

LEGAL SERVICES CORPORATION
BOARD OF DIRECTORS

SPECIAL SESSION ON
STRATEGIC DIRECTIONS

Friday, November 8, 2002

2:08 p.m.

The W Hotel
930 Hilgard Avenue
Los Angeles, California

BOARD MEMBERS PRESENT:

Douglas S. Eakeley, Chair
LaVeeda Morgan Battle, Vice Chair
Hulett H. Askew
John N. Erlenborn (Attending as Director and President) Edna
Fairbanks Williams
F. Wm. McCalpin
Maria Luisa Mercado
Thomas F. Smegal, Jr.
Ernestine P. Watlington

STAFF AND PUBLIC PRESENT:

Victor M. Fortuno, Vice President for Legal
Affairs, General Counsel and Corporate Secretary
Randi Youells, Vice President for Programs
Mauricio Vivero, Vice President for Governmental
Relations and Public Affairs

STAFF AND PUBLIC PRESENT (con'd):

John Eidleman, Acting Vice President for Compliance
and Administration
Leonard Koczur, Acting Inspector General, Office of
the Inspector General
Laurie Tarantowicz, Assistant Inspector General and
Legal Counsel
David Maddox, Assistant Inspector General for
Resource Management
Eric Kleiman, Press Secretary
Michael Genz, Director, Office of Program
Performance (OPP)
Ahn Tu, Senior Counsel, OPP
Robert Gross, Senior Counsel, OPP
Don Saunders, Director for Civil Legal Services,
NLADA
Linda Perle, Senior Attorney-Legal Services, Center
for Law and Social Policy
Robert Dieter, University of Colorado (Nominee)
Thomas Fuentes, Tait and Associates (Nominee)
Michael McKay, McKay Chadwell (Nominee)
David Richardson, Treasurer and Comptroller
Melville D. Miller, Executive Director, Legal
Services of New Jersey

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P R O C E E D I N G S

CHAIR EAKELEY: We're missing our vice chair, but she'll hopefully be along shortly. Let's get started. Mauricio?

MR. VIVERO: Thanks. For the record, my name is Mauricio Vivero, and I will be presenting a special report to the board on strategic directions, including budget information.

By way of background, let me make a couple of points. The strategic planning process was initiated by the board in 1999. Strategic directions 2000 through 2005 was approved by the board in January of 2000. There have been two subsequent reports detailing progress on those board-selected goals in January of 2001 and in January of 2002. And this special report will discuss and highlight the goals adopted in 2000, detail the management strategies that were implemented to help reach those goals, progress summary to date, and a budget overview for each goal and strategy so that the board can review the amount of LSC resources specifically targeted to meet the strategies to deal with the board-approved goals.

■ In 2000, the board identified as part of the
■ initial strategic directions document certain funding
■ challenges that LSC and legal services programs faced. And
■ those, very quickly, are: that all current available funding
■ was insufficient to meet the need of low-income Americans for
■ access to civil legal services; that there is a lack of up-
■ to-date studies on the civil legal needs and problems of the
■ poor; that although LSC received bipartisan support, there
■ were still too many in Congress opposed to federal funding
■ for civil legal assistance; that many state and local
■ governments did not invest sufficiently to support civil
■ legal aid; and that private charitable and pro bono
■ contributions varied widely from state to state, and were
■ inadequate in supplementing the federal investment.

■ The board in that document also identified some
■ leadership challenges. It specifically identified the fact
■ that LSC has not developed the means to effectively describe
■ and/or quantify the outcomes and measures derived from
■ federal funding for legal services. It noted there was no
■ strategic or national focused effort to develop new
■ leadership, provide training, and address issues of

■ diversity. It also raised and made note of the fact that the
■ quality of assistance, the level of service, and the
■ availability of aid offered by LSC grantees varied greatly
■ from program to program, and resulted in uneven service to
■ clients.

