

LEGAL SERVICES CORPORATION
BOARD OF DIRECTORS

OPEN SESSION

January 28, 2006

The Melrose Hotel
2430 Pennsylvania Avenue, N.W.
Washington, D.C.

BOARD MEMBERS PRESENT:

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

STAFF AND PUBLIC PRESENT:

Helaine M. Barnett, President and ex officio board
member

STAFF AND PUBLIC PRESENT (cont'd):

Victor M. Fortuno, Vice President for Legal Affairs,
General Counsel and Corporate Secretary
David L. Richardson, Treasurer and Comptroller
Patricia D. Batie, Manager of Board Operations
Karen M. Dozier, Executive Assistant to the President
Mattie Condray, Senior Assistant General Counsel
Thomas Polgar, Acting Director, Office of Government
Relations and Public Affairs
Charles N. Jeffress, Chief Administrative Officer
Karen Sarjeant, Vice President for Programs and
Compliance
Richard (Kirt) West, Inspector General
Laurie Tarantowicz, Assistant Inspector General and
Legal Counsel
David Maddox, Assistant Inspector General for Resource
Management
Michael Genz, Director, Office of Program Performance
Lynn Bulan, Senior Assistant General Counsel
Sarah Singleton, Nominee, LSC Board of Directors
Luis Jaramillo, Acting Special Counsel to the President
Ronald "Dutch" Merryman, Assistant Inspector General for
Audits
Linda Perle, Center for Law & Social Policy
Julie Clark, National Legal Aid & Defender Association (NLADA)
Don Saunders, NLADA
Charles Wynder, NLADA
Julie Standlee, American Bar Association (ABA)
Terry Brooks, ABA
William "Bill" Whitehurst, ABA, Standing Committee on
Legal Aid and Indigent Defendants; and
Other staff and members of the public

C O N T E N T S

	PAGE
Approval of agenda	5
Approval of minutes of the Board's meeting of October 29, 2005	6
Approval of minutes of the Executive Session of the Board's meeting of October 29, 2005	6
Approval of minutes of the Board's Open Session telephone meeting of November 28, 2005	6
Consider and act on nominations for the Chairman of the Board of Directors	9
Consider and act on nominations for the Vice Chairman of the Board of Directors	11
Consider and act on delegation to the chairman of authority to make committee assignments	13
Consider and act on strategic directions for 2006-2010	16
Chairman's report	97
Members' reports	99
President's report	104
Inspector General's report	129
Consider and Act on the report of the Provision for the Delivery of Legal Services Committee	153
Consider and Act on the report of the Finance Committee	164
Consider and Act on the report of the Operations and Regulations Committee	169
Consider and act on other business	178
Public comment	178

CONTENTS (con'd):

MOTIONS: 5, 8, 9, 11, 54, 95, 167, 170, 171, 173, 177, 179

1 P R O C E E D I N G S

2 CHAIRMAN STRICKLAND: If I could have everyone's
3 attention, please, and thank you. Let me call to order the
4 meeting of the board of directors of the Legal Services
5 Corporation for January 28, 2006. And I welcome all of you
6 to today's meeting and thank you for being here.

7 The first order of business is to approve our
8 agenda. Is there a motion to approve the agenda?

9 M O T I O N

10 MR. HALL: So moved.

11 CHAIRMAN STRICKLAND: A second?

12 MS. WATLINGTON: Second.

13 CHAIRMAN STRICKLAND: Any discussion?

14 (No response.)

15 CHAIRMAN STRICKLAND: All those in favor, please
16 say aye.

17 (Chorus of ayes.)

18 CHAIRMAN STRICKLAND: Opposed, no.

19 (No response.)

20 CHAIRMAN STRICKLAND: Ernestine, we welcome you.
21 Thank you for calling in.

1 MS. WATLINGTON: Thank you.

2 CHAIRMAN STRICKLAND: We have then several sets of
3 minutes. Before we take those up, we're going to have a
4 musical interlude.

5 (Laughter.)

6 CHAIRMAN STRICKLAND: Garten's cell phone. Perfect
7 timing on that, Herb. I had a question about the minutes of
8 the telephonic meeting of the Board on November 28th on page
9 108 -- sorry -- 108 in your book, where it says under the
10 vote, The motion passed by a voice vote with five members
11 voting for and two against and one abstaining. But all of
12 the no votes -- I notice the five votes are recorded under
13 no, and the no votes are recorded under yes. I believe
14 that's the case.

15 MR. HALL: So Herb and I won already.

16 MR. GARTEN: Right. Good transposition there.

17 CHAIRMAN STRICKLAND: It's a transposition, so --

18 MS. BeVIER: We hope it's not a Freudian slip.

19 CHAIRMAN STRICKLAND: So I would propose that we
20 make that transposition to correct the minutes so that column
21 two is the yes votes and column one is the no votes. And

1 that's the only change I noted. And if there are no other
2 changes, I would entertain a motion to --

3 MS. WATLINGTON: This is Ernestine. Before you go
4 to that vote --

5 CHAIRMAN STRICKLAND: Yes, sir -- yes ma'am?

6 MS. WATLINGTON: I read at one place where I saw
7 where they explained why I abstained, because I had really
8 hadn't participated in that, and I didn't feel that I should,
9 and that was why I abstained. I wrote that down in the other
10 minutes or somewhere I read in there.

11 CHAIRMAN STRICKLAND: It's on page 101, I believe,
12 that you -- well, on one occasion you participated, but you
13 left the call prior to the vote. And there's another one
14 where -- in fact, it's on this motion we were just
15 discussing.

16 MS. WATLINGTON: Okay.

17 CHAIRMAN STRICKLAND: You abstained because you
18 said you did not understand fully the subject matter to be
19 voted upon, so that's properly noted.

20 MS. WATLINGTON: Okay.

21 CHAIRMAN STRICKLAND: Is that satisfactory with

1 you?

2 MS. WATLINGTON: That's fine. I just wanted to
3 make sure there.

4 CHAIRMAN STRICKLAND: Okay. It's there. All
5 right. Unless there are any other changes to the minutes, I
6 would entertain a motion to approval all those minutes
7 collectively.

8 M O T I O N

9 MS. BeVIER: So moved.

10 A PARTICIPANT: Second.

11 CHAIRMAN STRICKLAND: Any discussion on the
12 minutes?

13 (No response.)

14 CHAIRMAN STRICKLAND: All those in favor of the
15 motion, please say aye.

16 (Chorus of ayes.)

17 CHAIRMAN STRICKLAND: Those opposed, nay.

18 (No response.)

19 CHAIRMAN STRICKLAND: And the motion is adopted.

20 And let me get back to my page here. All right. We're now
21 at -- we've taken up in the first four items on the agenda,

1 and next is to consider and act on nominations for chairman
2 of the Board of Directors. Are there any nominations?

3 M O T I O N

4 MR. GARTEN: Mr. Chairman, Herbert Garten speaking.

5 I take pleasure in nominating you, Frank Strickland, for an
6 additional term as chairman of the Legal Services Corporation
7 Board and want to acknowledge on behalf of the entire Board
8 and myself the superb job you have done during the past year
9 in acting as chairman of the Corporation.

10 Personally, I appreciate very much everything you
11 have been doing. You've been fair, you've been equitable,
12 and I'm honored to be in a position to move for this
13 nomination.

14 MS. WATLINGTON: I'd like to second it. This is
15 Ernestine.

16 CHAIRMAN STRICKLAND: All right, Ernestine, thank
17 you very much. Are there any other nominations?

18 (No response.)

19 CHAIRMAN STRICKLAND: All right.

20 (Laughter.)

21 CHAIRMAN STRICKLAND: That's the way these things

1 go, I guess. All right. I'll declare the nominations
2 closed. And is there -- well, let's proceed to a vote. All
3 those in favor of the motion by Mr. Garten, please say aye.

4 (Chorus of ayes.)

5 CHAIRMAN STRICKLAND: Those opposed, nay.

6 (No response.)

7 CHAIRMAN STRICKLAND: And thank you very much. And
8 I will say it's a great personal privilege for me to serve as
9 chairman of the Corporation and to be associated with all of
10 you, not only the Board, but all members of the staff.

11 Some I know better than others. And all of those
12 that I know, I have great respect for what you do and the
13 dedication to the work you're doing and the work ethic you
14 bring to the table on a daily basis. It's quite impressive
15 and it seems to be universal. It's not just limited
16 to the staff here in Washington, but wherever we go, I'm
17 always amazed at the level of dedication that we see among
18 our grantees, and in many instances the long tenure of people
19 who have been doing the same thing for many years and still
20 do it on a full bore dedicated basis every day.

21 So, thanks to all of you for what you do and the

1 way you do it.

2 Now let's move to consider and act on nominations
3 for vice chairman of the Board of Directors.

4 M O T I O N

5 MR. FUENTES: Mr. Chairman, I'd like to place
6 before the board the reelection of our good vice chairman who
7 has worked with you as a team member and colleague, who we
8 know to be so supportive in her time and her energies, also
9 her significant knowledge of the law has been a great asset
10 in our deliberations on serious matters.

11 She has our respect. She has our appreciation, and
12 I so move her nomination. Thank you, sir.

13 MR. MEITES: I'd like to second that. I've had the
14 privilege to serve with Lillian on both the Performance
15 Review Committee and the Operations and Regulations
16 Committee, and I can tell not only the Board but the people
17 here that she is a pillar of common sense on this Board, and
18 we need it.

19 Thank you.

20 (Laughter.)

21 CHAIRMAN STRICKLAND: Are you a graduate of the

1 University of Virginia Law School?

2 (Laughter.)

3 MR. MEITES: And she lives close by, too.

4 CHAIRMAN STRICKLAND: Well, thank you very much.

5 Are there any other nominations for the position of vice
6 chairman?

7 (No response.)

8 CHAIRMAN STRICKLAND: Hearing none, I'll declare
9 the nominations closed, and let's proceed to a vote on that
10 motion. All those in favor, please say aye.

11 (Chorus of ayes.)

12 CHAIRMAN STRICKLAND: Those opposed, nay.

13 (No response.)

14 CHAIRMAN STRICKLAND: The ayes have it, and
15 congratulations, Lillian.

16 MS. BeVIER: Thank you very much. I echo
17 everything that you said. It is a great honor and joy to
18 work with all of you. And we look forward to another year
19 where we make great progress. Thanks.

20 CHAIRMAN STRICKLAND: On advice of our general
21 counsel, we're told that this next item on the agenda,

1 consider and act on delegation to the chairman of authority
2 to make committee assignments, that technically we may not
3 have to do that on an annual basis, but we do it anyway just
4 to be sure that we're doing things correctly.

5 And just before the meeting, you may be aware that
6 we changed the make-up of our committees slightly to make
7 certain that each director is serving now on two committees,
8 which had the effect of enlarging the committees and getting
9 people more involved in the overall work of the Board.

10 So, I have already used that delegation in
11 connection with those recent appointments, and this motion is
12 to continue that -- the delegation of that authority for the
13 next year.

14 Is there a motion to that effect?

15 M O T I O N

16 MR. MEITES: In spite of the only discernible
17 defect I've seen is your recent appointment of the finance
18 chair, I move the adoption of this power.

19 (Laughter.)

20 CHAIRMAN STRICKLAND: All right. Is there a second
21 to that motion?

1 A PARTICIPANT: Second.

2 CHAIRMAN STRICKLAND: And any discussion?

3 MR. FUENTES: And Mr. Chairman?

4 CHAIRMAN STRICKLAND: Yes, sir?

5 MR. FUENTES: The committees, by my observation,
6 frequently have had a need to be chaired when there's a
7 conflict of schedule by the chairman. We've had a number of
8 instances where, for whatever reason, the chairman of the
9 respective committee is not available.

10 I'm wondering if we ought not address the issue of
11 a vice chairman, to either ask you to consider naming vice
12 chairmen or referring the matter to the committees. I don't
13 think we should be fumbling to proceed with business if the
14 chairman is unavailable. It might facilitate calendars and
15 keeping the business moving.

16 I think we've had any number of instances where
17 that's had to be addressed.

18 CHAIRMAN STRICKLAND: An excellent idea. And let
19 me, if it's okay with the Board, I will take that under --
20 that suggestion under advisement and act on it under the
21 delegation of power. And I think that's particularly

1 appropriate, it seems to me, with the enlargement of the
2 committees, there are more people on the committees, and I
3 think that's an excellent suggestion. I'll try to do that in
4 the next several days.

5 All right. I think the main item of business that
6 we will have before the Board at this meeting --

7 MR. FUENTES: Mr. Chairman?

8 CHAIRMAN STRICKLAND: Yes, sir?

9 MR. FUENTES: Point of order. I think we ought to
10 vote.

11 CHAIRMAN STRICKLAND: On?

12 MR. FUENTES: There was a motion made and seconded.

13 CHAIRMAN STRICKLAND: Oh, I'm sorry. Did we not
14 proceed with that? Thank you for correcting me on that.

15 All right. Back on the main motion then, all those
16 in favor of that motion, please say aye.

17 (Chorus of ayes.)

18 CHAIRMAN STRICKLAND: Those opposed, nay. And that
19 motion is adopted. Sorry. I was about to forget that.

20 As I was saying, the main item of business for us
21 at this meeting is to consider and act on strategic

1 directions for the next five years. And as was previously
2 the case, we have been led in that discussion by Charles
3 Jeffress. And if you would come forward, Charles, we're
4 ready for you to continue to guide us on the strategic
5 directions.

6 MR. JEFFRESS: Thank you, Mr. Chairman. I think
7 it's very much you all guiding the rest of us on this.
8 Appreciate you all's willingness to engage in this exercise
9 and the contributions and feedback you have given.

10 As way of background, we in July went over a first
11 draft of ideas and concepts for strategic directions. In
12 October you then gave us direction on specific language on
13 our strategic directions which we then published for public
14 comment. And in the fall until mid-December, we took
15 comments from the public on the draft strategic directions
16 which you all approved for publication at your October
17 meeting.

18 The executive team has reviewed those public
19 comments. We have re-reviewed the draft ourselves one more
20 time. And so what we present to you today, what's in your
21 Board books is the currently draft of strategic directions

1 where management has recommended we incorporate some
2 suggestions from the public, a few minor word changes that
3 management itself has initiated for your consideration.

4 As a way of proceeding this morning, I have not
5 done a Powerpoint presentation. We'll save you from that.
6 My suggestion would be that we go through the strategic
7 directions page by page. And I will comment on each page as
8 to the modifications which management is recommending.

9 I would also comment on each page about public
10 comments we received and considered but did not incorporate
11 in the recommendations made to you. But you all have had the
12 public comments in the Board book. But I thought it would be
13 helpful during the consideration for me to point out a number
14 of places where suggestions were made by members of the
15 public that are in the public comments but not necessarily
16 incorporated in our recommendations to you.

17 So if that process is agreeable, I will start
18 strategic directions.

19 CHAIRMAN STRICKLAND: Yes, Mr. Fuentes?

20 MR. FUENTES: Mr. Chairman, I appreciate the
21 approach suggested, but I also have had the opportunity to

1 review these, and I think we have spent a great deal of time
2 in discussion of this document and proposal, and a tremendous
3 amount of good work and thought and involvement has gone into
4 it.

5 In journalism there's a phrase of alarm that says
6 stop the presses. And I guess if I was practicing that old
7 role, that's what I'd say at this time. We heard yesterday a
8 panel discussion specifically with the emphasis on pro bono.

9 And I don't believe that that concept, that focus, that very
10 vital area was part of our thinking at a level adequate to
11 what it deserves.

12 And I think out of that discussion yesterday, we're
13 going to have the opportunity to reassess the strategic
14 direction of this Corporation, that we're going to be able to
15 deal outside the box, that we're going to be able to take a
16 fresh new look at where we're going.

17 And I want to be so bold as to suggest that we
18 pause in this consideration of this document today, take a
19 quarter or six months to really roll up our sleeves on the
20 pro bono focus, to respond to many of those magnificent
21 suggestions that were given to us yesterday, and then to come

1 and put that into this.

2 I think this is an inadequate document or has the
3 potential of being an inadequate document without a vision of
4 the world of pro bono which was so well exposed to us
5 yesterday.

6 CHAIRMAN STRICKLAND: All right. Are you making a
7 motion that we -- well, tell me, are you making a motion?

8 MR. FUENTES: I'm happy to make a motion if that
9 would facilitate doing this. I want to express appreciation
10 for what is here, and I don't want to discount what is here.

11

12 But I just think we need the next several months to
13 develop our vision of pro bono and to reassess and work it
14 into this. So maybe we can look to Charles to ask how most
15 comfortably and without disruption we could facilitate that,
16 if it's the Board's pleasure.

17 MR. JEFFRESS: Well, I would encourage you to look
18 at pages 117 and 114 in the strategic plan. There is a very
19 specific strategy here for encouraging the development of pro
20 bono activities at the grantee level.

21 And then on page 115, there is a discussion of

1 partnering and strengthening partnerships with the private
2 bar with an idea of in fact encouraging just more of this
3 type of activity.

4 So, there is in fact, there are two specific
5 focuses in here that I think address, as you say, Mr.
6 Fuentes, the very fine presentation and the very good ideas
7 that were included in the panel yesterday.

8 MR. HALL: Mr. Chairman?

9 CHAIRMAN STRICKLAND: Yes, sir. David?

10 MR. HALL: I think Tom certainly echoes an
11 important perspective on pro bono and what motion we need to
12 do in this area. But I agree. I think the document already
13 reflects that collaboration.

14 And though the presentation yesterday I think
15 inspired me and I hope other members who were here to say
16 that there is more we can do on a practical level to get this
17 collaboration in place from a broad, strategic standpoint, I
18 think what people said yesterday are the things that we have
19 already -- we've already known. We have known this for some
20 time.

21 And I think it's reflected. You know, when I look

1 at all of the groups listed on page 115 and spilling over
2 onto 116, they reflect the groups that were here yesterday
3 and the groups that they suggested we collaborate with more.

4 I see a strategic document as pointing us in the
5 right direction. The question is, how do you develop some
6 specific plans to make that happen? And certainly that's
7 what I hope Provisions will do, which is to develop more
8 specific, concrete plans in the local areas to make this
9 happen. But I don't think it would change what our strategic
10 direction would be.

11 So instead of holding up this document, I think the
12 document reflects at least a pro bono message. Our challenge
13 is to make it more concrete and to try to find ways to maybe
14 hold ourselves more accountable in that regard.

15 MR. FUENTES: Mr. Chairman?

16 CHAIRMAN STRICKLAND: Yes, sir?

17 MR. FUENTES: Let me be more specific. The
18 direction of this body, of this Corporation for years has
19 been how do we go to the Congress of the United States to get
20 more of the American taxpayers' dollars to spend on Legal
21 Services.

1 And yesterday we heard an eye-opening presentation
2 that told us there are resources yet untapped and
3 unchallenged. And we have got to take a whole new look at
4 that very poignant question that Tom Meites asked when he
5 began, "Have I been missing something here?"

6 Yes, we all, this Corporation has been missing
7 something here for a good long time. And it is substantive,
8 and it is philosophical, and it is fundamental. And that's
9 what we need to reprioritize. What we need to do is
10 address this from a whole new way, taking the wisdom of those
11 presenters yesterday who came to us with such experience from
12 the field in the real and practical world and set it as part
13 of our priorities.

