
15 to that motion?

16 MR. FUENTES: Second.

17 MR. STRICKLAND: Any discussion on the motion?

18 (No response.)

19 MR. STRICKLAND: All those in favor of the
20 motion, please say aye.

21 (Chorus of ayes.)

22 MR. STRICKLAND: Those opposed, nay.

1 (No response.)

2 MR. MEITES: The third matter that the staff
3 recommended that a rulemaking be initiated deals with
4 our prohibition against discrimination on the basis of
5 handicap regulation, Part 1624, which is a regulation
6 we understand has not been visited by the Corporation
7 since 1979.

8 There has been an upheaval, a seismic shift in
9 the federal laws regulating and concerning handicap
10 discrimination since then, and it seemed entirely
11 appropriate to us that the Board revisit this
12 regulation.

13 Again, the staff indicated they would like to
14 begin this process with a rulemaking workshop. There
15 were public comments to the effect that that may not be
16 adequate, that a formal negotiated rulemaking may be
17 required, but our sense is that we should begin, the
18 staff should begin with a rulemaking workshop and if we
19 need to move it to a formal negotiated rulemaking, they
20 can so advise us.

21 M O T I O N

22 MR. MEITES: So I would move that the Board

1 initiate a rulemaking proceeding with regard to the
2 prohibition against discrimination on the basis of
3 handicap regulation to be begun by the staff with a
4 rulemaking workshop.

5 MR. STRICKLAND: Second?

6 MR. FUENTES: Second.

7 MR. STRICKLAND: Any discussion?

8 (No response.)

9 MR. STRICKLAND: All those in favor of the
10 motion, please say aye.

11 (Chorus of ayes.)

12 MR. STRICKLAND: Motion adopted.

13 MR. MEITES: The last matter that our
14 committee considered was an update, staff update on
15 dormant class actions.

16 We received a report, an update on the report
17 that we had last received some months ago.

18 You may recall that the full matter was in
19 response to a public complaint we received from a
20 resident of California which lead to an inquiry by our
21 committee and a hearing on that complaint which we
22 believe was satisfactorily entertained and resolved

1 with this one issue left over.

2 The staff has continued to make inquiries and
3 I think that -- so I would summarize that most of the
4 dormant class action issues have been resolved. There
5 are still a few that are open.

6 And our sense of our committee was that, or
7 the sense of the staff, that more discussions with our
8 grantees probably may well resolve the remaining
9 issues, and our conclusion was that we would like the
10 staff to continue working in this area and report back
11 to us either when the matter is resolved or in any
12 event, in six months with a further progress report;
13 and no action is required on that.

14 MR. STRICKLAND: Okay, thank you.

15 MR. MEITES: That concludes my report.

16 MR. STRICKLAND: Mr. Reporter, on adoption of
17 the last motion, I intended to say at the end of the
18 vote, "Motion adopted," so if you'd reflect that, in
19 case it's not otherwise clear.

20 All right.

21 Lillian BeVier, are you ready with the report
22 of --

1 MR. MEITES: Mr. Chairman, may I interject a
2 lunchtime observation?

3 MR. STRICKLAND: Yes.

4 MR. MEITES: It is now 12:27.

5 MR. STRICKLAND: We'll take note of that, and
6 I appreciate the reminder.

7 And I will tell you that during the break I
8 was approached by a number of people to move the lunch
9 to 1 o'clock.

10 So --

11 MR. MEITES: Thank you very much.

12 MR. STRICKLAND: -- thank you for the
13 reminder.

14 MR. FUENTES: Mr. Chairman?

15 MS. BEVIER: It gives us something to aim at.

16 MR. FUENTES: Just as a point of information,
17 in my own checking of the front desk, they said that 1
18 o'clock was the time at which they were able, and only,
19 extending checkout, so that should be --

20 MR. STRICKLAND: Thank you for that reminder.
21 reminder.

22 Lillian, we're ready for the performance

1 review --

2 MS. BeVIER: I will talk very fast.

3 The Performance Review Committee met
4 yesterday.

5 We are continuing our work on deciding on
6 procedures for evaluation of the president and the
7 inspector general, and we are looking to complete that
8 process with respect to both individuals by our annual
9 meeting in late January of 2006.