■ To deal with all of the status issues I just
■ identified, the board adopted two strategic goals. One, by
■ 2004, LSC will dramatically increase the provision of legal
■ services to eligible persons. Number two, by 2004, LSC will
■ insure that eligible clients are receiving appropriate and
■ high-quality legal assistance.

■ The board had in mind some very specific outcomes
■ that if the goals were implemented, we would see. Let me run
■ through some of these anticipated outcomes for you.

■ Increased number of clients receiving legal
■ assistance; increased perception among low-income individuals
■ that they have a resource if they face serious or dangerous
■ circumstances requiring civil legal information, counseling,
■ or representation; enhanced public perception of the legal
■ system as successful in providing equal justice; and an
■ expansion of federal funding and other public and private

resources.

For goal 2, the board identified three anticipated outcomes: expanded range of assistance and improvement in the quality of services; greater consistency in the quality of legal services programs; and significant and beneficial results for low-income clients, as determined by outcome measures.

In order to attempt to reach both goals, management has developed strategies specifically targeted to reach these goals. And I'm going to go through each of them and provide a progress report for each strategy.

For goal number 1, management adopted strategies to enhance advocacy for more resources and promoting the cause of equal justice, the technology initiative, state planning, and state planning technical assistance. These were four management strategies specifically implemented to address goal 1.

For goal 2, we adopted state planning again. State planning and state planning technical assistance you will see throughout this document relate, obviously, to both goal 1 and goal 2. Competition, program quality initiatives, some

■ special OPP initiatives, the LSC resource initiative, and
■ program oversight were all areas of focus selected by the
■ management team to address and hopefully reach goal 2.

■ In terms of the specific strategy of advocacy for
■ more resources and promoting the cause of equal justice. I
■ just want to highlight -- I'm going to highlight progress on
■ every strategy management has identified. I will refer you
■ to the document I will pass out at the end of this report,
■ which will give much more detailed progress. This is just
■ the highlights for each strategy.

■ In terms of strategy number one, progress has been
■ that the LSC appropriation has gone from 300 million to 329
■ in FY 2003. There is increased coordination at the state
■ level, has improved local and state fundraising, resulting in
■ additional resources.

■ There's an important footnote to the second item
■ listed as progress there. We have now begun to see a decline
■ in state resources because of the budget crunch that many
■ states face.

■ Number three, we established --

■ CHAIR EAKELEY: Plus interest on IOLTA.

MR. VIVERO: Plus interest on IOLTA. Absolutely.

We established a new magazine to promote the cause of equal justice, and we've had more than two dozen high visibility press conferences in conjunction with our grantees and other prominent state and federal supporters to promote the cause of equal justice.

The second strategy, the technology initiative. Progress to date includes: We've awarded more than 15 million in technology grants to programs to expand and enhance services. There are now more than 44 state-wide web sites which provide client education, pro se information, assistance for pro bono attorneys and staff attorneys. We've also made progress in terms of centralized hotlines and centralized case management systems through infrastructure improvements in many states. Those are all progress points related to the technology initiative.

And here's a few more. There have been hotlines developed and other centralized intake systems to provide referrals and pro se assistance. We've launched several new and innovative projects to assist self-represented clients. Funded and promoted LStech.org, a new web site dedicated to

■ providing technology information to the legal aid community,
■ and specifically, all of the LSC grantees that get technology
■ grants. And we've required and assisted with the development
■ of state technology plans.

■ State planning. Progress to date includes we've
■ established a new strong national vision for Legal Services
■ through the state planning initiative. There's been improved
■ collaboration among a wide range of local state and national
■ stakeholders. There are now more than 36 designated state
■ planning bodies committed to strengthening Legal Services and
■ creating strong communities of justice in every state. And
■ we've developed plans in every state and territory to
■ maximize federal resources, enhance quality, and expand
■ services.

■ State planning has also allowed us to increase non-
■ LSC funding by nearly 80 million since 1998. Again, I would
■ footnote that. That is progress through 2001. We've seen a
■ significant drop-off in 2002, given the IOLTA interest rate
■ problems and the state budgets in many states.