14 MS. WATLINGTON: This is Ernestine.

15 CHAIRMAN STRICKLAND: Yes, go ahead.

16 MS. WATLINGTON: Would you do me a favor before you
17 speak and say your name so I'll know who's talking?

18 CHAIRMAN STRICKLAND: Sure.

19 MS. WATLINGTON: I can recognize some voices, but
20 everybody I can't.

21 CHAIRMAN STRICKLAND: Do you recognize me when you

1 hear me, Ernestine?

2 MS. WATLINGTON: Always.

3 (Laughter.)

4 CHAIRMAN STRICKLAND: I want to be sure, now. I'm
5 not saying that you do, but I'll ask you. Do you?

6 MS. WATLINGTON: Yes, I do, Mr. Strickland.

7 CHAIRMAN STRICKLAND: Okay. All right. I
8 certainly recognize your voice.

9 MS. WATLINGTON: I don't recognize everybody else's

10 CHAIRMAN STRICKLAND: I recognize your voice, too.

11 So I will not identify myself if that's okay with you. But
12 others who may not be known to Ernestine, that would help her
13 if you would identify yourself.

14 Well, perhaps as a compromise in terms of the work
15 that's been done on this document, we could -- and since it
16 is an agenda item, we could engage in a discussion of the
17 document as far as it goes. And if we wanted to make some
18 amendments to it, we can do that.

19 MR. MEITES: Mr. Chairman?

20 CHAIRMAN STRICKLAND: Yes, sir?

21 MR. MEITES: I agree with that. But I think in

1 going through our discussion this morning, Charles, if you
2 keep Tom's comments in mind, and if we read the document over
3 and see if in fact the emphasis has to be made more clear in
4 the areas that Tom has outlined, I think that may at least go
5 a ways towards meeting Tom's concern.

6 MR. FUENTES: My only -- if I may, Mr. Chairman.

7 CHAIRMAN STRICKLAND: Go ahead.

8 MR. FUENTES: My only concern there, Tom, is that
9 I'm not the fount of wisdom. I'm just one listener to
10 enormous founts of wisdom that came yesterday, and I think
11 over the next six months or so, we're going to be able to
12 come up with all kinds of creative new approaches that tap
13 untapped resources that don't necessarily have a price tag of
14 additional dollars from the Congress of the United States on
15 it. And, you know, you said it. We have got to make those
16 approaches because we're not going to get those additional
17 dollars.

18 MR. MEITES: I understand. And I share with Tom
19 that we are lay people in this. But I think if Charles goes
20 ahead and points out the areas where the draft touches upon
21 it, at least that will be a start towards focusing on where

1 more needs to be done.

2 CHAIRMAN STRICKLAND: Okay. I'd be inclined to go
3 ahead and discuss the -- particularly since we published
4 this. It is correct that we published this in the Federal
5 Register and you have the verbatim comments?

6 MR. JEFFRESS: That's correct.

7 CHAIRMAN STRICKLAND: That is, without edits,
8 they're just inserted where applicable. Is that the way you
9 handled it?

10 MR. JEFFRESS: Yes. What you have behind the
11 strategic directions in your book is the set of public
12 comments that we received, the complete text of the public
13 comments from each commentor.

14 As I -- what is included in redline format in your
15 strategic directions part is where the management team has
16 digested the recommendations from the various commentors and
17 inserted those, it seemed appropriate, in the appropriate
18 place.

19 So the strategic directions in your book that shows
20 in redline format where modifications had been made based
21 upon public comment, and again, I can go over each of those

1 as we get to them. And then should you want to refer to any
2 of the specific wording by the commentators, you have a
3 complete text of those comments behind them.

4 CHAIRMAN STRICKLAND: All right. I see here in the
5 list of public comments something from Tom Coogan and Dave
6 Maddox. Are they in here?

7 MR. JEFFRESS: The comments?

8 CHAIRMAN STRICKLAND: Yeah.

9 MR. JEFFRESS: Yes. They are the last set of
10 comments that begin on page 143.

11 CHAIRMAN STRICKLAND: Sorry. I had not turned to
12 that page. Yes, I see them. Sorry. I didn't realize how
13 they were sequenced here.

14 MR. JEFFRESS: Yes. And Tom and David and I talked
15 verbally probably a week -- early in December we talked, and
16 then I asked them to put them in writing. And so this is the
17 comments we received in the middle of December from those
18 two.

19 CHAIRMAN STRICKLAND: All right. Then I'm going to
20 sort of try to meld together the suggestions we've had from
21 three Board members and ask you, Charles, if you would, in

1 going through the discussion this morning that you pay
2 particular attention the subject of those comments from three
3 Board members; that is, about where we can insert additional
4 pro bono involvement.

5 And I will say just by way of comment, no matter
6 how much pro bono involvement we have, I don't think it's
7 realistic to think that the private bar will on its own
8 undertake all the work that is traditionally done by Legal
9 Services lawyers.

10 I think they can be of great assistance and add to
11 the overall impact that a tax dollar -- a tax dollar when
12 spent. I mean, it's a leveraging, if you will. But I don't
13 believe that it can substitute for it.

14 I'm sure that's been the subject of considerable
15 debate in the Congress as to whether the private bar could
16 pick up the ball. And I would have to say, based on my own
17 experience in Georgia, that would certainly not be the case.

18 That's perhaps a topic for another day.

19 I must say, though, the state bar of Georgia has a
20 pretty good record of making cash contributions to Legal
21 Services, but it's a struggle, it really is, and I think we

1 do have to work on it. But it's not a panacea.

2 And I don't think the people who presented
3 yesterday made that case. I think they were really
4 underscoring, from my perspective, the tremendous leveraging
5 opportunities that might be available if we can enhance our
6 efforts in that area.

7 Those are my comments on the subject. Do any other
8 Board members have comments before we proceed?

9 MR. GARTEN: I have to echo your comments. It's
10 not possible for the private bar to fill the gap. This
11 question has been raised on many occasions by members of
12 Congress.

13 I think where we stand, Legal Services, is to see
14 where our leverage with the programs could assist them in
15 securing more volunteers, more pro bono activities. And I
16 would think that as a result of yesterday, and the emphasis
17 yesterday, remember, was on large firms' participation, which
18 in the past has been next to nothing.

19 And they've come a long way there, but still, 80
20 percent of the lawyers, small, sole practitioners is the area
21 that we should try to see whether we can get increased

1 participation. And it varies from state to state
2 tremendously as to the amount of participation.

3 CHAIRMAN STRICKLAND: Well, it does. And I think -
4 - I'll come to you in just a minute, Mike. But I think on
5 the subject of leveraging, we've seen from our own experience
6 in visiting programs, that some are far more successful than
7 others in terms of leveraging in dollars.

8 For example, using the Atlanta Legal Aid Society as
9 an example, I'd say about 50 percent of their budget comes
10 from LSC. I could be corrected by someone from the staff
11 that could perhaps give me an exact number.

12 Which means that the remaining 50 percent of their
13 budget, they are able to raise through their own efforts;
14 fundraising drives, grants and things of that sort.

15 Whereas in Mississippi, for example, a much more
16 rural state than Georgia, without a dominant city such as
17 Atlanta, with greater fundraising opportunities, their
18 leveraging efforts are not so good, because 90 percent of the
19 support for legal services in Mississippi comes from LSC. So
20 their -- the remaining 10 percent of their budget is raised
21 with other efforts.

1 So, there is a great variation about how successful
2 LSC programs are in what we call in the broad terms
3 leveraging. It works better in some places than in others,
4 or is more successful in some places than others.

5 But I think our mission is to help people with
6 their leveraging efforts, to state it briefly.

7 Mike, you had a comment.

8 MR. MCKAY: Just I agree with everything that's
9 been said, what you've said, Mr. Chairman, the comments about
10 pro bono. Private attorneys cannot handle all this
11 exclusively. We should continue to support the grantees in
12 the way we have. And I'll get back to that in a second.

13 The real question, what concerns me, as we
14 discussed this, with regard to pro bono, we want to fill that
15 justice gap as we've discussed as a function -- as a product
16 of our report. There's a significant justice gap, and this
17 is a -- what we heard yesterday, and maybe this is an area
18 where we can focus.

19 The problem is, as we're talking about our plan, is
20 how do we do it? And Tom's point I think is a good one. We
21 certainly reference pro bono, assistance through private

1 attorneys, their time and their money. But it
2 could be as we work on this -- we heard a lot of questions
3 yesterday. We don't know what the answers are, and that's
4 what's going to take some time to get our arms around.

5 And it could be at the end, our decision as a group
6 is to increase the importance of our role at getting private
7 attorneys to donate their time. And that would be reflected
8 in our plan.

9 And so, I guess I'm with the chairman, that we
10 probably ought to try to meld these suggestions and keep this
11 thing moving along. But it may delay our process a bit, or
12 stretch it out a little longer.

13 as the Provisions Committee continues to wrestle with this,
14 perhaps we could make the adjustments as we move along.

15 So I guess what I'm proposing is pretty much what
16 the chairman said, but I think this will stretch out our
17 process a bit, just because -- I think this is really
18 important and a neat opportunity to use whatever moral
19 suasion we have to encourage lawyers around the country to
20 get more involved, private lawyers.

21 CHAIRMAN STRICKLAND: All right. And I do, by way

1 of comment, what to echo the remarks that were made yesterday
2 about the outstanding presentation made by the panel at the
3 Provisions Committee yesterday.

4 It was just one of the best presentations we've
5 ever had, and I think that we extended their time by about an
6 hour to allow them to complete their presentation. It was
7 just outstanding. And I congratulate Karen Sarjeant and
8 others who arranged that panel. It was very informative for
9 us.

10 So, with all those comments, Charles, if you would
11 go ahead. And remember the direction that we're trying to go
12 here on the plan, or the strategic directions.

13 MR. JEFFRESS: And I take Mr. Fuentes' and your
14 point, Mr. Chairman, and I hope you all will see this not as
15 a static document that you do one time and don't revisit
16 again for five years. It seems to me this has to be a
17 dynamic document.

18 And as we find things that we want to focus on and
19 want to modify, I would hope that we regularly look at it and
20 make modifications and amendments as needed.

21 Starting then on page 112, which is the first text

1 of the mission statement for strategic directions, there was
2 only one public commentor that commented on the mission. The
3 management believes that the way it's stated is appropriate.

4 The two commentors from the Inspector General's
5 office pointed out that LSC's basic function is to get money
6 from Congress and make grants to grantees. And this mission
7 seems to be a much broader mission.

8 I think in keeping with the discussion we just had,
9 the Board certainly seems to believe its mission is much
10 broader than simply getting money and spending it. It is in
11 fact promoting equal access to justice, getting private
12 attorneys involved, finding creative ways to assist people to
13 get legal services.

14 So the management recommendation is to leave this
15 mission statement as is. But there was one public comment
16 that suggested a narrower focus for the Corporation, which
17 was simply making grants.

18 On the goals statement, there are three goals that
19 you adopted in October and we published. We got no comments
20 from the public on those three goals. They all seemed to be
21 appropriate, and management is not recommending to you any

1 changes in those three goals.

2 Stop me any time you'd like to talk about any of
3 these things that I'm moving on past.

4 CHAIRMAN STRICKLAND: Well, on page 113, for
5 example, there are some words in red. Those are just
6 editorial revisions made by --

7 MR. JEFFRESS: I'm sorry. I was only speaking of
8 the overall goals.

9 CHAIRMAN STRICKLAND: Oh, I'm sorry.

10 MR. JEFFRESS: On page 112 and the top of 113.

11 CHAIRMAN STRICKLAND: Okay.

12 MR. JEFFRESS: Now when we get into the objectives
13 and strategies for achieving goal one, there are several
14 changes and several other additional suggestions.

15 First, the words in red there under the first
16 bullet under Objective 1, are I think modifications
17 recommended by the management team that clarify what we
18 intended and what you all were speaking about at your last
19 meeting.

20 The additional public comments that we received in
21 this area on Objective 1, it says more effectively inform the

1 public of what LSC grantees do. From the Inspector General
2 group, there was a recommendation that this read, "More
3 effectively inform the public of what LSC and grantees do,"
4 making a distinction that we needed to publicize what the
5 Corporation is doing as well as what grantees do.

6 Since the Corporation itself does not deliver legal
7 services, we believe the most effective way really to
8 increase public support for what legal services do and what
9 Legal Services Corporation does, is to in fact tell the
10 stories of clients.

11 So we're recommending that remain more effectively
12 inform the public what LSC grantees do, because that's where
13 the real assistance is provided and that's where the real
14 stories are of help.

15 One other comment from the Inspector General group
16 was that making this the first objective, more effectively
17 informing the public of what grantees do, it appears a little
18 as if we're putting self-promotion first. And a concern
19 about is this the right approach by putting this out there.

20 In talking about this concept and responding to
21 this, I guess if our goal here is to increase public support

1 for what legal services does, we felt it's important to tell
2 the stories first. The only way to generate that public
3 support is to in fact get the stories out.

4 So I think it is appropriate for the first
5 objective to make sure the public knows what our grantees do.

6 So we do not have any recommended changes based on that
7 comment.

8 We had one other public comment in this section,
9 and that was from a group of people representing the
10 Technology Group at the National Legal Aid and Defender
11 Association. And in the future, I'm just going to refer to
12 them as the Technology Group if that's all right as a way of
13 shorthand. But it is a group of individuals in the
14 Technology Section of the National Legal Aid and Defender
15 Association.

16 Their suggestion was that we incorporate in here
17 language about how we might use technology in the outreach
18 and in telling the stories. And of course, that group is
19 exactly right. There will be ways we can use technology in
20 telling these stories. But we didn't feel like that
21 particular manner in which the stories were told rose to the

1 level of incorporating in the strategic plan.

2 Obviously, we're not going to do all these by
3 writing them out by hand and sending them to people. We
4 already use the web. We will use whatever electronic media
5 is available. But we didn't feel like that particular manner
6 in which the stories were told rose to the level of
7 incorporating as a strategy.

8 Those are the comments on that page.

9 Moving to the next page, then, page 114. The
10 bullet at the top, Continue to identify and publicize needs
11 that are not being met, one group, the Center for Social
12 Gerontology Incorporated, which is an advocacy group for
13 elderly folks, noted that studies of subpopulations also
14 indicate that there are unmet legal needs, and they were
15 particularly talking about elderly folks and that there are
16 unmet legal needs for elderly folks.

17 We didn't feel a need to reference studies of
18 subpopulations, having referenced studies of the total
19 population. But there was that public comment.

20 Under Objective 2, strategies in terms of seeking
21 additional funding. No change is being recommended here.

1 Comments from the public, our grantee in North Dakota asks
2 that in the strategy with respect to funding from the federal
3 government, that we seek to prevent harm to rural states.

4 They felt like with the distribution of funds
5 according to the formula, that states that were losing
6 population end up losing money for legal services. They
7 would like to see some provision in here that says we will
8 prevent harm to rural states in the distribution of funds.

9 In fact, later in the document, we have a strategy
10 for addressing hard-to-serve populations like rural
11 populations. But in terms of addressing it in this strategy,
12 the funding strategy, it did not seem to be appropriate.

13 We also got a comment from the Social Gerontology
14 folks suggesting that in addition to advocating for more
15 funding for Legal Services Corporation, that we also advocate
16 for more funding for those agencies and organizations which
17 provide legal assistance to other subpopulations.

18 The Administration on Aging has a significant
19 program for legal assistance to the elderly. They get an
20 appropriation from Congress, and the group encouraged us to
21 put in our strategic plan that in addition to working for

1 more funding for legal services that we work for more funding
2 for agencies with similar interests.

3 And the National Legal Aid and Defender
4 Association, NLADA, noted that it was important for LSC to
5 seek funding from other federal agencies as well. And that
6 is -- there will be a separate bullet in the next strategy,
7 the next objective, that talks about dealing with federal
8 agencies.

9 So while we took that comment as a useful and
10 appropriate comment, did not think the funding section was
11 the place to put that. So in the section on funding, there
12 are no recommended changes.

13 On Objective 3, at the bottom of that page, this is
14 the way of strengthening collaborations and strategic
15 partnerships. There is one note by the Inspector General and
16 it may bear on the point that Mr. Fuentes made. There was a
17 question about the terminology in Objective 3 of LSC being
18 the principal leader in the legal services access to justice
19 community.

20 The Inspector General noted that according to the
21 statistics, that there are more poor people assisted by

1 private attorneys through pro bono assistance than are
2 assisted through LSC-funded attorneys. Therefore, the
3 question is, is LSC the principal leader in the legal
4 services access to justice community, or should there be some
5 different role for LSC, some different recognition of where
6 the majority of legal services is being provided?

7 In considering this and discussing this, the
8 executive team, recognizing in fact the significant role of
9 pro bono services by private attorneys, nevertheless felt
10 like the single largest funder of legal assistance is the
11 Legal Services Corporation. That in fact, people around the
12 country look to Legal Services Corporation for leadership in
13 legal services. And even in the area of pro
14 bono assistance, as you all have indicated by your
15 conversation this morning, it's in fact this Corporation's
16 Board of Directors that could take the lead in promoting even
17 more pro bono assistance and encouraging grantees to use
18 those resources in a better way.

19 So we felt like the principal leader designation
20 was appropriate, not meaning to imply that it was the only or
21 sole or should be relied on as the primary source of funding,

1 but LSC should see itself as a principal spokesperson on ways
2 to promote and provide legal assistance to the poor through
3 whatever means are appropriate.

4 One question here, Charles.

5 MR. JEFFRESS: Yes.

6 CHAIRMAN STRICKLAND: Make sure I'm on the right
7 page. What --

8 MR. JEFFRESS: I'm on page 114, the bottom of page
9 114.

10 CHAIRMAN STRICKLAND: I've gone a little too far
11 ahead here.

12 MR. JEFFRESS: Mr. Chairman, I'll try to move
13 faster. You seem to be a page ahead of me everywhere --

14 CHAIRMAN STRICKLAND: That was unintentional on my
15 part. But with regard to -- or is this the point in the
16 discussion where, if I wanted to raise a question about
17 fundraising efforts within states, we're talking about pro
18 bono, but is there going to be a discussion item about that?

19 That is, fundraising efforts by legal services programs
20 and/or state bars?

21 MR. JEFFRESS: In July we talked about Objective 2

1 on page 114, about securing greater resources. And at that
2 time, we talked about what is the role of this Corporation in
3 securing greater resources.

4 And there was discussion at that time about should
5 LSC Corporation play a role in each of the 50 states and
6 various territories in trying to increase funding for legal
7 services in those individual states? And we talked a little
8 both at the executive team and briefly at the Board
9 discussion about what is the role of the national Corporation
10 in getting state funding.

11 Rather than speaking to it specifically in the
12 funding section, the executive team ended up recommending
13 that we talk about assisting grantees with their fundraising
14 but not have a direct role for the Corporation in trying to
15 promote funding in a particular state.

16 CHAIRMAN STRICKLAND: We may not be able to do
17 something directly from the national level, but I wanted to
18 take a minute to discuss a recent development in the state of
19 Georgia.

20 Traditionally -- well, first by way of background,
21 there are two grantees in Georgia. Atlanta Legal Aid serves

1 the five metropolitan area counties around Atlanta, and
2 Georgia Legal Services serves the remaining, if you can
3 believe this number, 154 counties.

4 Each program has a separate fundraising drive
5 annually. As you might expect, in Atlanta, where you have a
6 concentration of large law firms, the fundraising drive is
7 much more successful, easier to manage and so on. It raises
8 about \$1.250 million, as I recall the number.

9 By contrast, the Georgia Legal Services fundraising
10 effort, which is all the other counties, historically would
11 mount a major fundraising drive and produce about \$300,000.