10 And that completes my report.

11 MR. STRICKLAND: Thank you very much.

12 MR. MEITES: Good, Helaine. One sentence.

13 MS. BeVIER: You and I are in competition.

14 MR. STRICKLAND: Okay, the next agenda item is
15 one that was amended slightly when we adopted the
16 agenda: consider and act on delegating to the

17 Chairman responsibility for general supervision of
18 the Inspector General in accordance with OMB's
19 Memorandum for Heads of Designated Federal Entities,
20 M-93-01 (November 13, 1992).

21 The Board may recall that we took that action
22 in a closed session, adopted it by a unanimous vote.

1 Since the closed session, an observation was
2 made that perhaps this should be taken up in an open
3 meeting, so I asked that it be placed on the agenda for
4 that reason.

5 And I've had a full discussion with the
6 inspector general about this particular item, and I
7 think that we have an understanding, and I want to
8 state for the record that the purpose of this really is
9 to formalize what he and I have been doing on an
10 informal basis since he took office, and that the
11 purpose of it is not to eliminate the opportunity for
12 the inspector general to speak individually to a member
13 of the Board of Directors or for a member of this Board
14 to speak individually to the inspector general.

15 So there's no intent in adopting this
16 delegation of authority to have that be the case.

17 So with that understanding, unless there is
18 any question, I would entertain a motion on Item 14.

19 M O T I O N

20 MR. GARTEN: So moved.

21 MS. BeVIER: Second.

22 MR. STRICKLAND: All right.

1 Is there any discussion, any discussion on
2 that motion?

3 (No response.)

4 MR. STRICKLAND: All right. Let's proceed,
5 then, to a vote on the motion.

6 All those in favor, please say aye.

7 (Chorus of ayes.)

8 MR. STRICKLAND: Those opposed, nay.

9 (No response.)

10 MR. STRICKLAND: The ayes have it and that
11 motion is adopted.

12 The next item is a discussion item, discussion
13 of Board's review of LSC materials.

14 I think that came up during our telephone
15 conference meeting at which we were discussing the
16 justice gap report and voting to approve that.

17 And perhaps it was Bernice that raised a
18 question about the Board's review of LSC materials.

19 So the floor is open for discussion on that.

20 Did you want to ask a question, or --

21 MS. PHILLIPS: I just wanted to say that, or
22 ask, was there a procedure set in place for all Board

1 members to receive the same material at the same time,
2 and if there was also a procedure set in place for
3 Board members to receive documents that would be
4 distributed to the public regarding the opinion of the
5 Board.

6 MR. STRICKLAND: On your first, I'll tell you
7 what I think is the case, and we can ask Helaine if I'm
8 off the mark.

9 But it is the intent that all Board members
10 receive the same material at the same time.

11 Sometimes the distribution system does not
12 work perfectly, and if there was an example that, or an
13 instance where you did not receive some material on a
14 timely basis, I think that was unintentional, because
15 it is -- our intention is the opposite of that, and
16 that is that we want every Board member to receive
17 Board materials at the same time.

18 With regard to -- and I think, in your case,
19 we're arranging for a fax machine and some changes to
20 your computer so that you can receive e-mail, because
21 as we all know, it's very easy to send. Just click,
22 and it goes to everybody at the same time.

1 So we are moving in that direction, and we
2 hope to have that squared away as soon as possible.

3 And I'll ask, where do we stand on that in
4 terms of the -- with particular regard to Bernice, and
5 the fax --

6 MS. BARNETT: Right. I think the fax has been
7 delivered and we're going to help with instructions to
8 install it, and the e-mail account was supposed to be
9 activated. We will certainly follow up.

10 MS. PHILLIPS: They sent me the wrong
11 equipment for my computer, so someone at Neighborhood
12 Legal Services in Buffalo will come out to assist me
13 with setting up the computer, the Internet, and the fax
14 machine.