■ Progress also includes creating a stronger, more
■ rational system of local providers by streamlining from more

■ than 250 programs to 154 in 2003. We've released many
■ comprehensive reports. The most important of those is
■ Building State Justice Communities, a state planning report,
■ where we examined in detail 18 client-centered comprehensive
■ state models.

■ State planning has also allowed us to complete
■ state planning self-evaluations in almost every state and
■ territory -- or to review them, excuse me -- and develop a
■ state planning evaluation instrument to be field tested in
■ January 2003.

■ The state planning technical assistant grants, as
■ the board will recall, were specially-approved grants to
■ promote technical assistance and assist with state planning.

■ Over \$750,000 has been awarded for this effort. It allows
■ us to provide technical assistance and support to state
■ planning bodies. And in addition, to support that work,
■ we've held numerous workshops. One of those was the National
■ Making Mergers Work. We've also distributed how-to materials
■ and provided many states and other advocates individual
■ assistance and guidance.

■ The competition, which is mandated by Congress.

Progress in that area has included an improved and refined competition criteria to insure LSC programs adhere to high standards, developed a new comprehensive competition guide that articulates the standards and help reviewers apply them consistently, created a capabilities assessment guide to improve the process and review, and developed a protocol to give applicants specific feedback on the strengths and weaknesses of their applications.

In the area of program quality, we've created and distributed a program review guide to be used by staff and consultants in conducting program visits, we've provided direct on-site assistance to grantee management on a variety of topics, and we've completed more than 25 program quality visits since 2000.

In order to support goal number 2, which, as you recall, is to insure that there's high quality legal services throughout the country, OPP has initiated and successfully completed a lot of work on five special projects. The Diversity in Leadership Initiative, you've heard a lot about from Randi. Let me just make a note here that after the presentation, Randi, Victor, David, and John Eidleman will be

■ available to answer any specific questions you have on any of
■ these initiative.

■ We have the Matters Project, as you know, which
■ attempts to track areas of service that are not cases. We
■ have the Model States Communications Project, which is funded
■ by OPP but is actually run out of my office, to help states
■ develop consistent plans to brand the notion of legal
■ services and work at the state level in a coordinated and
■ effective way to raise more resources. We have merger
■ assistance which is provided to grantees. And we have
■ special populations work on migrant funding and other -- and
■ Native American funding.

■ CHAIR EAKELEY: That includes the conferences on --
■ for example?

■ MR. VIVERO: Yes. The LSC Resource Initiative was
■ developed recently. It's a new web site that publicizes
■ innovative delivery strategies divided by Legal Services
■ programs in practice areas, intake, legal works provision,
■ pro se, and technology. This is a very exciting initiative.

■ This is one place on the web where people can go for the
■ most up-to-date and comprehensive information on a wide range

■ of topics.

■ Program oversight. Obviously, a key component of
■ insuring high quality. To date, we have completed 26 CSR,
■ which are case service reports, case management service
■ reviews, on-site reviews and follow-up.

■ Let me mention something special about the next two
■ points. The board provided management, and specifically OCE,
■ with a recommendation that there be more proactive assistance
■ provided to programs, and continuing, of course, to meet the
■ requirements established by Congress to provide effective
■ oversight, but more of a proactive assistance mode, and OCE
■ had developed two ways to do that. One is they are
■ conducting technical assistance visits to provide guidance to
■ grantees on case management and compliance functions.

■ They've also implemented and conducted one-day
■ accountability trainings for grantee staff. These have been
■ well-received by the field. The cost with them are
■ relatively low. They are usually one-day training sessions
■ that are added to the agenda of otherwise scheduled OCE
■ visits.

■ Now we're going to look at the overall, we've going

to do three things. Look at the overall LSC budget by office, and then we're going to look at what percentage of those funds goes specifically to address strategies and goals identified by the board as priorities. This is just a general LSC management budget. You can see, for example, that OPP is 18.3 percent. OCE is 13.4. The Executive Office is 5.4.