12 So -- and it's sort of hard to explain this because
13 of the success from the Atlanta Legal Aid drive. But if you
14 just isolate for discussion the Georgia Legal Services effort
15 and the dollars received from a fundraising drive, and you do
16 the arithmetic on that, there are about 34,000 members of the
17 State Bar of Georgia, either the ninth or tenth largest state
18 bar. And the average contribution from a Georgia lawyer was
19 \$9 to Georgia Legal Services. Nine dollars. Well,
20 that's ridiculous in terms of the dollar amount. But last
21 year, the Board adopted a negative -- the board of governors

1 -- adopted a so-called negative check-off program on the dues
2 notice. And I was there for the meeting and did not
3 participate in the discussion, but the proposal was for a
4 negative check-off of \$150, an astonishing number. I about
5 fell out of my chair when I heard the dollar amount.

6 I mean, it's close to the annual dues payment. So
7 we've now had one year's experience with the negative check-
8 off program, and it produced \$800,000. But, on the flip
9 side, the check-off -- it's a mandatory bar. So you can't
10 spend dues on lobbying in the legislature. So there was also
11 a check-off, I don't know whether it was a negative check-
12 off, I've forgotten, but the legislative fund, that is, to
13 hire a lobbyist to present the bar's legislative agenda, took
14 a nosedive.

15 And I must -- I'm sorry to report that at the most
16 recent meeting of the board of governors, the negative check-
17 off for Georgia Legal Services was removed from the dues
18 notice. And as you might expect, the story in the local
19 legal tabloid soon after the board of governors meeting was,
20 "Bar acts in its own self-interest to promote its legislative
21 lobbying program instead of legal services."

1 And the compromise was, instead of negative check-
2 off, there's sort of thing on the dues notice now for, I
3 don't know whether it's a negative check-off or a voluntary
4 contribution, but instead of going out of the meeting with
5 nothing on the dues notice for legal services -- there's
6 still something on there, but it's -- my prediction, it won't
7 produce nearly as much money.

8 So, the average contribution went from, by virtue
9 of the negative check-off, went from about \$9 to maybe \$20 or
10 something like that. I haven't done the arithmetic. But it
11 was far more successful than the organized fundraising effort
12 that Georgia Legal Services used to do.

13 So, that's just a short story about one bar's
14 program and a mechanism that worked; that is, the negative
15 check-off produced a tremendous amount of money by comparison
16 to previous efforts.

17 So, food for thought in talking to our grantees
18 about what might work in other states.

19 MR. JEFFRESS: And if you'd like me to find just on
20 page 115, you'll see in terms of that bullet in the middle of
21 the page, this is partnerships and collaborations with

1 private attorneys, bar associations, corporate legal
2 counsels. LSC continue with such organizations to build
3 support for more resources.

4 I think what the story you just told is the kind of
5 story we ought to be telling other places and encouraging
6 other folks to do.

7 CHAIRMAN STRICKLAND: And it's certainly not the
8 only story.

9 MR. JEFFRESS: Right.

10 CHAIRMAN STRICKLAND: It's not the only program
11 that might work. And I think with the -- you heard Bill
12 Whitehurst say yesterday something about the number of states
13 that have an access to justice commission.

14 And our chief justice in Georgia has made it her
15 emphasis to establish -- she's already entered an order, the
16 court has entered an order establishing an access to justice
17 commission in Georgia. It's just getting up and running.

18 But she has said that it's going to be one of the
19 strategic directions she wants to urge the bar to pursue
20 during her term as chief justice.

21 So, I think as those programs get more and more

1 active in more states, that may lead to other opportunities
2 for LSC grantees to get in the mix on more pro bono
3 involvement.

4 MR. FUENTES: Mr. Chairman?

5 CHAIRMAN STRICKLAND: Yes, sir?

6 MR. FUENTES: Charles, I'm wondering if these four
7 points, we might reassess or consider the order that they're
8 in. To me, looking to the objectives of pages 113 to 116, to
9 me, the item that you have as Objective number 4 ought to be
10 number 1. Increase access to and expand ways of providing
11 assistance.

12 And to me, second of importance is your Objective
13 3, as principal leader of legal services access to the
14 justice community, strengthen collaborations and strategic
15 partnership.

16 Then number 3 about touting, more effectively
17 inform the public of what LSC grantees do. And 4, seek the
18 funds for the legal services work. That's the way I would
19 think we would better reach our goal than the order that
20 they're in. So my suggestion would be to just reconsider
21 reordering those four.

1 Also on item number 3, where you discuss the LSC as
2 the principal leader, I'm wondering if we couldn't resolve
3 that with just making that as a principal leader. Such a
4 small word can have a lot of difference of meaning, and
5 humility or modesty goes a long way in the community.

6 I've always been very humble, because I have so
7 much to be humble about.

8 (Laughter.)

9 MR. FUENTES: But I think that maybe to our
10 colleagues and friends, it might be more appropriate for us
11 to say as a principal leader.

12 MR. GARTEN: Frank?

13 CHAIRMAN STRICKLAND: Yes, sir, Herb?

14 MR. GARTEN: I'm in accord with Tom's suggestions
15 that we renumber --

16 CHAIRMAN STRICKLAND: On the sequence?

17 MR. GARTEN: Yes. However, I think it's commonly
18 know that we are the principal leader in this field, and I
19 think it would be a mistake to present our position in any
20 other way than that as the principal leader in the legal
21 services field.

1 MR. HALL: Mr. Chairman?

2 CHAIRMAN STRICKLAND: Charles, could you take those

3 --

4 MR. HALL: Mr. Chairman?

5 CHAIRMAN STRICKLAND: Yes. I'm sorry. David?

6 MR. HALL: I guess I just want to make one comment
7 in regards to Tom's point. In all honesty, I don't think how
8 we number these is going to matter in the long run, so it's
9 not a big deal.

10 But I think we should not lose sight that this
11 entity was created to seek funding. To be the place where
12 Congress could provide the funding so we could get the work
13 done. And those other goals of working with the bar and
14 working with other entities have grown out of that and are
15 important, but that is a fundamental principle and goes back
16 to your point.

17 The private bar is never going to take the primary
18 responsibility for this particular critical need. And that
19 is the essence of why this Corporation exists. It is the
20 essence of our funding. And, therefore, we should not allow
21 the discussion around pro bono yesterday to make us now

1 believe that that isn't our fundamental mission. It will
2 remain our fundamental mission. Those other things are ways
3 in which we deal from the fundamental mission.

4 So I wouldn't stand in the way of reordering it if
5 that's the sense of any one of the directors. But let us not
6 get confused about what this body has been created to do.

7 CHAIRMAN STRICKLAND: Well, I then would, by way of
8 suggestion, urge the team that's working on the strategic
9 directions to take into consideration the comments that
10 you've heard about, particularly the reordering of the
11 priorities, and even though they're all still in the mix, and
12 perhaps rethink the sequence in which they're presented.

13 MR. JEFFRESS: Surely, that will happen, Mr.
14 Chairman, but let me reemphasize, this is intended to be and
15 was conceived as a Board document, that this in fact would be
16 your strategic directions document. And the final decision,
17 of course, is the Board's.

18 SO we had published it for public comment with all
19 the anticipation that it would be adopted. It doesn't have
20 to be adopted at this particular hour, but it was the plan as
21 we were going forward for the Board to make decisions today.

1 So I'd just remind you that that was the original
2 plan.

3 CHAIRMAN STRICKLAND: Lillian?

4 MS. BeVIER: Well, I'm just curious about what the
5 effect of our deciding to reorder. I mean, that would not
6 necessarily impede the final adoption? We'd just --

7 MR. JEFFRESS: Not a bit. I mean, you'd direct us
8 to reorder it, when it's finally published, it will be
9 reordered. That's no problem.

10 MS. BeVIER: Right. It's not -- I don't think it's
11 a substantive change.

12 MR. JEFFRESS: No, it's not.

13 MS. BeVIER: It may be it has some symbolic value,
14 to some of us anyway. But on that issue, I'm pretty clear
15 that it makes some sense to reorder them. I'm not real clear
16 about the wordsmithing "a" versus "the."

17 But I know exactly what you're getting at in terms
18 of -- it's an important change, but I would abstain in any
19 vote to make that change.

20 CHAIRMAN STRICKLAND: Did you have another comment,
21 Tom?

1 MR. MEITES: Yeah. I think that what triggered the
2 last comment, frankly, was your suggestion that staff think
3 about this. And I think the staff just told us --

4 CHAIRMAN STRICKLAND: Yes.

5 MR. MEITES: -- they want to make a decision.

6 (Laughter.)

7 CHAIRMAN STRICKLAND: I saw that --

8 (Laughter.)

9 M O T I O N

10 MR. MEITES: So let me propose that we make the
11 rearrangement change but we keep the principal leader the way
12 it is. I would make that a motion if that's necessary.

13 CHAIRMAN STRICKLAND: Sure. Is there a second to
14 Tom's motion?

15 A PARTICIPANT: Second.

16 CHAIRMAN STRICKLAND: Any further discussion on
17 that?

18 (No response.)

19 CHAIRMAN STRICKLAND: All right. Let's proceed to
20 a vote. All those in favor of the motion, please say aye.

21 (Chorus of ayes.)

1 CHAIRMAN STRICKLAND: Those opposed?

2 MR. HALL: Nay.

3 CHAIRMAN STRICKLAND: All right. The motion is
4 adopted, and the sequence of those items is -- I guess we're
5 directing a change in that.

6 MR. JEFFRESS: Absolutely. And it's your document.

7 CHAIRMAN STRICKLAND: That's a strong word,
8 "directing." Right. We just changed it. There's no need
9 for further direction. I stand corrected.

10 MR. JEFFRESS: All right. And the last change on
11 that one at page 114 is just a note that there are now eight
12 strategic areas, and that's reflected on the next page, 115.

13 I mentioned earlier that the NLADA had suggested
14 that the Corporation have a focus on partnerships with
15 federal agencies. That comment also was received from the
16 Council for Social Gerontology, and from the Office of the
17 Inspector General.

18 They all recommended that the Corporation add as
19 one of its strategies more partnership and collaboration with
20 federal agencies, so you see that new bullet at the bottom of
21 the page which is not previously in the document.

1 In addition to recommending that collaboration, let
2 me say that the Council on Social Gerontology also encouraged
3 us to name the Administration on Aging as a specific federal
4 agency that we would collaborate with. While they didn't
5 point it out, after doing a little research on their comment,
6 117 of our grantees in fact have grants from the
7 Administration on Aging. They are a significant funder of
8 legal services for the elderly.

9 Nevertheless, we didn't recommend identifying any
10 particular agency here, because there are a lot of different
11 federal agencies that in fact have a role here. We didn't
12 feel like singling out one was --

13 MR. MEITES: Can I ask a question? Just because I
14 didn't know this. How is it that substantial legal
15 assistance funds do not flow through us but flow through
16 federal agencies, which presumably have their own budgets and
17 their own approaches to Congress?

18 Are we competing with those other agencies? Do we
19 coordinate with them? Do we even know what they're asking
20 for? Has Congress sewn them up together and look at it as a
21 package, or is it every man for himself?

1 CHAIRMAN STRICKLAND: I don't know the answer to
2 that. It's an excellent question. Did we understand you to
3 say that this particular organization you just mentioned is
4 making grants directly to some of our grantees?

5 MR. JEFFRESS: The organization that I mentioned is
6 actually an advocacy group on behalf of recipients of grants.

7 But they were recommending that we partner with the
8 Administration on Aging, which is a federal agency which
9 gives money to make grants to state and local groups that
10 serve the elderly population. And a part of the services
11 that they fund are legal services.

12 In the provision of those services, a lot of our
13 grantees have said, well, you know, we're the best ones to
14 provide those services, so our grantees in fact apply for
15 those grants. And our grantees also get grants from the
16 Department of Justice. The Violence Against Women Act had
17 funds available for legal services on that basis.

18 There are some public health grants for access to
19 health care. There are grants from HUD for public housing
20 recipients. So there are a number of subpopulations that
21 overlap, if you will, and we serve those that are 125 or

1 below the poverty level.

2 These other agencies have monies that serve legal
3 needs for populations, a lot of which overlap, but they may
4 be beyond ours. For instance, the services to the elderly
5 are not income limited like ours are.

6 HUD is those who live in public housing but not
7 necessarily a specific 125 percent of the poverty level. So,
8 the eligibility criteria are different in these agencies, but
9 there's a significant overlap of the populations being
10 served.

11 In terms of coordination with them, to my
12 knowledge, there's not been. Tom didn't just jump right up
13 here to assist me, so I hesitate to speak for him. But in
14 the course of the deliberations on Capitol Hill, each
15 committee is focused on the agencies that they fund, and I
16 would hesitate to say that there is any overview --

17 MR. MEITES: That may be for the best.

18 MR. JEFFRESS: It probably is for the best,
19 actually.

20 CHAIRMAN STRICKLAND: We may not want to wade into
21 that water. Okay, Charles. Go ahead.

1 MR. JEFFRESS: All right. On the next page there
2 are no changes recommended, and there was only one -- I say
3 no changes. There's a couple of wordsmithing changes from
4 the management team.

5 There was one public comment on the last bullet,
6 which is on the technology initiative grants. NLADA
7 recommended that we include in here a commitment to evaluate
8 the impact of the TIG grants.

9 We had some other comments on technology, so we
10 have taken that comment seriously and have included it in a
11 bullet later in the document we'll get to in just a moment.

12 Page 117, and I know I have to hurry if we're going
13 to finish this. One change on the second bullet on that
14 page. We had mentioned working with state judicial systems.

15 It was really within the executive team within the LSC staff
16 was pointed out that the federal system, in some cases, is
17 also working on pro se issues, so we should just judicial
18 systems and not simply state systems.

19 The bullet at the bottom of the page, and we're now
20 on objectives and strategies for achieving goal 2. The first
21 objective, using the LSC performance criteria.

1 As you know, and I had a report on it at the last
2 Board meeting, and we had to postpone the one yesterday, but
3 we've been working hard on the LSC performance criteria on
4 revising them and on applying them.

5 And as you all know from our discussion in October,
6 significant plans to use the performance criteria as a
7 centerpiece for our quality agenda for improving performance
8 of grantees.

9 So we expanded some of the language here to
10 indicate that we want to encourage grantees to use
11 performance criteria not only in their self-evaluations but
12 also in their planning and program development generally.

13 There was one other change here. The last sentence
14 on page 117. Actually it was in the document previously, but
15 it was in a document in the place where we talked about
16 grants by the OC -- I mean, visits by the LSC Office of
17 Compliance and Enforcement and Office of Program Performance,
18 two grantees.

19 And it appeared as if we were considering peer
20 reviews and program visits by the Corporation in the same
21 breath. We took it out of the other bullet and put it here

1 to indicate peer reviews really are not necessarily program
2 visits by the Corporation. They're in fact things that other
3 grantees participate in when they assist a grantee with their
4 own performance. So we moved that bullet.

5 The only other public comment that was made that
6 affects this particular strategy, the Council for Social
7 Gerontology pointed out that federal agencies in many cases
8 were developing criteria for performance and criteria for
9 reporting and wanted to ensure that -- or suggested that we
10 commit to doing joint performance criteria and joint
11 reporting criteria with these federal agencies.

12 Not knowing what criteria they have or their
13 process, we were reluctant to specifically say that, but in
14 the previous bullet on the previous page in terms of focusing
15 on strong collaborations with federal agencies, that was
16 clearly one of the areas that we'd want to look at, how we
17 could have a stronger collaboration.

18 MR. MEITES: Mr. Chairman?

19 CHAIRMAN STRICKLAND: Yes, sir?

20 MR. MEITES: I have figured out what you're talking
21 about. If you go to page 1, which is at page 112, you will

1 find in the lower half of the page in bold type, an indented
2 paragraph, starting with the word "Increased." Do you see
3 that? Well, that's goal 1, I now understand. I didn't know
4 what you were talking about.

5 So I suggest that you call that on page 117 goal 1.

6 And then when you get to, for example, page 117, you say
7 goal 2, and you repeat what goal 2 is.

8 MR. JEFFRESS: We will do that.

9 MR. MEITES: I until this very minute did not --

10 MR. JEFFRESS: Didn't make that connection between
11 --

12 MR. MEITES: Right.

13 MR. JEFFRESS: I apologize. Good suggestion. So
14 we will repeat, then, at the top of the listing of each set
15 of objectives, what those --

16 MR. MEITES: And at the beginning, identify those
17 three indented as goal 1, 2 and 3.

18 MR. JEFFRESS: We'll do that.

19 MR. MEITES: That was my contribution for clarity.

20 (Laughter.)

21 CHAIRMAN STRICKLAND: I don't think that

1 necessarily requires a motion.

2 (Laughter.)

3 CHAIRMAN STRICKLAND: Call that a good suggestion.

4 MR. JEFFRESS: All right.

5 CHAIRMAN STRICKLAND: One second here, Charles.

6 Does anybody, either on the Board or otherwise, need a break
7 at this point? Do you want to take a five-minute break or
8 press on? Keep moving? All right. Go ahead.

9 MR. JEFFRESS: Page 118, and this continues to be
10 objectives and strategies for achieving the goal of enhancing
11 the quality and compliance of legal services programs.

12 Page 118, the first redline change is just a better
13 wording. The second is the sentence where we moved the peer
14 review sentence to the bullet on the previous page.

15 There was also a suggestion that we, and we
16 recommend that we take out this wording, "within reasonable
17 time limits." That wording, if we left it there, would imply
18 that the strategy for program visits that assures appropriate
19 reviews of LSC grant funds within reasonable time limits,
20 would imply that the time limits was the only issue with
21 respect to appropriate reviews, and obviously there are a lot

1 of other issues in program visits.

2 We didn't want time limits to be the only issue
3 that seemed to be being looked at when it came to appropriate
4 reviews.

5 Then the fourth bullet on that page, the ABA
6 standards for providers of civil legal assistance. Of
7 course, the standards will probably be final this year. And
8 when they are final is the question is what happens when
9 they're final. So we added a sentence about our
10 incorporating those standards where they're final into our
11 performance criteria.

12 MR. GARTEN: I have a question. Would you do that
13 by way of annotations where appropriate? Or just incorporate
14 the language?

15 MR. JEFFRESS: Well, they're already referenced.
16 The existing standards are already referenced in our
17 criteria, but we'd want to incorporate the new ones when they
18 are adopted as well. But we would do it by reference, would
19 be my expectation, as opposed to rewriting them or repeating
20 them.

21 MR. GARTEN: I see. And the form of annotations

1 after each particular paragraph, I assume?

2 MR. JEFFRESS: Right. Each place where there is a
3 relevant ABA standard we'd do it.

4 MR. GARTEN: Fine. Thank you.

5 MR. JEFFRESS: On training and technical assistance
6 on page 119. In addition to quality, we added the words "in
7 compliance" to the focus of our training.

8 Page 119, we continue to be on the strategies and
9 objectives for goal 2 of quality. The only -- there are no
10 changes recommended by management. The only public comment
11 on this page, the bullet in the middle of the page, "continue
12 to promote the diversity of legal services providers board,
13 staff and leadership," from the Inspector General group, we
14 got a recommendation that the Corporation consider including
15 professional diversity as criteria for diversity on boards.

16 Grantee boards, of course, we encourage through the
17 grant assurance as grantees promise to address diversity
18 issues. And perhaps a more traditional sense of diversity --
19 race, sex, that sort of thing -- we require that 60 percent
20 of the boards be attorneys. We require that a third of the
21 boards be client representatives.