15 MS. BARNETT: Terrific.

16 MR. STRICKLAND: Okay.

17 Well, we want to be sure that we have your
18 correct e-mail address and that the system is working,
19 so that we know if we send an e-mail that you're going
20 to receive it.

21 And the same for the fax machine, because we
22 do send some things by fax.

1 Now, on review of publications, I think we
2 take that more or less on a case-by-case basis.

3 There's certainly a number of things that are
4 published by the staff or by the Corporation that do
5 not come to the Board for review before they're
6 published.

7 And a significant report, like the justice gap
8 report, we should review, and we did.

9 But my own comment is that it's not practical
10 for the Board to review every piece of paper coming out
11 of LSC Headquarters. We just are not in a position to
12 do that.

13 But do you have any comment on that, or does
14 any Board member have a comment on review of --

15 MR. FUENTES: Mr. Chairman, I would offer a
16 comment.

17 I think that we have tilled the soil
18 considerably since the issue was raised, and I think
19 that the discussion was fruitful, and I think it
20 brought to the attention of the Board and to management
21 areas of need and opportunities for improvement, and I
22 commend yourself and President Barnett for addressing

1 the issue.

2 I think that there is clarity now for those of
3 us who had concerns about how we will approach this,
4 and I think it's well stated, as you said, that where
5 appropriate it will be done, and sometimes it won't be
6 appropriate, just because it won't really be
7 functional.

8 But I think we've achieved something by this
9 discussion, and for the comfort of the Board and the
10 information of the general public, we're all to the
11 better.

12 MR. STRICKLAND: Thank you very much.

13 Does this answer your concerns?

14 MS. PHILLIPS: Yes, thank you.

15 MR. STRICKLAND: Okay. Thank you for bringing
16 it up.

17 Yes.

18 MR. SMEGAL: This is Tom Smegal on the line,
19 a bit late.

20 MR. STRICKLAND: Oh, all right, Tom. We're
21 getting pretty close to the end. We're glad to have
22 you in attendance.

1 MR. SMEGAL: I'm sorry. My plane -- I
2 actually ended up on a plane out of Washington this
3 morning which was delayed several times in getting to
4 San Francisco, where I've just arrived.

5 MR. STRICKLAND: All right. Well, welcome.

6 MR. SMEGAL: Thank you.

7 MR. STRICKLAND: We are, as I said, pretty
8 close to the end of our public agenda.

9 In fact, we are to that point where we
10 consider and act on other business.

11 Is there any other business to come before the
12 Board meeting?

13 (No response.)

14 MR. STRICKLAND: And then we entertain public
15 comment.

16 Is there any public comment?

17 (No response.)

18 MR. STRICKLAND: And finally, we consider and
19 act on whether to authorize an executive session of the
20 Board to address items listed below under "Closed
21 Session."

22 Is there a motion to do so?

1 M O T I O N

2 MS. BeVIER: So moved.

3 MR. STRICKLAND: Is there a second?

4 MR. MEITES: Second.

5 MR. STRICKLAND: All those in favor, please
6 say aye.

7 (Chorus of ayes.)

8 MR. STRICKLAND: And that motion is adopted,
9 and we will now move into closed session, and we will
10 adjourn the meeting from the closed session, after
11 which we will have lunch.

12 Was there any public comment? I'm sorry. I
13 asked for public comment. I didn't hear any. Yeah.

14 Tom, we'll have to disconnect you from our
15 closed session.

16 MR. SMEGAL: I understand. I just -- it
17 wasn't clear to me that you needed any public comment
18 from me with respect to the SCLAID presentation, and
19 that's the only reason I'm on, Frank.

20 MR. STRICKLAND: Yeah. Okay. We passed the
21 budget, Tom.

22 MR. SMEGAL: What number did you pass?

1 MR. STRICKLAND: 411,800,000.

2 MR. SMEGAL: 411 8 million?

3 MR. STRICKLAND: 411,800,000.

4 MR. SMEGAL: Thank you very much.

5 MR. STRICKLAND: Okay, thanks.

6 MR. SMEGAL: Enjoy the meeting.

7 (Whereupon, at 12:35 p.m., the Board adjourned
8 to closed session.)

9 * * * * *