This chart will provide you with the exact dollar figures of our 2000 --

CHAIR EAKELEY: Mauricio, why don't you just run down the acronyms, just so that we all know.

MR. VIVERO: Sure. Let's do it on this page. The board budget is \$377,000. The Executive Office, which includes the office of the president, office of one vice president, and other staff, 948,000. Office of Legal Affairs, 1.1 million. Government Relations and Public Affairs, roughly 700,000. Office of Human Resources -- the next, Office of Financial and Administration Services, 2.9 million. That includes the rent of LSC. That's why that figure is high.

Office of Information and Technology, 1.2. OPP

■ programs is 3.2. Office of Information Management, which is
■ run by Mr. Meyer, 800,000. OCE Compliance is 2.3 million.
■ And the Inspector General is 3.2. And that takes us to the
■ total management budget of 17.5.

■ Now, this chart is probably the most important
■ chart in the presentation. What I've attempted to do here is
■ provide you on one page a summary of the status, issues, or
■ deficiencies, or challenges the board identified in 2000. If
■ you go across the next column, you will see the specific
■ strategic goal adopted by the board to help meet those
■ challenges. The next column over, you will see the specific
■ management strategy that tries to deal with those issues.
■ And then to the right, the far right columns, you will see
■ the exact dollar amount attributed or allocated to meeting
■ these -- to implementing these strategies and meeting these
■ goals. And then the very last column on the right is the
■ percentage.

■ CHAIR EAKELEY: What's the green in the middle?

■ MR. VIVERO: The green is because blue and yellow
■ make green. And state planning and state planning grants
■ support both goal 1 and goal 2. And so to kind of visually

■ show that, that was our best attempt at that.

■ CHAIR EAKELEY: So it's not that there's a third
■ strategic goal that's being obscured. It's just --

■ MR. VIVERO: No. The management strategies of
■ state planning and state planning grants support both goals.

■ CHAIR EAKELEY: Okay.

■ MR. VIVERO: And then finally, here's a big picture
■ breakdown of the percentage of the overall budget
■ specifically targeted to a management strategy to deal with a
■ board goal.

■ Now, I have to just mention that some of this is a
■ little bit subjective. Obviously, for example, core
■ functions include the Office of Legal Affairs, litigation
■ budget. All those things are identified as core functions,
■ but they are very important to meeting the board goals.

■ The distinction made for your assessment as a
■ starting point for your discussion is that there are specific
■ management projects and offices and goals that deal with the
■ board-identified goals. And this is a way to help break that
■ down. You could reallocate things a little bit differently.

■ We're glad to take your instruction and go back and develop

■ further areas. But this is the big picture.

■ CHAIR EAKELEY: Well, just back up a slide, if you
■ would. If I'm reading this correctly, it's basically saying
■ that in terms of resources devoted to strategic goal number
■ 1, increasing provision of legal services, it's 12.5 percent,
■ roughly, of resources?

■ MR. VIVERO: Uh-huh.

■ CHAIR EAKELEY: And in terms of appropriating high-
■ quality legal assistance, again, those are the components of
■ that. And are you treating -- but of that, you're -- I
■ wanted to break out enforcement and compliance, which is OCE,
■ and, for that matter, IG. But --

■ MR. VIVERO: Only IG is not listed, because we
■ don't have -- you know, there aren't specific management
■ strategies that we can implement. I mean, it's a separate
■ item. We didn't include that there.

■ CHAIR EAKELEY: Okay.

■ MR. VIVERO: But yes, you're right. The --

■ CHAIR EAKELEY: You're treating IG as the core
■ function, and OCE is the compliance for the program
■ oversight, integrity, accountabilities of the Congress

■ objective?

■ MR. VIVERO: Yes.

■ CHAIR EAKELEY: I mean, that's really a third -- I
■ thought that was a thought strategic objective.