1 So there's a pretty limited amount, 7 percent On
2 some boards, that may be one person -- 7 percent of the
3 boards then are open for other types of appointments. And
4 the comment by the Inspector General was more professional
5 diversity, not just attorneys and client representatives,
6 might be helpful on boards.

7 The process seemed to be working well. There
8 seemed to be an interest in having a majority of attorneys on
9 the boards, seemed to be a need for a significant number of
10 client representatives, so we did not incorporate this
11 suggestion into what's recommended to you.

12 MR. MEITES: Mr. Chairman?

13 CHAIRMAN STRICKLAND: Yes, sir?

14 MR. MEITES: Is that -- do we have a regulation for
15 the 60 percent? Is that our regulation that mandates that,
16 or is it --

17 MR. JEFFRESS: That is our regulation.

18 MR. MEITES: Okay. So that if in fact anyone were
19 to recommend change in that, that would just go through the
20 usual regulatory --

21 MR. JEFFRESS: It would have to go through ops and

1 regs if we were to proceed, yes.

2 MS. BeVIER: It's statutory.

3 MR. JEFFRESS: Oh, it's statutory? Excuse me.
4 Thank you. It's not only a regulation. It's a statutory
5 requirement.

6 CHAIRMAN STRICKLAND: The 60 percent requirement?

7 MR. JEFFRESS: I'm hearing this from the back of
8 the room, so I need some assistance.

9 CHAIRMAN STRICKLAND: Vic is nodding his head.
10 You're saying, yes, it's a statutory requirement.

11 MR. MEITES: Fine.

12 CHAIRMAN STRICKLAND: Do we have any data relative
13 to the makeup of a typical grantee board? I've been on
14 grantee boards, and I really have forgotten whether we had
15 any members of the board other than lawyers and client
16 representatives. What are the statistics for representation
17 of other professions on grantee boards, if you know that?

18 MR. JEFFRESS: We require each grantee to submit to
19 us what the composition of their board is, but I can't tell
20 you what that other 7 percent is. Let me see if Mike Genz
21 can assist. And I apologize for putting you on the spot,

1 Mike.

2 CHAIRMAN STRICKLAND: In your spare time, you could
3 perhaps just gather a little data on that just to satisfy the
4 curiosity, but it's not compelling. I'm just -- it's an
5 interesting question.

6 MR. GARTEN: Anecdotally, on one of these boards,
7 for purposes of fundraising, do bring in other professionals.
8 It's very difficult to get physicians to become members of
9 these boards. But in practice, they go out into the
10 community and try to get community leaders to fill the spots.

11 CHAIRMAN STRICKLAND: Now there's also an attempt,
12 I think, on the part of grantees to involve corporate
13 counsel. In other words, if you have corporations
14 headquartered in your area, if you can entice a general
15 counsel or somebody on a corporate legal staff to join a
16 board, that's always a good effort. It's another lawyer, but
17 it's still a different perspective.

18 MR. JEFFRESS: Fifty percent of the board's
19 memberships, the grantees, are appointed by of course your
20 state bars. So it's not up to the grantee to appoint their
21 own boards.

1 The state bar has a significant interest. And,
2 obviously, I would hope they would look to a broad spectrum
3 of attorneys to fill them.

4 CHAIRMAN STRICKLAND: Okay. Go ahead.

5 MR. GARTEN: In fact, they advertise the positions
6 that are available and open, and they get a pretty firm
7 response for the openings of the board, and I'm speaking
8 specifically of legal aid bureau in Maryland.

9 MR. JEFFRESS: Okay. The next page, 120, and we
10 are still on the quality goal. The first paragraph is just
11 changes in language. We were using programs and grantees
12 perhaps in ways that were confusing, so we tried to clarify
13 that.

14 The first complete bullet is a bullet on
15 technology, and we got a lot comments from a lot of
16 commentors that we need to place greater emphasis on
17 technology in our strategic plan.

18 The comments ranged from the tech group at NLADA's
19 suggestion that this should be a whole separate goal equal to
20 quality altogether. The Inspector General group suggested a
21 separate strategy altogether. Our chief information officer

1 for the Corporation, a board committee on technology for the
2 Corporation.

3 Council for Social Gerontology was concerned that
4 in talking about technology we make sure that the
5 technologies enhance access for persons with limited
6 disabilities, a concern that sometimes technology require
7 dexterity or vision or things that people with limited
8 abilities may not have. So they were a little concerned that
9 we not go overboard with technology in ways that exclude
10 people.

11 Addressing these various comments, what we did was
12 to add to this bullet a recommendation to you all that the
13 Board in fact develop a strategic vision for LSC's technology
14 investments for the next five years. That we need a sense of
15 where we're going.

16 And, of course, the TIG program has had a sense of
17 where it's been going the last few years. But the websites
18 have been developed, the statewide websites have been
19 developed. And part of the TIG conference earlier last week,
20 or earlier this week actually, in Texas, was talking about
21 where do we go from here?

1 And it seemed appropriate. We did think we needed
2 more emphasis on technology than what you had had in October.

3 So we added something to the bullet, and we added sentences
4 at the end. We included the earlier comment by NLADA about
5 evaluating what we've done thus far and developing a
6 strategic vision for our technology investments as a
7 corporation.

8 MR. MEITES: Mr. Chairman?

9 CHAIRMAN STRICKLAND: Yes, Tom?

10 MR. MEITES: I whole-heartedly support develop a
11 strategic vision for technology investments. I'd just like
12 to know how management would propose to develop that
13 strategic vision and what kind of time period it thinks it
14 needs to do it.

15 MR. JEFFRESS: Well, I'm probably not the only
16 spokesperson for management on this issue. But as I said,
17 earlier, at the TIG conference earlier this week, the issue
18 was joined in terms of where we're going now.

19 I don't think it's something that concludes
20 quickly. I think it's something we'll have to involve our
21 grantees, we'll have to involve our TIG awardees, and

1 obviously the board, probably board committees will want to
2 be involved in it.

3 So I think it may well take next year to have a
4 real sense. And we probably ought to look at having a
5 strategy, a vision in place so when the TIG money next year
6 is awarded, we have a clear sense of what we'd like to see
7 grantees do with that money.

8 MR. MEITES: My -- I guess where I'm coming from,
9 is this kind of falls in the cracks on the Board. We don't
10 have a technology -- does the Board have a technology
11 committee? I don't think we do.

12 CHAIRMAN STRICKLAND: No we don't.

13 MR. MEITES: So this -- there's no Board committee
14 who's going to hound you on this.

15 (Laughter.)

16 MR. JEFFRESS: Feel free to take the lead, Mr.
17 Meites.

18 MR. MEITES: But I'd just like -- perhaps, Mr.
19 Chairman, you can stay on top of this for us.

20 CHAIRMAN STRICKLAND: And be careful what you wish
21 for.

1 (Laughter.)

2 MR. JEFFRESS: Well, the manner in which access is
3 provided is a provisions issue as well, so I suspect Mr. Hall
4 may well be interest in this as well.

5 MR. MEITES: If you can do it through that, that
6 would be very good.

7 MR. HALL: It does fall within provisions.
8 Provisions has had some meetings on technology, or our
9 meetings have been devoted to that. I don't guarantee that I
10 will hound him, but it will be something that we feel
11 provisions is the appropriate place for it.

12 MR. MEITES: Thank you very much.

13 MR. JEFFRESS: Moving then to goal 3. And we have
14 not repeated it in writing, but, again, to remind folks, goal
15 3 is to ensure that LSC operates efficiently and effectively.

16

17 So beginning at the bottom of page 20 are the
18 strategies that we have discussed and we're recommending that
19 the Board adopt for ensuring that we operate efficiently and
20 effectively.

21 The last time you saw this, we did not have any

1 objectives. We had ten or twelve strategies, but we had not
2 divided them up into objectives. And Mike Genz pointed out,
3 you know, these really ought to be grouped into objectives,
4 and gave us some good direction.

5 So the strategies are similar to what you have
6 seen, but we now have them grouped into three different
7 objectives so that they work together better than what was
8 presented to you previously.

9 The first objective, increasing LSC's productivity.

10 In addition to the strategies that are here, comments from
11 the Inspector General group suggested that the Corporation
12 consider a chief information officer as a strategy to
13 increase productivity, a chief financial officer, a code of
14 ethics for the Corporation, and perhaps an audit committee of
15 the Board, as ways to increase LSC's productivity.

16 I don't think the executive team is ready to direct
17 any of those in particular. Obviously, the attorneys
18 involved with this have various codes of ethics that they are
19 required to comply with.

20 The chief financial officer, chief information
21 officer functions are currently being served by your chief

1 administrative officer, although not by title, not by name,
2 but that includes the job description that you provided for
3 my job as those same duties that would be provided for those
4 jobs.

5 And whether or not the Board wants an audit
6 committee I guess is obviously up to the Board. But we did
7 not incorporate those into the strategic plan.

8 On the next page, again, the only change is the
9 grouping of several of the strategies under the objective of
10 using resources effectively, and then a minor wording change
11 in the second bullet.

12 On page 122, there are a few changes. The bullet
13 at the top of the page at your last meeting read, "LSC will
14 benchmark its office space requirements with other similar
15 organizations and will modify its space requirements as
16 appropriate."

17 We completed the benchmarking study this fall and
18 submitted that to the Inspector General in response to the
19 earlier audit of our space needs. So, having done the
20 benchmark study, it didn't seem appropriate to use that word
21 in the strategy for the next five years. But,

1 obviously, we will need to periodically look at our space,
2 see whether it's appropriate, modify it as appropriate. So
3 we left the bullet in but took the benchmarking study out.

4 As a comment, one of the earlier bullets was a
5 commitment to doing bottoms-up reviews of our offices within
6 LSC to ascertain whether we are properly staffed for what our
7 responsibilities are. Once those bottoms-up reviews are
8 done, we will then do another review of our space needs based
9 on what kind of staffing we've determined through those
10 studies to be appropriate.

11 And then on the first two bullets under objective
12 3, reviewing administrative requirements for grantees, it was
13 pointed out to us that it's certainly possible to simplify a
14 lot of these regulations, but it might not be appropriate.
15 So we changed the word instead of where possible, simplifying
16 regulations, to where appropriate to simplify the
17 regulations.

18 MR. MEITES: Mr. Chairman?

19 CHAIRMAN STRICKLAND: Yes?

20 MR. MEITES: I have some problems with this
21 statement. I think as our committee views its function, it

1 is not just to simplify regulations. We change them,
2 recommend changes as appropriate. And I don't think it
3 should -- I don't believe it's appropriate as a Board
4 objective, that an objective is just to simplify our
5 regulations.

6 If you're going to talk about regulatory change, I
7 believe you have to talk about changes for whatever reason
8 the Board determines appropriate. And I'm afraid as written,
9 I really can't support this strategy.

10 CHAIRMAN STRICKLAND: Do you have a suggestion?

11 MR. MEITES: Well, I would rather omit it. I would
12 prefer rather than talk about regulations, I have nothing
13 against trying to make whatever burden we impose upon our
14 grantees as appropriate is a factor taken account in our
15 regulatory reviews.

16 MR. GARTEN: What about the word "amend" instead of
17 "simplify?"

18 MR. MEITES: That would be fine. But I don't think
19 that that has the content that the management is
20 recommending.

21 MR. GARTEN: I think it does. Where appropriate,

1 amend regulations.

2 MR. MEITES: To reach this objective? Okay. I
3 agree with that. If you take "simplify" out, then --

4 CHAIRMAN STRICKLAND: And substitute "amend?"

5 MR. GARTEN: Yes.

6 MR. MEITES: Herb is right. I think that would
7 satisfy my objection. Lillian, would that?

8 MS. BeVIER: Yeah, it does. But what about
9 recommendations for simplifications? How about
10 recommendations for appropriate amendments for FY 2006?

11 MR. MEITES: In the text?

12 MS. BeVIER: In the text.

13 CHAIRMAN STRICKLAND: In lieu of "simplifications?"

14 MR. MEITES: I think that goes along with Herb's
15 comment.

16 CHAIRMAN STRICKLAND: Okay. Let's consider that
17 change made, then, Charles.

18 MR. JEFFRESS: Yes. I think Mr. Meites raises a
19 good point. I certainly don't think the executive staff or
20 the LSC staff would object at all to that. I think that's a
21 good addition to what was there.

1 The second part, however, is talking about
2 simplifying and streamlining data collection, particularly if
3 there are other agencies or other organizations that have
4 some data collection, we do want to look at ways that we
5 might make it easier for grantees to report data.

6 Well, those are all the changes on the strategies
7 for -- that we will pursue in terms of our strategic
8 directions for the next five years, at least at this point.
9 And again, let me point out, this is not a static document
10 that hopefully you will put on the shelf, but something that
11 will be reviewed on a regular basis and modified and amend as
12 appropriate.

13 There were a number of comments on the performance
14 measures from the public, and I'm happy to go over those. We
15 don't have many changes to recommend to you, but there were a
16 number of comments on the performance measures.

17 Mr. Chairman, let me just defer to you. Is it all
18 right to take another five minutes and go over it?

19 CHAIRMAN STRICKLAND: Before you go there, let me
20 ask you one question about the previous section.

21 MR. JEFFRESS: Mm-hmm.

1 CHAIRMAN STRICKLAND: In reviewing the comments by
2 the Inspector General, I noted an item here under -- well,
3 first, they have a number of good comments that go into
4 detail. But in the summary of the comments from that office
5 on page 144, really focusing on the first three: Ensuring
6 that the mission statement reflects LSC's role as a source of
7 federal funding. Document mission statement for the long
8 term, and then finally, or number 3 is validating Congress's
9 agreement with the mission statement.

10 I don't know how that would be done unless we take
11 the mission statement over there and say, well, what do you
12 think about it? But did you take into consideration those
13 three comments from the OIG?

14 MR. JEFFRESS: We did in fact. And at the end of
15 my presentation, I have a section on just once we're clear on
16 what direction we're going to go, what are some process
17 issues? And this validating the congressional agreement was
18 one of the processes that we have talked about.

19 CHAIRMAN STRICKLAND: Okay.

20 MR. JEFFRESS: We obviously want to get
21 congressional buy-in to this strategic directions we have

1 published as it's been available. But we really would seek
2 an audience with at least the state --

3 CHAIRMAN STRICKLAND: With the appropriate
4 committee?

5 MR. JEFFRESS: With the appropriate committees just
6 --

7 CHAIRMAN STRICKLAND: All right. As long as you're
8 -- I mean, I'm noting that because it may be an important
9 element of the adoption of this strategic plan and so on
10 including a mission a statement. So, as long as you're
11 mindful of that. That's enough. I just --

12 MR. JEFFRESS: I would think your appropriations
13 hearings and your interactions with members of Congress, I
14 hope this will be a document that would be useful to you. So
15 we would want to make sure up front that they are aware of it
16 and understand what's behind it and then buy into it as well.

17

18 And the other ones, I think we talked about the
19 role as source of federal funding, that it is a role. It's
20 not the only role for the organization.

21 The mission statement for the long term, that's

1 shorthand. In the longer document, they talk about not
2 wanting to change the mission statements every time there's a
3 new publication put out. And prior to this, we had a mission
4 statement in our 2000 strategic directions, we had a mission
5 statement in our magazine, we had a mission statement on our
6 website, and they really were all a little different. So I
7 think it's a good admonition here, and let's try to --

8 CHAIRMAN STRICKLAND: Now be consistent?

9 MR. JEFFRESS: Yes.

10 CHAIRMAN STRICKLAND: Okay.

11 MR. JEFFRESS: Other comments with respect to
12 process. Well, let me just talk about the process since
13 there were a couple of comments about that.

14 There was a suggestion from the Inspector General
15 also that the document would benefit from a narrative that
16 described the environment of the milieu we find ourselves in
17 today so that five years from now when people read this
18 document, they'll understand what were the considerations,
19 what were the political winds, what was the currently
20 situation we find ourselves in, why did this Board choose
21 these strategies at this particular period of time?

1 We haven't written that kind of narrative. I think
2 there are a lot of documents available in terms of the
3 Justice Gap study, in terms of articles in our magazine that
4 describe the environment we're in.

5 So we didn't see a need to have an additional
6 document that described the environment we're in right now.
7 But that was one suggestion that might help people in the
8 future understand why these choices were made.

9 There's also a recommendation that we self-assess
10 this plan using a number of government tools the federal
11 government has the Government Performance and Review Act
12 passed by Congress. It has the president's management
13 agenda. There's something OMB has put out called the Program
14 Assessment Rating Tool. The Government Accountability
15 Office, also known as GAO, has guidelines. The IG even
16 mentioned the balanced scorecard measures, which were from a
17 previous administration.

18 There are a lot of various government guidelines
19 and suggestions on how strategic plans, if you will, should
20 be done. And as you will recall at the outset in July,
21 before ever beginning on this, we met with folks from the

1 Office of Management and Budget to discuss the direction we
2 were going.

3 We got from the Department of Justice and discussed
4 with the OMB people the Department of Justice strategic plan
5 and ways in which they did strategies and measures. And so
6 we have made an effort as we have gone along to try to be
7 consistent.

8 Now, these various guidelines from various
9 government agencies are generally more sophisticated than
10 where we are at the moment. This will be the first time that
11 LSC has tried to establish baseline measures and try to do
12 performance measures.

13 With more experience, I think we will get better at
14 this. But I wouldn't want to tell you that, at the moment,
15 that this strategic directions document meets all of the
16 terms and conditions of each of the various strategic plan
17 guidelines of the Office of Management and Budget and the
18 White House and the Government Accountability Office.

19 It is something I think is the right thing to do,
20 and I think the Inspector General's comments are appropriate.

21 That means we should continue to review, you know, best

1 practices in this area, and strive to get our document to be
2 as effective as possible and to meet as much public approval
3 as possible.

4 But at the outset, strove to do that, and we will
5 improve as we go along.

6 CHAIRMAN STRICKLAND: I want to note for the record
7 our appreciation of the comments from the Inspector General.

8 I think these were very helpful, and I found them to be
9 thorough and informative.

10 MR. JEFFRESS: And as I say, we have incorporated a
11 number of their comments at various places and have
12 considered a number of their comments also with things that
13 were discussed both at previous Board meetings and by the
14 executive team over the past six months.

15 The Inspector General at the outset declined to
16 participate in the process, thinking that the Inspector
17 General might at some point need to review the process, so
18 didn't want to be a part of it at the outset.

19 But then right at the end of December, felt like,
20 shouldn't let the opportunity go by without at least
21 registered their observations. And they have been welcome

1 and they have been helpful, as you say, in a number of areas.

2 Let me just mention some of the other kinds of
3 outcome and performance measures that various public
4 commentors mentioned so that I can just tell you about other
5 options that people thought about that we had not
6 incorporated.

7 On page 124, there is one slight change. The first
8 bullet under the measuring the element of responding to more
9 needs, we had recommended to you earlier that we do a --
10 repeat our unable to serve study, which we had done the past
11 year as a part of the Justice Gap report, which you are
12 familiar with, that we repeat that every five years.

13 Several commentors, including NLADA, pointed out
14 that was a really useful study, and in fact produced some
15 really useful information. And limiting ourselves to once
16 every five years may be too limiting. So while we committed
17 to grantees we would not do it regularly, we inserted the
18 words "at least every five years" in the event that this
19 seems appropriate to repeat that study sometime before five
20 years is up.

21 The case service report data. There's still a lot

1 of work to be done, frankly, on our CSR data to know what is
2 really going to be useful in terms of measuring the kinds of
3 cases that the grantees handle and the success with those
4 cases.

5 Mr. Meites's horse race analogy from the last
6 meeting is still very appropriate, and we are still
7 struggling with determining how to determine which horse won
8 that race. But this is still general.

9 A couple of kinds of elements that the Inspector
10 General group thought we might ought to collect data on and
11 think about using in reporting, the number of people served,
12 the percentage, the number of attorney hours spent providing
13 assistance, the number of hours that hotlines were open, the
14 number of hours that offices were open, the funding
15 performance 10,000 poor people in the state, the number of
16 pro bono hours.

17 I think all of those are useful data elements, and
18 we need to look at those and to find what exactly is going to
19 be most useful to us in reporting to you the winners of the
20 horse race. But I can't at this point tell you that we have
21 a real clear vision to give you on these measures, but there

1 are things that will be considered.

2 On page 126, at the last bullet on the page, as a
3 way of measuring the compliance of LSC grantees, the document
4 recommends that we collect and report on the percent of in
5 compliance findings from OCE visits when our compliance folks
6 go out and do compliance checks. We have checklists that we
7 can show to what extent people are in compliance.

8 There was a comment from the Inspector General
9 group that we ought to report on the number of violations,
10 not the percentage in compliance. It's a glass half full,
11 glass half empty kind of approach. Emphasizing the
12 positive I think would be an appropriate thing for the
13 organization to do. It at least would let us show hopefully
14 improvements every year as opposed to highlighting the areas
15 where people made mistakes.

16 So other types of data that -- the Inspector
17 General had some other comments in terms of other types of
18 data that might be useful to collect. The number of
19 significantly improved work processes within LSC. This is on
20 page 127 in terms of measures of efficiency and
21 effectiveness.

1 The numbers of significantly improved work
2 processes. Perhaps LSC should conduct customer surveys,
3 customer satisfaction surveys. The number of reports
4 completed by deadline. The percentage of staff with advanced
5 degrees. The percentage of staff with five-plus training
6 days per year. The diversity of professions amongst LSC
7 staff, and perhaps even aggregate performance appraisal
8 ratings were some of the suggestions from the Inspector
9 General on data that could be collected and reviewed in terms
10 of measuring performance.

11 Obviously, as I say, this is an area where the
12 organization needs to continue to focus and improve. We
13 haven't -- we don't recommend adoption of any of these at
14 this point to you.

15 Mr. Chairman, I think that finally completes my
16 review of all the public comments.

17 CHAIRMAN STRICKLAND: All right. What's the
18 pleasure of the Board with respect to the strategic
19 directions document? We've made some changes in it in
20 sequencing some of the goals and objectives and so on, and
21 suggestions by Tom Fuentes and made some other editorial

1 revisions.

2 And someone made the point that this is a document
3 that's subject to amendment at any time. Isn't that correct?

4 MR. JEFFRESS: Absolutely.

5 CHAIRMAN STRICKLAND: The philosophy by which we've
6 approached this?

7 MR. JEFFRESS: Yes. And, Mr. Chairman, I've just
8 been given a note asking members to please speak directly
9 into the microphones for the recording purposes.

10 CHAIRMAN STRICKLAND: Okay.

11 MR. FUENTES: Mr. Chairman?

12 CHAIRMAN STRICKLAND: Yes, sir?

13 MR. FUENTES: I'd just like to add for the record a
14 bit of echoing of your comment. I thought that the work
15 product here is a very fine one and that the public comment,
16 I for one am very grateful to all those who submitted
17 information to us.

18 I thought in my preparation for this meeting and
19 review of the document, it was very helpful, in particular
20 this multi-page memorandum from the Office of the Inspector
21 General prepared by Tom Coogan and David Maddox deserves

1 special recognition.

2 I thought it was a highly professional assisting
3 guide and outline that paralleled and assisted in the review
4 of the main document, and I'm very grateful for that.

5 I'm a bit softened in my concern by Charles's clear
6 statement to us that he views this an organic document
7 subject to our continued input and change. I do very much
8 believe that we have a great opportunity near on our horizon
9 to see the role and activities of the Corporation in new
10 light, thinking out of the box as a consequence of
11 yesterday's hearing and presentation.

12 And if we have it in mind as a board that we will
13 not hesitate to revisit this document and to share those
14 insights and perhaps adjustments and additions in the future,
15 I would be more comfortable. I will be comfortable with this
16 document.

17 CHAIRMAN STRICKLAND: I think what we should do at
18 this point is consider whether we are ready to adopt a
19 resolution relative to the strategic directions document.

20 And as luck would have it, I have such a resolution
21 here if the Board is -- it's on page 163 of your Board book,

1 as a matter of fact. It's not something that I just made up.
2 It's in your materials.

3 (Laughter.)

4 MR. HALL: One six three?

5 CHAIRMAN STRICKLAND: One six three. And if the
6 Board is ready, I would entertain a motion that we adopt
7 Resolution 2006-001. And I would ask the general counsel
8 whether it is appropriate that we -- is he in the room? That
9 we read into the record the verbatim language of the
10 resolution or whether we can incorporate it by reference, so
11 that we do it --

12 Vic, let me ask you this question. If the Board is
13 ready to do this, we will be adopting a resolution about the
14 strategic directions. Is the better practice for us to
15 incorporate that resolution by reference, or to read it --
16 for me to read it verbatim into the record?

17 MR. FORTUNO: The resolution has a number. You can
18 -- you may. It's a short enough resolution -- read it into
19 the record. But it seems to me that so long as you refer to
20 it by the number that it's been given, it's in the public
21 board book and in the Board's own confidential board book.

1 CHAIRMAN STRICKLAND: All right. I would entertain
2 a motion.

3 MR. FUENTES: Mr. Chairman?

4 CHAIRMAN STRICKLAND: Yes, sir?

5

6 M O T I O N

7 MR. FUENTES: I'd like to make that motion, adding
8 the language after in the last Whereas, a final LSC strategic
9 direction attached hereto, and subject to those changes made
10 at this meeting. And so move.

11 CHAIRMAN STRICKLAND: Okay. As amended?

12 MR. FUENTES: As amended at this meeting or refined
13 at this meeting.

14 MR. GARTEN: Mr. Chairman?

15 CHAIRMAN STRICKLAND: Yes?

16 MR. GARTEN: Isn't that self-evident, and isn't
17 that making it more difficult in that somebody then will want
18 to see the predecessor and the changes that you made? We
19 know the changes that have been final. And the legislative
20 history, so to speak, that you have just spoke about, have
21 been --

1 MS. WATLINGTON: This is Ernestine. Does it need a
2 second?

3 CHAIRMAN STRICKLAND: Well, I don't think we've got
4 the motion yet. Well, let me ask Vic, what is your opinion
5 on that? Do we need -- I'm not arguing against your point.

6 MR. FUENTES: No, I --

7 CHAIRMAN STRICKLAND: I was just inquiring as to
8 what the best practice is. If we simply adopt the
9 resolution, are we adopting what we have amended during the
10 meeting?

11 MR. FORTUNO: I think it's clear from the
12 transcript that what you're voting on is the resolution -- is
13 the strategic directions, a document -- the document with the
14 changes --

15 CHAIRMAN STRICKLAND: That were made during the
16 course of the meeting?

17 MR. FORTUNO: -- that were directed at this
18 meeting. So I don't know that it's necessary.

19 CHAIRMAN STRICKLAND: All right.

20 MR. FORTUNO: I don't know that it hurts, but I
21 don't think it's necessary.

1 CHAIRMAN STRICKLAND: Okay.

2 MR. FUENTES: I'll accept the advice of counsel.

3 CHAIRMAN STRICKLAND: All right. Fine.

4 MR. HALL: I second the motion.

5 CHAIRMAN STRICKLAND: What -- I forgot who made the
6 motion.

7 MR. FUENTES: I did.

8 CHAIRMAN STRICKLAND: You made the motion. Sorry,
9 I apologize.

10 MS. WATLINGTON: Second.

11 CHAIRMAN STRICKLAND: All right. Moved and
12 seconded, then, we adopt Resolution 2006-001, Strategic
13 Directions for Legal Services Corporation for 2006 through
14 2010.

15 Any further discussion on the resolution?

16 (No response.)

17 CHAIRMAN STRICKLAND: All those in favor, please
18 say aye.

19 (Chorus of ayes.)

20 CHAIRMAN STRICKLAND: Those opposed, nay.

21 (No response.)

1 CHAIRMAN STRICKLAND: It passes unanimously. Thank
2 you very much, Charles, for a fine presentation.

3 Let's see if we can cover a few other items before our
4 lunch break, which is about 25 minutes away. The next item
5 is the Chairman's Report, which will be brief.

6 I usually ask Helaine to refresh me on what I've
7 been doing since the last meeting. And I asked her, and she
8 didn't tell me.

9 (Laughter.)

10 CHAIRMAN STRICKLAND: So I'm going to have to go --
11 I'm going to have to wing it. So here's what I recall.

12 I did actually invite myself to the last meeting of
13 the Board of Directors of the Atlanta Legal Aid Society, and
14 they allowed me to attend. And it was sort of an old home
15 week.

16 I served on the board of that organization back in
17 the mid-1980s. It's in my view one of the outstanding legal
18 services offices or programs in the country, and under the
19 able direction of Steve Gottlieb, is continuing to do good
20 work.

21 There were a couple of people at that meeting who

1 were fellows from one or more law firms. I do motion one I
2 think was from Hunton & Williams, the typical fellow program
3 where the person is being paid by the law firm to do full
4 time work at the Atlanta Legal Aid Society. So that's a
5 concept that's alive and well in that program.

6 And more recently, Helaine and I and Tom Hogar met
7 with, as it turned out, the staff, staff persons of Senator
8 Thad Cochran of Mississippi, chairman of the Senate
9 Appropriations Committee. And also through the good efforts
10 of our Board nominee, Sarah Singleton, we met with the chief
11 of staff of Senator Pete Domenici of New Mexico.

12 And I'm pleased to report that the reception we
13 received in both offices was very cordial and supportive.
14 So, we hope to get some good assistance and support from both
15 of those senators as we move into the budget process later
16 this year.

17 And that concludes the chairman's report. So now,
18 are there any reports from individual members? Rather than
19 go around the table, if you would just speak up if you have
20 something. Tom?

21 MR. MEITES: I was asked to appear before the board

1 of the Chicago Bar Association to discuss our report on the
2 Justice Gap. Various entities in Illinois had prepared
3 earlier in the year a report on the Illinois Justice Gap, and
4 they were interested as to the results we found.

5 I reported that our staff's own work had
6 corroborated what the Illinois study had done, and I then
7 explained our efforts to seek budgetary increases over a
8 five-year period to close at least our funding gap, but made
9 absolutely clear that since roughly half of the monies for
10 legal assistance in the United States are generated by
11 sources other than through the Legal Services Corporation,
12 that every dollar we get increased has to be met by local
13 efforts. And they thanked me for the report.

14 CHAIRMAN STRICKLAND: Reports from any other
15 members? Herb?

16 MR. GARTEN: Yes. Just to give you some insight as
17 to what's being done at the local level, just last week I
18 attended the Legal Aid Bureau, which is the sole recipient of
19 our funds in the state of Maryland.

20 Has done a remarkable job in fundraising,
21 principally through lawyers, law firms, but also a good

1 number of corporations. This organization, the Legal Aid
2 Bureau, their private fundraising a few years ago was between
3 \$5,000 and \$10,000 a year. They now are raising -- I think
4 the figure I heard was about \$700,000 to \$800,000 a year.

5 And this function they had at a local museum last
6 week, there were probably 150 lawyers primarily. There might
7 have been a few business leaders, was an event they have each
8 year for contributors of \$1,000 or more to their annual
9 campaign.

10 Then they follow that up in about two months with
11 their annual drive, a luncheon -- actually, it's an early
12 breakfast meeting at Camden Yards, where they do the kickoff
13 campaign.

14 Now that type of fundraising has been replicated by
15 a number of organizations. I might have reported on this
16 previously, but the Pro bono Resource Center of Maryland, a
17 separate corporation, and is the pro bono arm of Maryland
18 State Bar Association, which is a voluntary organization of
19 about 25,000 lawyers, this small corporation with its own
20 board had a fundraiser, and I happened to be a co-chair of
21 it.

1 I only raised -- we only raised net of about
2 \$40,000, but they were delighted. That was big money for
3 this particular organization. And we had a very, very nice
4 attendance and an evening, formal affair, at the new African-
5 American Museum in downtown Baltimore.

6 So we see that the individual organizations in
7 Maryland, and there are 28 organizations that receive funding
8 from Maryland Legal Services Corporation, which -- the funds.

9 And the Legal Aid Bureau receives about half of their funds
10 from Maryland Legal Services also, have gone out on their own
11 to raise funds, and a lot of the success is attributable to
12 that mandatory reporting that I referred to yesterday.

13 So we're pleased in what we're doing locally in
14 Maryland. I have attended DISGLADE* meetings, and there's
15 one coming up I think within the next two weeks, as a special
16 advisor to DISGLADE*, and it's a wonderful committee, a
17 premier committee of the American Bar Association.

18 And there's a lot going on. And I think our
19 organization, Legal Services Corporation, can do a lot in
20 this area. And I agree that yesterday was an eye opener for
21 me in connection with what they're doing with the large law

1 firms. And the panel was exceptional, and I'm pleased that
2 you I think have ordered part of it to be transcribed, at
3 least as I recall, some part of it.

4 CHAIRMAN STRICKLAND: Yes. We do intend to -- it's
5 always transcribed.

6 MR. GARTEN: Yeah. But perhaps we'll get part of
7 it published.

8 CHAIRMAN STRICKLAND: It may be -- we may need to -
9 -

10 MR. GARTEN: Or actually printed out.

11 CHAIRMAN STRICKLAND: -- to send out separately.

12 MR. GARTEN: Yes.

13 CHAIRMAN STRICKLAND: Thank you for that report,
14 Herb. Any, Tom?

15 MR. FUENTES: Mr. Chairman, I would report to the
16 Board that it was my pleasure since last we met to receive
17 two distinguished members of the United States Congress out
18 in California in our community, not from our community, but
19 Speaker Dennis Hastert and Chairman Tom Reynolds, who came to
20 visit.

21 And on both occasions had the opportunity to share

1 one-on-one time with them in cordial and encouraging
2 discussions. And I never cease to be amazed that they keep
3 track of the activities of folks in the vineyards, knowing
4 who sits on boards like the LSC. And it was a good
5 opportunity to renew those congressional contacts, and I'm
6 sure to the benefit of LSC.

7 Thank you.

8 CHAIRMAN STRICKLAND: Thank you, sir. Any other
9 member reports?

10 (No response.)

11 CHAIRMAN STRICKLAND: Okay. Helaine, we're ready
12 for the President's report. Is it of an appropriate length
13 that we can get that in before lunch?

14 MS. BARNETT: I will speak very quickly, and we
15 will finish before lunch.

16 CHAIRMAN STRICKLAND: We're not trying to rush you.
17 I just wanted to confirm that you had enough time.

18 MS. BARNETT: Thank you so much. I'm pleased to
19 have the opportunity once again to share with the Board a
20 number of recent developments at LSC and to inform you of the
21 update of several of our initiatives and my activities since

1 the last Board meeting on October 29th.

2 With regard to our fiscal year '06 appropriation,
3 on December 21st, the Senate passed the conference report on
4 the FY 2006 Defense Appropriations bill, which included a 1
5 percent across-the-board cut to almost all FY06 discretionary
6 spending, including LSC's appropriation.

7 The House had previously passed the conference
8 report on December 18th. Funding for LSC in fiscal year 2006
9 will be \$326.5 million, a reduction of 2.8 percent, or
10 approximately \$4.5 million from fiscal year 2005 funding.

11 We are disappointed with this result, which marked
12 the third year in a row that Congress approved level funding
13 for LSC, only to see the appropriation subsequently reduced
14 to a nondiscriminating across-the-board cut.

15 On January 5th of this year, President Bush signed
16 into a law a bill we authorized named the Violence Against
17 Women Act for fiscal years 2007 through 2011. First passed
18 in 1994, VAWA, as it's known, improved the law enforcement
19 response to certain kinds of violence and made urgently
20 needed services available to victims.

21 Of interest to the legal services community is

1 Section 104, entitled Encouraging Crime Victim Assistance to
2 Legal Services. This provision would allow LSC-funded
3 programs to use both LSC and non-LSC funds to provide legal
4 services to victims of domestic violence, sexual assault, or
5 human trafficking, regardless of their immigration status, so
6 long as the services provided are directly related to
7 preventing further violence or securing relief from past
8 violence.

9 Previously, under an amendment to LSC's fiscal year
10 1997 appropriation, LSC-funded programs could only use non-
11 LSC funds to provide these services to otherwise ineligible
12 aliens. Second, it expands VAWA protection to all victims of
13 domestic violence, not just spouses. Third, recipients may
14 now also provide related legal assistance to those
15 individuals.

16 We are in the process of developing a program
17 letter to provide additional guidance to our programs on the
18 application of the new provisions of the law.

19 With regard to this year's competitive grant
20 process, LSC received 35 qualified grant applications for 58
21 service areas in 22 states, American Samoa, the District of

1 Columbia, Guam, Micronesia, and the Virgin Islands, which
2 were all in competition.

3 LSC received two grant applications for the
4 statewide service area in New Hampshire. The Legal Advice
5 and Referral Center, the currently LSC grantee for the
6 service area, submitted one of the applications. And
7 Community Legal Services, a new applicant, submitted the
8 other application.

9 Following a thorough review of the applications and
10 consultation among the staff reviewer, the director of the
11 Office of Program Performance, and the vice president for
12 Programs and Compliance, the Community Legal Services
13 application was determined to be unresponsive to the LSC
14 request for proposals and was rejected because it did not
15 demonstrate that the applicant was or would be part of the
16 delivery system that would provide a full range of service to
17 the client community in New Hampshire. The grant for three
18 years was award to the Legal Aid and Referral Center.

19 Three-year grants were awarded for service areas in
20 competition in 21 states and three territories. A two-year
21 grant was awarded with specific grant conditions in the

1 District of Columbia. A one-year grant with special
2 conditions was awarded to American Samoa. And a one-year
3 grant was awarded to the Legal Aid Society of Hawaii.

4 LSC also received 103 grant renewal applications
5 from 33 states and Puerto Rico. All were renewed for full
6 funding with the exception of Wyoming, which was placed on
7 month-to-month funding with specific grant conditions for
8 program compliance and performance issues.

9 Special grant conditions, in addition to the grant
10 assurances that apply to all grants, were attached to ten
11 grant awards. Five received the special grant conditions for
12 a merged or consolidated service area, and five had new grant
13 conditions imposed based on issues of program quality,
14 performance and compliance.

15 In 2004, just as a comparison, there was a total of
16 five programs that received grants with special conditions.
17 And so we doubled the numbers of special grant decisions this
18 year.

19 You will hear from a report of the chair of the Ops
20 and Regulations Subcommittee that we held two regulatory
21 workshops at LSC. One on December 13, which was dealing with

1 the prohibition against discrimination on the basis of
2 handicap, was attended by 11 persons including four --

3 MS. WATLINGTON: I was on the call and I dropped my
4 telephone.

5 MS. BARNETT: Did you get it back, Ernestine?

6 MS. WATLINGTON: Yes. I was trying to get back on
7 the line.

8 MS. BARNETT: You're on the line.

9 MS. WATLINGTON: Is anyone in there?

10 MS. BARNETT: We're all here, and it's Helaine
11 Barnett giving the report of the president.

12 MS. WATLINGTON: I beg your pardon?

13 MS. BARNETT: Everybody is here, and I, Helaine
14 Barnett, am giving the report of the President to the Board
15 right now.