■ MR. VIVERO: Well, there are two major goals. The
■ second one, as defined by the board, says that "LSC will
■ insure that eligible clients are receiving appropriate and
■ high-quality legal assistance," which obviously includes that
■ it be appropriate and legal assistance, which includes the
■ oversight function.

■ CHAIR EAKELEY: Right.

■ MR. VIVERO: That concludes the report. We are all
■ here available to answer your questions, and look forward to
■ listening to your discussion.

■ MS. MERCADO: Is it possible to get a copy of what
■ you --

■ MR. VIVERO: We're going to hand them out right
■ now.

■ MS. MERCADO: Oh, great.

■ CHAIR EAKELEY: Let me just make a couple of
■ general observations first. There really is very little

■ structure to what we have in mind this afternoon. But as
■ we've discussed at several prior board meetings, we really
■ haven't visited the issues of what are our strategic
■ objectives? Have they changed? What are the means by which
■ we intend to achieve them? Have they changed? And is there
■ any relationship between the resource allocations that are
■ made each year in the budgeting process and the priorities
■ and the strategies and the objectives that we've attempted to
■ lay out in strategic directions?

■ So I thought it was an important -- I thought we
■ really ought to be doing this -- the board ought to be doing
■ this on a regular basis. GEPR, the Results Act, pretty much
■ mandates that it be done on an annual basis, and your five-
■ year plan be pulled out and reviewed in terms of seeing where
■ the agency has been the prior year, and whether or not its
■ strategic direction is still consistent with its planning
■ activities.

■ Mauricio said the board's strategic planning was
■ initiated in 1999, but we've actually had three separate
■ strategic planning episodes. When we first came together, we
■ spent several days talking about what our objectives were

personally for the corporation. We had a facilitator. We went through very carefully what our perceptions were of the organization and where we thought we should be trying to take it. I remember Bill McCalpin saying, among many other worthwhile things, "Do no harm." Remember we had the sort of the board with the -- whatever.

Then we had a retreat in Atlanta the next year to try and provide better focus on the board direction. And then after that, about 1996, I think it was, we again went through a formal strategic planning process and adopted a formal strategic plan that -- somebody can help me out there -- but I think was more or less in conformity with what we understood GEPRA to require, and tailored to the needs of the agency. And then we reached the document that was under review here.

My own reactions initially are that the goals remain very valid and core and critical. We continue to be hobbled by the lack of a means to measure numbers and types of cases and outcomes. That's in process. But a lot of things have changed. And I think a lot of them have been for the better.

■ But have we been doing enough? Is there more to
■ do? Are there other areas that should be emphasized more
■ than they have been?

■ For example, among the challenges we listed was a
■ lack of studies. We've attempted to secure an appropriation
■ in the last two years that would fund a national Legal
■ Services poll. We've been unsuccessful in doing that. New
■ Jersey has just announced the results of its most recent poll
■ just last month. That was very informative. But we still
■ lack data at a national and aggregate level.

■ We don't have a -- yeah. Maria Luisa.

■ MS. MERCADO: Before I leave this thought. In
■ looking at studies, one of the issues that came up at this
■ rural symposium that we had last week in Nebraska involving
■ Legal Services, the grantees, and their partners, is the
■ factor of how do we allocate resources, or count.

■ Let's say someone has to go a hundred miles to do a
■ case, that it's not just a phone, not just a hotline, not
■ just a matter, that the import that you put into it money-
■ wise, and you can't count it the same, you know, case in
■ rural Nebraska or Iowa or in the Navajo Nation or what-have-

■ you versus one that you would have right there in the
■ neighborhood Legal Services. And how do you allocate, both
■ in matters of counting it as a case or a matter, and also for
■ budgeting purposes, and looking at the differentiation of
■ that.

■ I mean, just in the sense of when we're looking at
■ study instruments, that's part of the factor that you need to
■ take into account with those populations that we service.