16 MS. WATLINGTON: Oh, okay, Helaine. This is
17 Ernestine.

18 MS. BARNETT: Thank you so much.

19 MS. WATLINGTON: Thank you.

20 MS. BARNETT: I'll continue then and hope that you
21 will hear me.

1 MS. WATLINGTON: Okay.

2 MS. BARNETT: The second regulatory workshop was
3 involved with client grievance procedures. It was attended
4 by 16 participants, including --

5 MS. WATLINGTON: Right. That's was what I was
6 trying to get to. They were discussing the grievances of the
7 --

8 MS. BARNETT: Yes. Well, we had a regulatory
9 workshop, and Tom Meites will report more as to what the Ops
10 and Regs Committee did at that meeting.

11 MS. WATLINGTON: Okay. What are they doing right
12 at this particular time?

13 MS. BARNETT: Well, I will defer to that and let
14 Tom Meites at the appropriate time give the report, and I
15 will only tell you at this point that we had a good
16 attendance, 16 participants, including 10 outside
17 participants, two of whom were client representatives.

18 On December -- excuse me. On November 2, we had an
19 all staff meeting to provide LSC staff with an update on our
20 Board of Directors meetings and on recent developments.

21 We also presented above and beyond awards to two

1 employees in recognition of their excellence within the
2 context of their job, and who have performed extraordinary
3 service during this past year, well above and beyond their
4 regular duties. They were Sylvia Hart*(sp), our Human
5 Resources Administrative Specialist, and Michael Genz, our
6 Director of the Office of Program Performance.

7 MS. WATLINGTON: I know on the paper you had said
8 that it would be presented to the Board members there at the
9 meeting. Since I didn't come, is it possible to get that
10 paper?

11 MR. JEFFRESS: Yes, Ms. Watlington. This is
12 Charles Jeffress. That report was handed out at the
13 Provisions Committee yesterday.

14 MS. WATLINGTON: Right. Is it --

15 MR. JEFFRESS: Ops and Regs Committee yesterday.

16 MS. WATLINGTON: -- possible to get it mailed to me
17 or something?

18 MR. JEFFRESS: We will fax it to you.

19 MS. WATLINGTON: Okay. And so right now are they
20 in a break?

21 MS. BARNETT: No. I am still talking, but I will

1 shortly be finished, and then they will go into a break.

2 MS. WATLINGTON: All right.

3 MS. BARNETT: Thank you.

4 MS. WATLINGTON: I'll hold on, right?

5 MS. BARNETT: Thank you. Yes. Karen Sarjeant, our
6 Vice President for Programs and Compliance, convened our
7 first offsite office retreat attended by all staff from the
8 Office of Program Performance, Office of Compliance and
9 Enforcement, and Office of Information Management, which
10 spanned three days, beginning on November 3 and 4, and
11 concluding on November 29th at LSC.

12 The purpose of the retreat was to review LSC's
13 proposed strategic directions and to discuss the role and
14 work of each of these offices in implementing them, as well
15 as to explore ways in which the three offices, which are the
16 Corporation's core group, can work more closely and
17 effectively together.

18 As you know, Luis Arameo*(sp), the deputy director
19 of California Rural Legal Assistance since 1996, who is with
20 us here today, agreed to take a three-month leave of absence
21 from his program beginning November 7th to serve as acting

1 special counsel to the president. Most of you remember
2 meeting Luis during our board meeting in Monterey. Early in
3 his career, he has been executive director of the LSE grantee
4 in El Paso, and in private practice for a number of years.

5 In my opinion, Luis is extremely well regarded by
6 all in the legal services community. He is very thoughtful,
7 moderate in his approach, universally respected, and brings
8 to bear the program perspective. I feel fortunate to be able
9 to avail myself of his sound judgment, wise counsel and
10 extensive program experience for more than 20 years.

11 With regard to our quality agenda, Karen Sarjeant
12 and I had a meeting with representatives of the National
13 Association of IOLTA Programs while we were attendance at the
14 NLADA annual meeting in Orlando, to get their input into our
15 quality conversation. And we have scheduled another meeting
16 with this group at the end of March in Philadelphia,
17 preceding the annual Equal Justice Conference.

18 We are exploring areas in which our work merges,
19 and ways in which we can all be more effective in our work
20 with programs that receive both LSC and IOLTA funding.

21 After many months of extremely detailed and

1 conscientious hard work by LSC staff and our Performance
2 Criteria Advisory Committee, we are close to finishing the
3 revisions to the document and presenting a substantially
4 updated and final product.

5 The centerpiece of our quality agenda is the LSC
6 Performance Criteria, which provides detailed guidance to LSC
7 programs regarding the expected standards to be applied to
8 the delivery of legal services and the operation of their
9 offices.

10 Because the Performance Criteria have not been
11 revised since their development in the early 1990s, the
12 process of updating them took longer than expected. However,
13 we are quite pleased with the revisions and believe they more
14 accurately reflect the standards to guide how our LSC
15 programs operate in today's legal services environment.

16 Professor David Hall, chair of the Board's
17 Provision Committee, is the Board liaison on the project and
18 also provided us with his suggestions.

19 Since our last Board meeting, we solicited and
20 received comments from LSC program executive directors,
21 representatives from several IOLTA programs from the

1 Management Information Exchange and others. We are pleased
2 with the scrutiny that was given to our draft by these
3 reviewers, and we will update the Provisions Committee at its
4 meeting in April as to the changes we have made based on
5 those reviews.

6 The Pilot Loan Repayment Assistance Program is very
7 close to being able to send out the first round of LRAP
8 checks. As you will remember, in making the selection of the
9 programs to participate in this project, we looked at each
10 program's need for LRAP assistance and considered the
11 recruitment and turnover challenges facing each program.

12 Once we selected the 15 participating programs, we
13 then had to solicit applications from eligible attorneys
14 within those programs, and from those eligible, to apply for
15 positions within those programs.

16 The processing of the LRAP applications has taken
17 much longer than we also anticipated, due to the large number
18 of applications that lack the proper documentation and the
19 complexity of the financial calculations.

20 We are, however, completing our analysis of
21 participating attorney applications and determining the

1 amount of the LSC payment. We plan on making payments to
2 eligible attorneys in early February after receipt of their
3 signed promissory notes. And the payments will be
4 retroactive till October 1 of 2005.

5 The orientation of first group training for the
6 mentors and protegees in the LSC's Leadership Mentoring Pilot
7 Project, I am pleased to report took place November 14 and 16
8 in Orlando, preceding the start of the NLADA conference.

9 We also announced the individual pairings of
10 protegees with their mentors. This training event was
11 jointly sponsored by LSC, MIE and NLADA. We also had a
12 training component including a leadership challenge inventory
13 and team-building exercises.

14 Additionally, mentors and protegees worked together
15 in the development of each protegee's leadership action plan.

16

17 In between the formal training session, the mentors
18 have specific responsibilities with their assigned protegees.

19 As you recall, the pilot combines elements of both group
20 mentoring with one-on-one mentoring.

21 The second training event will be a combination of

1 a one-day mentor-protegee event, and participation in the MIE
2 conference on Leading From The Middle, which will take place
3 March in San Antonio, Texas, and the third and final training
4 event will precede the NLADA conference in Charlotte, North
5 Carolina, this November.

6 Since my last report to you, LSC staff has
7 completed a pilot joint visit in November to West Tennessee
8 Legal Services. Pilot visits combine the expertise of staff
9 from the Office of Compliance and Enforcement and the staff
10 from the Office of Program Performance.

11 Both LSC staff and our recipient programs continue
12 to find these visits to be of value. I am very pleased that
13 the initial evaluation of the eight joint visits completed
14 this year has indicated that not only has it had the desired
15 effect of having the two offices work more closely together,
16 but in fact, both offices see a value in evaluating a program
17 together.

18 The valuation has also identified some areas that
19 need more development, and we contemplate the continued use
20 of joint visits.

21 Earlier this week, I attended the first day of our

1 annual Technology Initiative Grants Conference in Austin,
2 Texas. As you know, we hold this conference at the beginning
3 of each TIG year to bring new and continuing TIG grantees and
4 other interested LSC programs together. It is in fact the
5 only national technology conference for legal services.

6 TIG grantees have the cost of attending the
7 mandatory conference withheld from their grant. This year,
8 there were just under one hundred participants. About one-
9 third of the participants paid their own cost to attend,
10 because although they are not currently TIG grantees, their
11 programs value the ability to network with the participants,
12 and they value the information available at the conference.

13 For three days, the conference attendees work with
14 each other and participate in workshops on the latest trends
15 and technologies in issues specific to implementation of
16 their grants, including a session on how to evaluate their
17 grants and report information to LSC.

18 Without question, the TIG program attracts some of
19 the most energetic, creative and innovative thinkers in the
20 legal services community, who are using their talents to find
21 ways to manage and deliver legal services and information

1 more effectively and efficiently.

2 I gave the opening remarks and held a luncheon
3 discussion on the first day, seeking input on our development
4 of a technology strategic plan, ways to more closely
5 integrate the TIG work with the ongoing work of programs and
6 ideas on what we should be focusing on in our evaluation of
7 the TIG program that is currently underway.

8 The Katrina conference calls hosted by LSC continue
9 to be an effective tool for sharing up-to-date information on
10 the many issues that programs are identifying in their work
11 on behalf of clients affected by last year's hurricanes.

12 As expected, programs are seeing demand for legal
13 assistance increasing, as FEMA assistance is being denied,
14 and temporary housing at hotels, for example, is being
15 improperly terminated to make room for more lucrative
16 businesses created by football games and other big events.

17 Cases involving insurance issues, unemployment
18 claims are now developing. And programs are expecting to see
19 more foreclosures, bankruptcies and family law cases.
20 Eviction defense is a significant issue as the housing
21 market, rental floor prices jumped and low income people are

1 being forced out.

2 The Katrina website, which was launched on
3 September 27 of 2005, as a collaborative project of the ABA,
4 LSC, NLADA and Pro Bono Net, has registered so far close to
5 33,000 page views and nearly 13,000 library downloads through
6 the end of the year.

7 Of the three sections, one for people who need
8 help, one for programs and advocates, and one for pro bono
9 volunteers, not unsurprisingly, LSC's hosted section for
10 people who need help has received the top page views.

11 Our grantee, Legal Services of North Louisiana, has
12 been awarded a grant of \$94,000 from the AARP Foundation to
13 provide legal assistance to evacuees of Hurricanes Katrina
14 and Rita who are age 50 or above. The grant is for one year
15 from January 1 of this year through December 31.

16 I think I had shared with you that we had sent a
17 memorandum to all executive directors in the beginning of
18 September on LSC's guidance to programs response to Hurricane
19 Katrina. Because we recognized the issues discussed in that
20 memorandum will have impact on LSC programs for several
21 years, we updated the information and issued it as a program

1 letter on December 8th.

2 On November 15th through 20th, I attended the NLADA
3 Annual Conference in Orlando, Florida. During the week, I
4 attended several meetings and events, including a dinner
5 meeting with the mentors and proteges selected to
6 participate in LSC's pilot leadership mentoring program,
7 along with Karen Sarjeant.

8 We had a lunch meeting with members of the newly
9 constituted LSC Leadership and Diversity Advisory Committee,
10 to solicit their input on our mentoring project.

11 We also held a quality conversation with a group of
12 IOLTA directors.

13 I participated in the hearing on the ABA standards
14 for providers of legal services to the poor, and the task
15 force meeting to revise the standards, and participated in a
16 session on state justice communities.

17 On Saturday, I gave an update on LSC activities,
18 attended the SCLAID meeting where I also gave an update.

19 I also attended the first in-person meeting of the
20 newly formed ABA access to justice task force on Sunday,
21 along with Board member David Hall, who is also a member.

1 The mission of that task force is to address the
2 serious issue of how we can improve access to civil justice
3 for the millions of poor people who each year are unable to
4 obtain health.

5 For your information, LSC will be hosting the next
6 meeting of the ABA's access to civil justice task force at
7 LSC's office this coming Monday, January 30th.

8 I'm nearly finished.

9 At the invitation of the Southern Minnesota
10 Regional Legal Services Office, I delivered the keynote
11 speech on November 22 at the sixth annual luncheon
12 celebration of its campaign for legal aid, attended by
13 approximately 350 lawyers, judges, bar leaders, and other
14 members of the Minnesota access to justice community.

15 The purpose of the event was to raise awareness of
16 the program and the importance of legal aid services to the
17 justice system, as well as to celebrate their annual fund-
18 raising campaign.

19 The luncheon also honored the head of the Minnesota
20 Association of Realtors for his help in achieving a \$4
21 increase in real estate filing fees to generate increased

1 state revenue for Minnesota's legal services program.

2 As part of my visit to Minnesota, I attended a
3 reception Monday evening with the members of the SMRLS board,
4 the judiciary, and other bar leaders.

5 On Tuesday morning, I visited the SMRLS program
6 office, met with the staff to hear all of the wonderful
7 accomplishments of the program and the successful results
8 that they have achieved for their clients under the excellent
9 leadership of Bruce Beneke, their longstanding executive
10 director.

11 On December 16, Karen Sarjeant and I visited the
12 Neighborhood Legal Services Program of Washington, D.C. and
13 met with their staff and board members.

14 The purpose of our visit was to share information
15 about the initiatives LSC will be undertaking in 2006 and the
16 role of Neighborhood Legal Services Program as the only LSC-
17 funded grantee in the nation's capital. The program is
18 celebrating its 40th anniversary this year.

19 We were very impressed with the leadership by
20 interim director Guy Lescault and the legal work being done
21 by the staff.

1 The program's partnership with Covington & Burling,
2 which since 1969 has paid for two associates, one paralegal,
3 and one secretary to work full-time in the program for six
4 months is noteworthy.

5 During our visit, we were told that this was the
6 first time an LSC president had ever visited the program.

7 On December 2, LSC completed a year-long project
8 coordinated by our Office of Government Relations and Public
9 Affairs and the Office of Information Technology and launched
10 a brand new version of our LSC website, lsc.gov.

11 The new website has met with universally favorable
12 reviews, and I hope you have all had a chance to review it.

13 One sad note. The Selma office building of Legal
14 Services of Alabama had a devastating fire on December 22,
15 but fortunately all LSC staff is fine. It now appears the
16 fire caused a total loss of the building and its contents.

17 The program is working with its insurance company
18 and is keeping us updated on the status of the claims
19 process.

20 Immediate steps were taken to relocate effective
21 staff to other program offices and public announcements were

1 made to advise existing clients of how to conduct the
2 program.

3 Because the program had established a statewide
4 disaster hotline with significant technical assistance from
5 LSC program counsel Cheryl Nolan in the wake of the 2005
6 hurricanes, they were able to expand the use of the hotline
7 to cover new intake calls that are now disaster related.

8 Finally, the winter edition of LSC's Equal Justice
9 Magazine has been published and we have copies available for
10 each of you at your places.

11 And I will simply close by saying we ended the year
12 with our annual LSC holiday celebration, which included a
13 bountiful buffet, games, raffles, a wonderful display on the
14 different cultural holiday celebrations, including Christmas,
15 Kwanzaa, Chanukah, and Eid Al Adha. The celebration took
16 place at LSC during an extended lunch period.

17 And so, from this report, you can see that we have
18 had a very busy and productive three months since our last
19 Board meeting.

20 CHAIRMAN STRICKLAND: Agreed. Agreed.

21 Does anyone have any questions for Helaine?

1 (No response.)

2 CHAIRMAN STRICKLAND: Thank you for that very
3 informative report, and it's very clear you've been quite
4 busy.

5 And I speak for myself. I don't understand how you
6 do as much as you do. So keep up the good work.

7 MS. BARNETT: I have great help. Thank you.

8 CHAIRMAN STRICKLAND: All right. We're at our
9 lunch break here, about five or six minutes past 12:00, so
10 we'll take our lunch break now and resume at about the same
11 time after 1 o'clock, or as close to 1 o'clock as possible.

12 (Whereupon, at 12:06 p.m., a lunch recess was
13 taken.)

14

15

16

17

18

19

20

21

1

2

3

4

5

6

7

8

9

10

11

1 You'll be able to go in and find my presentation on
2 our web page by the end of next week.

3 In putting together my work plan, I requested from
4 the LSC Board suggestions, from LSC management, from the
5 Congress, as well as from my own staff.

6 I received a number of suggestions, some of which
7 are incorporated in the work plan, some of which are not,
8 just based on, as you'll find and see, how we go about
9 determining what we do and we don't do.

10 We go through a risk assessment process in terms of
11 accessing the risk, and it's really sort of a balancing that
12 goes on.

13 We have to look at the legal requirements under the
14 law, what we're required to do, which would include the area
15 of grantee compliance, and we have to consider Board or
16 congressional interests, the issue of whether there's
17 potential fraud, waste, abuse, or mismanagement, factor in
18 things such as potential savings, whether the issue is one
19 that's time-sensitive or whether it can be put off for
20 another year, whether it's an issue that we would think would
21 be of public interest, and whether it's an issue that could

1 result in improvements in economy, efficiency, or
2 effectiveness of LSC operations or grantee operations.

3 After having done all that, then we have to
4 consider things like do we have the available staff, what is
5 the actual cost of it in terms of is it travel intensive,
6 does it require research costs, does it require the cost of
7 consultants, the length of time to complete a project, as
8 mentioned before whether that work can be deferred.

9 Our methodology is taking what our current
10 appropriation is coupled with the carryover and trying to
11 employ an activity based costing approach in which we look at
12 the projects, estimate the number of hours each project will
13 take, and then estimate what our resources are, and put
14 together the plan.

15 However, putting together a plan has to take into
16 effect the subject of modification based on a board,
17 congressional, or management request for other work. That
18 came up last year, and I wouldn't be surprised if it comes up
19 this year.

20 Work that we have in progress is a congressional
21 request from our subcommittee oversight chair, Mr. Cannon,

1 that we investigate a grantee's compliance with the LSC Act
2 and restrictions.

3 We are currently doing a Board and officer travel
4 audit.

5 I think last year we found a couple things where
6 things could be improved, and I'm hopeful that we find that
7 the improvements have resulted in more transparency, that the
8 work, by the way, helps support next year's financial
9 statement audit, so it's work that would have to be done
10 anyway.

11 We are doing an audit of the Office of Program
12 Performance as well as an audit of the Office of Information
13 Management.

14 We are also having staff that is currently working
15 to identify documents that may be relevant pursuant to the
16 Oregon lawsuit, relevant OIG documents.

17 We have some work that's in the final stages, which
18 is responding, where the audits have already been issued and
19 we're responding to management's comments.

20 That would be the audit of Office of Compliance and
21 Enforcement; the tenant improvement allowance; the LSC speeds

1 needs; and trying to finish up the mapping project.

2 Unfortunately, Dave Maddox is so spread out in
3 terms of doing a number of things, coupled with our
4 contractor who did the mapping, has found that the Department
5 of Homeland Security pays a lot more money than we do and
6 they have a tremendous need for him, so he's really been very
7 difficult to help us finish things out.

8 This is the project that we will be turning over to
9 management.

10 We've had preliminary discussions, but it sort of
11 fits in I think with what the Board was talking about in
12 terms of potential uses of technology, you know, in our
13 Strategic Directions discussion.

14 Work that is planned:

15 We will be doing a capping report of overall
16 effectiveness of LSC's oversight of grantees, and that will
17 be taking the OCE, the OPP, and the OIM audit and sort of
18 looking at them, sort of to provide the Board a big picture.

19 We also will now be developing our own strategic
20 plan based on the Board's adoption of the Strategic
21 Directions for the Corporation with a goal that our strategic

1 plan will align with that of the Corporation, and when we
2 have a draft, I would like to share it with the Board and get
3 their suggestions and inputs so that, you know we have the
4 best possible plan.

5 We, too, will be trying to work on measures, and I
6 think as Charles indicated, it's very difficult to get
7 measures, but that's part of our goal is to get measures of
8 our strategic plan.

9 Time permitting, we will also, in terms of staff
10 hours, want to sort of look at the 10th anniversary of the
11 restrictions in the current LSC practices.

12 I know I mentioned that a year ago. We really
13 haven't been able to start it. I just don't know if we're
14 going to have the resources to do it.

15 It's a pretty large undertaking, and it really
16 requires legal staff to do this, and my legal staff is really
17 not available to do it at the moment, because of other
18 pressing work.

19 In terms of our planned work that also is in the
20 area of compliance, and that's what's pretty much mandated by
21 Congress, which is reviewing the IPA reports.

1 We now have 138 grantees, so that means times
2 three, because we get a financial statement audit, we get an
3 internal control audit, and we get a compliance audit, and we
4 review all of those, look for instances, you know, issues
5 that are raised by the IPAs.

6 In addition, as I think I've briefed at previous
7 meetings, we have oversight of the IPAs.

8 I'm not going to be able to do the amount of
9 oversight I'd like to do just simply because of resources,
10 but we will be going and visiting some of the IPAs and
11 looking at their workpapers and looking for areas that they
12 could improve efficiencies in the process.

13 As part of that, we are revising the Audit Guide
14 and Compliance Supplement, which is used by the IPAs in the
15 field.

16 We're doing some pretty technical things right now.

17 When we do the substantive revisions, that will be shared
18 with management to have discussions to make sure we're, you
19 know, we're identifying the right compliance issues. So that
20 is still in progress.

21 We will be doing on-site monitoring of grantees, as

1 based on the information we get and based on available
2 resources.

3 We of course have the investigations function, and
4 that's kind of dependent upon what walks through the door.

5 We had one pretty good case, but it basically got
6 -- the hurricane took care of that, took care of all the
7 records, so that case has been pretty much closed.

8 We will have our statutory responsibility of
9 reviewing LSC's regulations and policies, and I -- you know,
10 we spent a lot of time working with Charles Jeffress on the
11 Strategic Directions, which I think was a very positive
12 experience for both parties, and I think we had a very good
13 dialogue, and it's the model I'd like to see down the road in
14 terms of reviewing policies and regulations, that we have
15 these kinds of dialogues before we ever end up doing memos,
16 which sometimes is unavoidable. We'll have differences of
17 opinion.

18 But I think the process of these informal contacts
19 has been very positive, and it makes for a better product for
20 the Corporation.

21 We will, of course, be overseeing the financial

1 statement audit. We will be competing the contract.

2 We've used the same CPA firm for the last several
3 years, and I think consistent with the recommendations of
4 Sarbanes-Oxley, you're really better off changing your public
5 accountant.

6 That's assuming others will be interested in the
7 work, because it's not a particularly large contract.

8 And of course, we will issue in the next year two
9 semi-annual reports to Congress.

10 Work that has been deferred, that we just simply
11 can't do, that's sort of like on a wish list, is I would
12 really like to look at the whole Sarbanes-Oxley concept and
13 see its applicability to Legal Services Corporation. I don't
14 have the resources to do it.

15 The American Institute of Certified Public
16 Accountants actually has put out guidance for non-profit
17 corporations, and that's something that I've looked at. We
18 just don't have the resources to pursue it.

19 But that's in part where the idea of an audit
20 committee came up from our recommendations during discussions
21 of Strategic Directions.

1 We would like to at some point review the LSC
2 resource management system; review the human capital system;
3 look at the Office of Information Technology, particularly
4 from the vulnerability standpoint in terms of could someone
5 potentially hack into our system, are there things they can
6 get in there?

7 There are resources to do that, but we don't have
8 the time to do it right now, but there are people who even
9 do, you know, penetration testing, not that we don't quite
10 have the same national security information, but we'd still
11 like to make sure we have a secure website.

12 As I've mentioned before, we'd like to do intensive
13 review of the IPAs, but I don't have the resources to do it.

14 I'd also like, sometime down the road, to develop
15 metrics to assess the effectiveness of LSC and grantee
16 operations in accordance with OMB's program assessment rating
17 tool.

18 It's one of the things that was mentioned by Mr.
19 Jeffress, and it's the current scorecard that the White House
20 is using to determine what programs should or should not be
21 funded, whether they should get increased funding.

1 As I mentioned to Chairman Strickland during the
2 break, the president, last year in his budget, recommended
3 zeroing out 45 programs that couldn't show that they were
4 effective. They didn't meet these measurements.

5 They have not yet extended that to organizations
6 such as Legal Services Corporation, but if the MBA approach
7 to the Office of Management and Budget continues, at some
8 point that's going to come upon us, and I think the Strategic
9 Directions is a good step to be ready for when that happens,
10 that will say, "Here we have it, we have something to
11 measure."

12 We'd just like to, you know, as Mr. Jeffress said,
13 you know we're sort of in our infancy, but we would like to
14 help, you know, move further along in that direction.

15 So that's sort of the work plan, as well as the
16 work I'm not doing, don't have the capabilities to do.

17 And just keep in mind in terms of even what I'm
18 saying is the 2006 work plan, there could be intervening
19 events that are unknown to us right now.

20 So I don't know if the Board has any questions
21 about the work?

1 CHAIRMAN STRICKLAND: Tom.

2 MR. FUENTES: Mr. Chairman, thank you.

3 Kirt, on Page 9, you use the term "capping report."

4 Can you help me with a definition there?

5 MR. WEST: That's a summary report.

6 In other words, we put a cap on. We're going to
7 have several individual audit reports, but it's tying it all
8 together.

9 So while we're doing an audit, we're finishing up
10 the Office of Compliance Enforcement audit, we're in the
11 process of doing an Office of Program Performance and Office
12 of Information Management, when we finish it up, we may say,
13 "Well, here are some overlaps and here are some gaps in terms
14 of the overall working of the Corporation."

15 And in that report, I will say we will have to put
16 a -- we're also going to look at what we do, put that in
17 there, and we will note in the course of putting that capping
18 report out there we do have sort of an impairment, as, you
19 know, we can't be completely objective, because we're talking
20 about ourselves, and that will be noted in that report.

21 MR. FUENTES: On Page 12, you give us a good

1 forewarning here on the applicability of Sarbanes-Oxley.

2 While you don't have something to report in the
3 near horizon, I wonder have these resources that you've
4 identified, like the national accounting organization that is
5 preparing information, if you might be able to sooner rather
6 than later get us some general information?

7 I mean, I have seen Sarbanes-Oxley referred to any
8 number of times, and maybe my colleagues are far more
9 knowledgeable about Sarbanes-Oxley than I am, but I see it in
10 headlines all the time, and I don't really have a very good
11 grasp of what's in there.

12 I wonder if there isn't some generic information
13 that we could be reading now so that when we do get to a
14 discussion, we're that much ahead of the game.

15 MR. WEST: We could try to provide some. I'd also
16 just throw out a suggestion.

17 There are some consulting firms, such as Graham
18 Thornton, who have actually put on presentations for boards.

19 There's also, I think there's actually some
20 organization, National Boards of Directors, that do
21 presentations.

1 When I was at the Postal Service, they went and did
2 a presentation to the governors of the Postal Service in
3 terms of board responsibilities, and that since has been
4 updated.

5 One never knows that Congress might all of a sudden
6 decide Sarbanes-Oxley hits the nonprofit world, and then we
7 would be under the gun.

8 So while we could try to do this, it's a lot of
9 work, and it might be that I could, if the Board would like,
10 I could contact, or give you some contacts in terms of firms
11 that could do an hour presentation that would probably be
12 much more effective, and time effective.

13 MR. SUBIA: I think maybe as a two-step process, if
14 you were to get us some generic reading material on the
15 topic, and then, based on what we find there, or what
16 questions are raised, maybe we could seek the presence of a
17 nonprofit organization that might offer us a briefing.

18 I mean, I think it would be worthwhile, for half an
19 hour of the Board's time, to have someone come in, or hour,
20 whatever it takes to --

21 MR. WEST: I will get you that reading material.

1 MR. FUENTES: All right. And then my last question
2 was, on Page 13, you say, develop metrics to assess
3 effectiveness.

4 Can you explain a little more as to what you mean
5 by metrics?

6 MR. WEST: Well, we're looking at how do we measure
7 effectiveness of particular grantee operations?

8 And I'll give a context that I think yesterday,
9 when we heard about the PAI program, what is an effective
10 program, and how do you measure it?

11 Now, spending 12.5 percent is not a measurement of
12 effectiveness.

13 The measurement of effectiveness would be, I think
14 one would be, for instance, services delivered, coming up
15 with ways of trying to measures this.

16 This is a very difficult process. It takes a lot
17 of thought.

18 It would take -- doing that, there would be a lot
19 of discussions with the Board, with some of the committees.
20 It's something you really have to do a very serious approach
21 and look at all the different things that could be measured.

1 I've had discussions with people from our
2 stakeholders, who are telling me it can't be measured, you
3 can't measure the effectiveness of the program. I would like
4 to think you could, somehow. I don't know what it is, but
5 you should be able to measure.

6 And I think intuitively, at Headquarters, that
7 people in OPP and OCE can say, "Well, we kind of know what
8 the effective programs are and which ones are struggling."

9 Well, there's got to be some way of quantifying
10 that into measures, so that the good programs are the ones
11 that say, "Well, this is what people should be doing," and
12 the ones that are struggling, "Here's what the good programs
13 are doing, here are some things you could be measured by."

14 Now, that may already be being done in terms of the
15 quality initiative from the LSC president, and maybe I don't
16 need to go in that direction, it's already headed there.

17 But that's sort of what I'd like to do, and this is
18 really a long-term project.

19 MR. FUENTES: Thank you.

20 CHAIRMAN STRICKLAND: Any other questions for Kirt?

21 (No response.)

1 CHAIRMAN STRICKLAND: Let me ask you a couple of
2 questions, Kirt.

3 When you speak of an audit of OCE or OPP -- ☺
4 those are the right acronyms of the offices you're looking at
5 -- I take it that really, well, how would you describe what
6 you do in the process of audit? And I guess that's the
7 generic term you're using for a review of how that office
8 functions.

9 Is that --

10 MR. WEST: And that's actually a very technical
11 term.

12 When I use the term "audit," we're following
13 processes that are put out by the government accountability
14 office in terms of very certain standards you have to follow,
15 methodologies, in terms of workpapers, how you put together.

16 There's a formal process. There's research, and
17 then there's an entrance conference where you sit down with
18 the subject of the audit, discuss what the audit is about.
19 You issue an audit letter, you know, you know announcement
20 letter. You ask for documents.

21 It's very different from an investigation, which is

1 not quite as transparent. There are some reviews that may
2 not be as transparent. An audit is a very formal technical
3 process.

4 My head of audit is here. If you'd like more
5 detail on the audit process, he could explain it far better
6 than I.

7 CHAIRMAN STRICKLAND: Well, no, that's okay.

8 I just -- but the end game is how is the office
9 doing in terms of the way it's supposed to conduct itself; is
10 that where you're at?

11 MR. WEST: Well, it's looking at how's it doing,
12 are the, you know, are there things that could be done to
13 improve how they're doing it.

14 And so some of the results, you know, sit-down
15 discussions with the subject of the audit on what they do,
16 learn what they do before you can make any kinds of
17 recommendations, and it's a -- it really requires experienced
18 auditors, particularly in this environment, because of the
19 complex work that's done at LSC.

20 And fortunately, I do have some very senior
21 auditors who have had a lot of experience in auditing.

1 CHAIRMAN STRICKLAND: But many times, a person on
2 the street, I would, when they hear the term "audit," they
3 think you're going to examine, okay, well, what is the budget
4 of this office and how is it being expended?

5 Does your audit get into that, as well?

6 MR. WEST: No, not in a performance audit.

7 CHAIRMAN STRICKLAND: It's not a financial audit?

8 MR. WEST: It's not a financial audit.

9 CHAIRMAN STRICKLAND: Okay.

10 MR. WEST: I mean, the financial audit is with the
11 financial statement that's done. This is more looking at how
12 to improve --

13 CHAIRMAN STRICKLAND: Right.

14 MR. WEST: -- processes, are there things, you know
15 are there things that are being done that could be done more
16 effectively, are there things, perhaps recommendations, that
17 aren't being done that should be done?

18 CHAIRMAN STRICKLAND: I just wanted to confirm
19 that.

20 MR. WEST: Yeah.

21 CHAIRMAN STRICKLAND: That's in general what I

1 thought you were doing, but when you use the term, "audit,"
2 that's why I wanted to probe that just a little bit.

3 And then, when you examine the -- I know you
4 examined the reports prepared by the independent public
5 accountants of grantees, but you also review the annual audit
6 done for LSC by whatever the name of the accounting firm is,
7 Oppenheim, or Oppenheimer.

8 What are you looking for there, when you conduct
9 that review?

10 MR. WEST: If you would not mind, I would like
11 Dutch Merryman --

12 CHAIRMAN STRICKLAND: Oh, sure.

13 MR. WEST: -- to come up and explain it much more
14 artfully than I can.

15 CHAIRMAN STRICKLAND: Be glad to have Dutch.

16 MR. MERRYMAN: Thank you, sir.

17 The main function that we provide on that is to
18 provide oversight of the audit.

19 What we do is try to make sure that's done in
20 accordance with government auditing standards.

21 We will actually go to the CPA's place of business

1 and we will review the workpapers to make sure that they're
2 adequately documented and that the work is supported.

3 Our other function is to transmit the results of
4 the corporate audit to the board and make sure that we
5 transmit it in proper form.

6 And what I mean by that is, when we rely on the
7 work of others, we've got to make sure that we disclose our
8 involvement in that audit.

9 The most typical things on these types of reports
10 in government is what's called negative assurance, and that
11 is we've looked at what they've done. Nothing has come to
12 our attention.

13 But we are not taking credit for the opinion of the
14 CPA. The CPA's opinion stands on its own.

15 In the past, the letter that was transmitted was
16 more or less implying that we were doing the audit, or doing
17 it in enough depth that it was our opinion, and in fact, we
18 do not do that. We do not duplicate.

19 We coordinate with the CPA on any questions or
20 issues they may have as part of not only providing our
21 oversight of what the CPA is doing, but also because of our

1 involvement and role and knowledge of internal control, of
2 possible internal control weaknesses in the internal control
3 system.

4 So there was one interview with a lead auditor, and
5 then we do have one individual who monitors and tries to
6 track and make sure that the audit is on schedule and if
7 there's any issues or concerns that we're aware of, then
8 we're responsible for certifying the bill, and making sure
9 the bill is paid.

10 CHAIRMAN STRICKLAND: I presume that -- well, the
11 term of art, as I understand it, used in the accounting
12 world, is a so-called clean opinion.

13 MR. MERRYMAN: Unqualified.

14 CHAIRMAN STRICKLAND: Unqualified. Maybe that's a
15 loose term.

16 If you detected some reason why you thought that an
17 unqualified opinion from our accounting, that is, the
18 Corporation's accounting, was inappropriate, you would bring
19 that to our attention?

20 MR. MERRYMAN: I'd be very concerned with that, and
21 we would start working immediately upon notification that

1 there was some issue or problem.

2 I know of no issue or problem. Nothing has been
3 brought to my attention --

4 CHAIRMAN STRICKLAND: Nor do I. Okay. Good.
5 Thank you, sir. Thank you very much.

6 MR. MERRYMAN: No, but we would, to understand what
7 the issues are, as well as management would have to
8 understand what the issues are, because they are valid and
9 they are looking at and certifying the financial records of
10 the Corporation.

11 So we do not have control of those records, and any
12 issues have to really be gotten to by, you know, through
13 management and their system of controls.

14 CHAIRMAN STRICKLAND: That's very helpful. Thank
15 you very much, both of you.

16 Does anybody have something else for Kirt, other
17 questions?

18 (No response.)

19 CHAIRMAN STRICKLAND: Okay. Thank you, sir.

20 MR. WEST: You're welcome.

21 CHAIRMAN STRICKLAND: And you asked us, did you

1 not, to keep the work plan confidential for the moment?

2 MR. WEST: That's correct.

3 I would like to just keep it. I will send each
4 Board member a redacted copy that will go out in the public.

5 So I'll get that to you individually.

6 So you could either keep it, if you had notes, or I
7 could collect them, whichever your preference is.

8 CHAIRMAN STRICKLAND: If you'd like to collect
9 them, we'd be glad to do that.

10 Okay. While you're collecting those, Kirt, let me
11 move on to the next item on the agenda, which is, "Consider
12 and Act on the Report of the Provision for the Delivery of
13 Legal Services Committee," Chairman David Hall.

14 MR. HALL: Mr. Chairman and Board, I'm honored to
15 present the report from the Provisions Committee.

16 All of the Board members present were there
17 yesterday, and I think, based on your comments, it's clear
18 that you agree with me that we had a very exciting and
19 impressive presentation on the issue of pro bono.

20 What I hope to do is just give a kind of summary of
21 that wonderful presentation, and focus primarily on the

1 recommendations that the various individuals gave us, as
2 opposed to trying to summarize their presentation.

3 We had before us Karen Serjeant, who is the vice
4 president for program and compliance.

5 She gave an overview of what LSC and its grantees
6 are presently doing in regards to the private attorney
7 involvement and also a little history about that, but she
8 also set the stage for the presentation by introducing the
9 individuals who Karen and Helaine had invited to come and
10 address this issue of what we as a Board can do to enhance
11 and increase the pro bono involvement in general, but
12 especially with our grantees.

13 We had before us Esther Lardent, president of the
14 Pro Bono Institute; Charles Lester, and attorney from
15 Sutherland Asbill & Brennan.

16 We also had Neil McBride, who is the general
17 counsel from the Legal Aid Society of Middle Tennessee;
18 Jonathan Ross, who is the chair of the ABA Standing Committee
19 on Pro Bono and Public Service; and Robert Weiner, who is a
20 partner with Arnold & Porter, a local Washington, D.C. firm,
21 and also chairs their pro bono activities.

1 These are extremely impressive individuals, and
2 Karen did a wonderful job of sharing with us all that they
3 have done in this particular area and their qualifications.

4 I won't repeat all of that, but take it that these
5 are very experienced individuals who had a lot to offer in
6 this field.

7 I'd like to now just share some of their
8 recommendations to us as to what are some of the things we
9 need to be looking at and what we can do.

10 I will not give all of them, some of them were
11 duplicative, but just try to emphasize and give you a flavor
12 of what occurred.

13 One was that we need to encourage our grantees to
14 think bigger and more creatively about how they can develop
15 partnerships, and not to just be focusing on serving one
16 client, but how to develop sustained relationships with
17 firms.

18 Another, that the involvement of the grantee needs
19 to include people who have the substantive knowledge on the
20 staff. As they talk to attorneys in firms, it is important
21 that they have the substantive knowledge about the area, so

1 that the firm can understand that this is something they can
2 get involved in.

3 The grantees need to provide a breadth or
4 participation possibilities for firms, that if you're only
5 offering housing or only offering domestic violence, that
6 after a while, that can create some problems, so the more
7 variety and breadth that is being offered to the firms as a
8 way to get involved, the better response one would get.

9 There was one request, that we look at our PAI, the
10 private attorney involvement guidelines, because the
11 interpretation is that they now do not incorporate the use of
12 law students, that law students do not satisfy that 12.5, and
13 the suggestion was that we should at least look at that,
14 because student involvement is another potential resource for
15 our grantees.

16 Another recommendation coming from another
17 presenter was that we encourage our programs to think about
18 things that they are not presently doing, and how there may
19 be some resources in the profession, in the firms that might
20 be able to help them.

21 This recommendation grows out of a belief that

1 there is some inertia, in the sense that some of the grantees
2 may be doing as much as they can do because of the sense that
3 either they're overwhelmed with the work that they're having
4 to do or maybe not having the experience, so the suggestion
5 here was to begin to work with the grantees so that they can
6 begin to better understand how one can do this type of work,
7 that is, the collaboration, and how to do it in a creative
8 way.

9 This presenter suggested that this is not something
10 that we can legislate, and that there should not be -- that
11 he doesn't believe that there should be rules passed in this
12 area, but that we need to celebrate the work that's already
13 going on, especially in regards to the firms that are doing
14 it, and to have on-site evaluations that look at this
15 particular issue and to encourage more participation.

16 Not necessarily a recommendation, but one presenter
17 highlighted the enormous difficulty that small firms have in
18 trying to get involved in this work because of the economic
19 cost, and in essence, I think was suggesting that we look at
20 the challenges that small firms and solo practitioners are
21 facing, and that the strategies we develop there may be very

1 different from the ones that we developed for large firms.

2 He also encouraged us to host meetings with a chief
3 justice from a particular state who can play a critical role
4 in encouraging more individuals to get involved.

5 There was another suggestion of mutual and cross-
6 training, meaning that we should try to provide training both
7 for legal services lawyers and for lawyers in the firm around
8 how to do particular work, either in housing or whatever the
9 area might be; that the Legal Aid University, which is this
10 on-line training and educational structure that is already in
11 operation but will be probably provided in a broader way in
12 the future should be made available for lawyers who are
13 engaged in pro bono activities as well as it's being made
14 available to legal services lawyers.

15 Disaster planning was an other area that we were
16 asked to look at, that when disasters hit a particular area,
17 the supreme court of that area or the bar is more willing to
18 suspend some of their rules in regards to practice, and
19 therefore pro bono attorneys can have greater opportunities
20 to get involved in that, and so we should be thinking
21 proactively about how we can encourage that type of

1 involvement when disasters occur and how we can use these
2 kind of relaxed rules as a way of getting more pro bono
3 involvement.

4 Again, the argument was made that big firms are
5 anxious to do this type of work because it's a way in which
6 they can distinguish themselves.

7 The point was made that a firm culture is one of
8 the ways in which firms are able to distinguish themselves,
9 and one of the ways that your firm culture is distinctive is
10 through the pro bono work, and in essence, saying we need to
11 take advantage of that and try to create even more leverage
12 for firms to engage in pro bono by pointing out the self-
13 interest part that is there.

14 Another was that we should, and based on this point
15 about the self-interest, try to encourage more firms to
16 develop rotational models where they allow their attorneys to
17 come and work in a particular legal service office and then
18 go back, that that both helps the program, it also helps the
19 firm, and that this is a mutually beneficial structure that
20 we should be trying to enhance.

21 It was also indicated that the grantees need to

1 certainly do a very good job in screening cases before they
2 are passed over to the firms, because when that screening is
3 not done and done effectively it can often turn off
4 individuals who have been participating in pro bono
5 activities.

6 We had a couple of public comments on this same
7 topic.

8 Steve Scudder from the ABA Pro Bono Committee came
9 forward after the presenters had finished and suggested that
10 we look at the equal justice conference of 2007 as a place
11 where we might be able to do some of this training and to
12 raise the consciousness of both legal services lawyers and
13 people who are engaged in pro bono.

14 He was suggesting that there be a pre-conference
15 session devoted exclusively to this particular topic.

16 Bill Whitehurst, from SCLAID, also made us aware,
17 or reminded us that we should not overlook the access to
18 justice commissions that exist throughout the country, that
19 they are a tremendous resource in the various states that we
20 need to work with, in order to keep promoting this pro bono
21 involvement.

1 Again, those are just some of the recommendations
2 that were provided to the Provisions Committee.

3 We concluded that this is an area that we want to
4 continue to look into. We're going to work with management
5 to develop a more comprehensive and strategic direction for
6 the Corporation in this area.

7 We anticipate that at our April meeting, we will
8 hopefully have something more to report back to the Board in
9 regards to our work in this area, and I foresee this as being
10 an ongoing issue for Provisions.

11 I think one can take from the presentation that we
12 have a lot of support out there, a lot of expertise, a lot of
13 good will among individuals who have been working on this
14 issue for some time, and we need to take full advantage of
15 that, and Provisions would like to do that.

16 That ends -- there were no other issues that came
17 before the committee.

18 We did run over our time, and we thanked the Ops
19 and Regs for ceding some of their time to us, but I felt that
20 what was being presented was so important that we needed to
21 go a little longer, and so we thank the indulgence of various

1 individuals for that.

2 So that ends the Provisions Committee report.

3 CHAIRMAN STRICKLAND: Thank you very much, David.

4 Is there any question for David about his report?

5 (No response.)

6 CHAIRMAN STRICKLAND: I think all of us attended
7 that presentation, and I agree with you, it was outstanding,
8 individually and collectively.

9 All right --

10 MR. GARTEN: Frank, may I just comment?

11 CHAIRMAN STRICKLAND: Yes.

12 MR. GARTEN: There are many organizations out there
13 fostering increases in pro bono services.

14 We have a peculiar niche, and the direction, I
15 would assume, of the committee, would be to find out, based
16 our special situation and the leverage that we have, that we
17 will see what we can do from our standpoint, and that is
18 really the mission, as I see it, of the committee.

19 Do you agree?

20 MR. HALL: I agree. I don't think our goal is to
21 duplicate what Esther is doing at the Pro Bono Institute, or

1 to, you know. duplicate --

2 MR. GARTEN: We heard what is being done to get
3 large firms involved.

4 MR. HALL: Sure. But as you said, I think there is
5 a special role that the Board plays because of our grantees
6 and where they are positioned and the type of work they're
7 doing, and the question for us is, are we maximizing that
8 potential and that position that we have; and I think what
9 people kind of said to us, that we weren't.

10 And again, I don't think that's all because people
11 aren't aware of it. There are a lot of structural and other
12 constraints there.

13 But I do think that this Board can strategically
14 kind of leverage some of our efforts and the position that we
15 occupy, and we have the support of people to do that, so it's
16 not trying to take on somebody else's role, but it's trying
17 to make sure we enhance our role in that area.

18 MR. GARTEN: All right. Thank you for the
19 clarification.

20 CHAIRMAN STRICKLAND: Okay, if there's nothing else
21 for David, we thank you for that report, and let's move now

1 to the report of the Finance Committee, Mike McKay.

2 MR. MCKAY: Thanks, Mr. Chairman.

3 We had a very good meeting yesterday.

4 The first topic we addressed was the financial
5 audit for fiscal year 2005. We heard from Inspector General
6 Kirt West, who, as we've heard again this morning, he and his
7 shop monitors outside audits, and an outside audit is being
8 conducted by M.D. Oppenheim.

9 It's not yet completed, but it's substantially
10 completed. There are a few minor open issues. We discussed
11 some of those.

12 In summary, though, we were told that we could
13 expect a good report. It will be reduced to writing and
14 presented to us at our next meeting in April.

15 The next topic we discussed was the fiscal year
16 2006 appropriations.

17 We heard from Tom Polgar, who reported to us what
18 we all know, that Congress had set aside for us or
19 appropriated for us \$330.8 million pre-recision, and then of
20 course there was the recision of 1.28 percent total, two
21 different recisions totalling that amount, which resulted in

1 a \$326.6 million appropriation for us.

2 And that was the report from Mr. Polgar.

3 The next item on our agenda naturally followed. It
4 was to address our operating budget, now that we know how
5 much is being appropriated to us, and so we heard from
6 Charles Jeffress and David Richardson, who gave a good report
7 to us.

8 Since we have this final number, we needed to take
9 our temporary operating budget, which we approved at our last
10 meeting, and review and recommend to the Board today a final
11 operating budget for fiscal year 2006.

12 And you'll recall, we adopted, in October, a
13 temporary operating budget which was quite conservative.

14 That is, assuming the worst, for the worst-case
15 scenario, we budgeted for that amount, and while we hoped to
16 have done better with Congress, it was not the worst-case
17 scenario, and so we had the happy chore of addressing what to
18 do with the additional 2.3 million to place in the final
19 operating budget, that we recommend to the Board today.

20 We reviewed that proposed budget, which can be
21 found at Pages 16 and 17 of the book, but we can summarize

1 the changes in two categories.

2 The first one, and a significant portion of those
3 funds, as you would expect, 1.8 million, went to the field.

4 The balance went to other categories, and we heard
5 from Mr. Richardson, who reported that there were certain
6 savings that were obtained, and everywhere we were able to
7 carve down on a certain line item, we put the money into the
8 consulting line, which is for outside counsel, to deal with
9 our increased costs relating to outside litigation.

10 That is a subject that our committee will address
11 in the future, and we did discuss briefly during our meeting.

12 We discussed the budget. We thought it looked
13 good. The committee unanimously agreed to recommend to the
14 Board today the resolution that can be found at Page 17(a).

15 M O T I O N

16 MR. MCKAY: And so I would move for the adoption of
17 Resolution Number 2006-002, which can be found on Page 17(a).

18 CHAIRMAN STRICKLAND: Second?

19 MR. FUENTES: Second.

20 CHAIRMAN STRICKLAND: All right. Any discussion?

21 (No response.)

1 CHAIRMAN STRICKLAND: I take it we're ready to
2 vote. Let's proceed with the vote, then.

3 All those in favor of the motion, please say aye.

4 (Chorus of ayes.)

5 CHAIRMAN STRICKLAND: Those opposed, nay.

6 (No response.)

7 CHAIRMAN STRICKLAND: The ayes have it.

8 MR. MCKAY: Thank you.

9 The next issue we addressed was reviewing the
10 financial reports for the first three months of this fiscal
11 year.

12 All appeared to be in order and mostly within
13 budget, and we were happy to receive that report.

14 The final substantive topic we addressed was fiscal
15 year 2007 budget request to Congress. We heard from Mr.
16 Polgar again.

17 In October, you'll recall, we adopted a \$411.8
18 fiscal year 2007 budget request, and two days ago we started
19 to float that number with Senator Cochran's staff and Senator
20 Domenici's staff through our chairman and our president and
21 the staff, and so we're off and running for fiscal year 2007.

1 And that's the end of our report.

2 CHAIRMAN STRICKLAND: Any further questions for
3 Mike?

4 (No response.)

5 CHAIRMAN STRICKLAND: Thanks for that report, Mike,
6 and we'll now move to Ops and Regs, Tom Meites.

7 MR. MEITES: Thank you, Mr. Chairman.

8 We had a number of matters on our agenda, and we
9 handled them, we believe, expeditiously.

10 The first item was consideration of proposal to
11 remove from our regulations Part 1631.

12 Part 1631 deals with the spending of pre-1982
13 funds.

14 It is a certainty that none of our grantees retain
15 any pre-1982 funds, and a notice of this proposed rulemaking
16 was published in November. No comments were received. And
17 our committee is of the unanimous view that the Board should
18 adopt the proposed rule, which would have the effect of
19 remove and reserve -- remove present Part 1631 and reserve it
20 for the future.

21

1 M O T I O N

2 MR. MEITES: And I so move.

3 CHAIRMAN STRICKLAND: All right, is there a second
4 to that motion?

5 MR. HALL: Second.

6 CHAIRMAN STRICKLAND: Any discussion on the motion?

7 (No response.)

8 CHAIRMAN STRICKLAND: All right.

9 All those in favor, please say aye.

10 (Chorus of ayes.)

11 CHAIRMAN STRICKLAND: Those opposed, nay.

12 (No response.)

13 CHAIRMAN STRICKLAND: The motion is adopted.

14 MR. MEITES: Mr. Chairman, the next matter our
15 committee considered was our Rule 1621, which deals with
16 client grievance procedures.

17 Pursuant to the Board's direction, on January 18th,
18 the Corporation conducted a regulatory workshop on this rule,
19 chaired by Charles Jeffress.

20 The workshop reviewed reasons for the rule.

21 One is to give voice to people seeking -- persons

1 seeking our services. Second is to keep our programs
2 accountable. And third is to promote good client-grantee
3 relations.

4 There was discussion of how the process works at
5 the workshop, and there were recommendations made, but the
6 management is not in a position to make any recommendations
7 at this time.

8 It believes that it needs more input from the
9 public and from stakeholders with regard to the existing
10 client grievance procedure.

11 Management recommended and the committee agreed
12 with the recommendation that the staff conduct a second
13 rulemaking workshop to obtain additional input.

14 In addition, management recommended and our
15 committee agreed that management -- that we authorize
16 management to issue what's called an advance notice of
17 proposed rulemaking, which simply puts before the public that
18 this is an area that the board is considering and solicits
19 comments.

20 M O T I O N

21 MR. MEITES: And at this time, I we move that, with

1 regard to our Regulation 1621, that the Board direct
2 management to conduct a second rulemaking workshop, obtain
3 additional input, and would also be authorized, if it
4 believes it appropriate, to issue an advance notice of
5 proposed rulemaking to solicit further comments on this
6 matter.

7 CHAIRMAN STRICKLAND: Is there a second to that
8 motion?

9 MS. BEVIER: Second.

10 CHAIRMAN STRICKLAND: Any discussion?

11 (No response.)

12 CHAIRMAN STRICKLAND: All those in favor, please
13 say aye.

14 (Chorus of ayes.)

15 CHAIRMAN STRICKLAND: Those opposed, nay.

16 (No response.)

17 CHAIRMAN STRICKLAND: The motion is adopted.

18 MR. MEITES: Thank you.

19 The next item we considered was our existing
20 Regulation 1624, which is the prohibition against
21 discrimination on the basis of handicap.

1 motion is adopted.

2 MR. MEITES: The next matter, Mr. Chairman, that
3 was before our committee was a petition from Legal Action of
4 Wisconsin, which is our grantee in the southern half of the
5 State of Wisconsin, to amend Regulation 1614, which deals
6 with private attorney involvement, by eliminating the 12.5
7 percent funding requirement and substituting, instead, a
8 reasonable requirement.

9 Robert Henderson, a representative of the grantee,
10 made a presentation in support of the petition, in which I
11 think he essentially made three points:

12 One, that the regulation was inflexible, a one-
13 size-fits-all prescription; it had been in place since 1985;
14 and it was appropriate, in light of the actual experience
15 under this regulation, in particular the large growth of both
16 pro bono and attorney involvement, that a reasonableness or
17 flexible standard be adopted.

18 The second argument he made in support of the
19 proposal was that at least his grantee simply was under such
20 financial pressure that it could not afford a rigid 12.5
21 percent levee.

1 He suggested that, in answer to questions, that in
2 fact it was more efficient for at least his grantee to use
3 those funds internally to hire staff attorneys than it was to
4 use the funds externally to use private attorney involvement.

5 The proposal was opposed by two representatives of
6 the field, the NLADA through Mr. Whitehurst -- I'm sorry.

7 NLADA did not take a position. But both SCLAID and
8 the ABA -- NLADA, I'm sorry -- I misspoke -- Don Saunders
9 both opposed the position.

10 Mr. Saunders recounted that they had polled a
11 representative group of their members and our grantees, and
12 the view was unanimous that no change be made in our
13 regulation with regard to the 12.5 percent at this time.

14 And Mr. Whitehurst, representing the ABA Committee,
15 took the same position.

16 Mr. Whitehurst also urged that we act at this time
17 on the petition.

18 There had been a suggestion that in light of the
19 presentation we had heard, which Mr. Hall had referred to
20 earlier in the day with regard to pro bono opportunities,
21 that it might be appropriate to keep this petition on our

1 agenda if, in fact, the Provisions Committee in the future
2 would want us to revise or consider the PAI regulation in
3 general.

4 Mr. Whitehurst argued that he believed that would
5 give the wrong signal to the public, that it might be
6 interpreted as if we were, in fact, continuing to consider
7 the 12.5 percent request. In fact, we could always adopt --
8 open a rulemaking regulation if it became -- if we believed
9 it became appropriate.

10 Management opposed the proposal, among other
11 reasons, on the ground that the existing waiver procedure was
12 more than adequate to relieve any grantee who felt it could
13 not meet the 12.5 percent, and in fact, figures were given
14 that in essentially every case, or virtually every case where
15 a waiver was sought, that it had been granted.

16 Of equal interest was that, in recent years,
17 particularly 2005, the number of waiver requests had been
18 down considerably.

19 M O T I O N

20 MR. MEITES: In light of all that we heard, our
21 committee was of the view that it should not recommend that

1 the Board defer action on this proposal, but instead the
2 committee unanimously recommends that the Board deny the
3 petition, and I so move.

4 MS. BEVIER: Second.

5 CHAIRMAN STRICKLAND: Further discussion?

6 Moved and seconded. Is there further discussion?

7 (No response.)

8 CHAIRMAN STRICKLAND: All right. All those in
9 favor of the motion, please say aye.

10 (Chorus of ayes.)

11 CHAIRMAN STRICKLAND: Those opposed, nay.

12 (No response.)

13 CHAIRMAN STRICKLAND: The motion is adopted.

14 MR. MEITES: The last matter that our committee
15 considered was, in closed session this morning, we heard from
16 Vic Fortuno, and Steven Hatcher, our outside counsel, with
17 regard to litigation pending in New York and California with
18 regard to our -- Oregon, with regard to our integrity
19 regulation.

20 CHAIRMAN STRICKLAND: Thank you. Anything else?

21 MR. MEITES: Nothing else.

1 CHAIRMAN STRICKLAND: Does anyone have a question
2 for Tom Meites?

3 (No response.)

4 CHAIRMAN STRICKLAND: All right. We're at the
5 point in the agenda where we consider and act on other
6 business.

7 Is there any other business?

8 (No response.)

9 CHAIRMAN STRICKLAND: Is there any public comment?

10 (No response.)

11 CHAIRMAN STRICKLAND: Before we go into closed
12 session, I'm remiss in not putting on the record the presence
13 or our nominee to the Board, Sarah Singleton of Santa Fe, New
14 Mexico.

15 We're glad to have you with us, Sarah, and we hope
16 that, by our next meeting, you will have been confirmed.

17 MS. SINGLETON: Thank you. So do I.

18 (Laughter.)

19 CHAIRMAN STRICKLAND: Well, several of us on the
20 Board were nominees for a year, so welcome to the club.

21 All right, let's consider and act on whether to

1 authorize an executive session of the board to address items
2 listed under "Closed Session" on our agenda.

3 Is there such a motion?

4 M O T I O N

5 MR. FUENTES: So moved.

6 CHAIRMAN STRICKLAND: Is there a second?

7 MR. MCKAY: Second.

8 CHAIRMAN STRICKLAND: Any discussion?

9 (No response.)

10 CHAIRMAN STRICKLAND: All those in favor of the
11 motion, please say aye.

12 (Chorus of ayes.)

13 CHAIRMAN STRICKLAND: Motion adopted, and we'll
14 take a short break and then go into closed session. Thank
15 you, everyone.

16 (Whereupon, at 2:02 p.m., the meeting was adjourned
17 to closed session.)

18 * * * * *

19

20

21

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16