■ CHAIR EAKELEY: I agree. I think we're left,
■ though, with the how do we know that more people today have
■ access than before? How do we know whether more clients are
■ being better served? How do we know that resources are being
■ maximized? How do we know that resources are being fairly
■ allocated between rural and urban centers?

■ We have a sense of that, I think. I think we have
■ a fairly good sense that the programs that have been
■ initiated are advancing in those directions. And maybe it's
■ impossible or forever elusive to try and quantify these
■ things. But I'm still left with a sense that we can identify
■ what we've initiated, but we still can't measure the results
■ very well.

Another couple of areas that I saw in the challenges that just seem to me that we haven't been focusing on as much as we could involve the public perception and the -- and I'm not talking about Equal Justice magazine now, but in terms of what the corporation has done, other than through state planning, to encourage state governments, private foundations, and private attorneys to participate, contribute, and the like.

Now, maybe the state planning context is the appropriate context for that resource development issue. But has the corporation done all that we should be doing? Are there other tactics or strategies for addressing the resource issue more directly than we have?

Having the board meetings in different parts of the country -- for example, I think that our presence in Texas at the time that the Texan Supreme Court was holding its hearings on pro bono representation, and really not even thinking about an Equal Justice Commission, and having the good fortune of Justice Gonzalez agreeing to be the chair of our first ever Race for Justice right before the New Hampshire Primary was serendipitous, perhaps.

■ But these are just things that I think need to be
■ examined from time to time to make sure that we're not
■ overlooking something.

■ And I'm also left with this concern that a
■ volunteer board meeting every other month can say one thing,
■ but to have that translated into specifics and specific
■ action may not necessarily be a good thing. But how do we
■ see -- I mean, I think that the effort at the budget
■ presentation, Mauricio, was very helpful on this. I like the
■ way you laid that out.

■ But I guess it raises the question of where we go
■ from here more than anything else. This is probably a wrong
■ time of day to have a conversation like this, I must say,
■ especially on west coast time for those of us from the east
■ coast. But I'd like to first open it up to board members
■ around the table, but then I want to just open it up to the
■ people just -- my intention is not to have a board and an
■ audience, but to have a session to talk about where we are,
■ where we've come, and where we should be going. Comments?

■ MS. MORGAN BATTLE: I think that the ability to
■ measure outcomes and what we have done so far is critical to

■ envisioning what the future ought to look like. And I think
■ that your point is very well taken that it certainly would be
■ helpful to figure out a way to capture some measure of the
■ changes that we have made over the last even nine years over
■ time. And whether those thoughts about the way to get at
■ those fundamental strategic goals that we have have worked or
■ not worked is key to my being able to make a judgment about
■ maybe what the strategic future for the future needs to be.

■ CHAIR EAKELEY: Actually, I think we've just done
■ an amazing amount of progress in the last several years. And
■ the fact that we're talking about doing better or other for
■ the future should not be taken by anyone as a criticism of
■ that amazing progress that has gone on so far.

■ MS. MORGAN BATTLE: Oh, it's not intended to be
■ that.

■ CHAIR EAKELEY: Randi, come on up here, you know,
■ and Len and Mauricio, and just pull some chairs up so that we
■ don't have just a board. And Dee Miller has come over from
■ New Jersey. And you had this wonderful panel this morning.
■ And Linda. Yeah, I wanted Dee to come up, too.

■ MS. MORGAN BATTLE: You say "over" as if it's next-

■ door.

■ CHAIR EAKELEY: Randi?

■ MS. YOUELLS: Yes?

■ CHAIR EAKELEY: We have 44 state-wide web sites.

■ We have all these wonderful pro se -- since we're here, we
■ have the I Can.

■ MS. YOUELLS: Yes.

■ CHAIR EAKELEY: And numbers of hits, numbers of --
■ it's hard to get your hands around the numbers. And as Maria
■ Luisa pointed out, and we've always debated, the numbers
■ don't tell everything. And if you focus too much on the
■ numbers, you get people going the wrong way.

■ But is there a way to capture more of the
■ information about what and how we're doing? And we've got
■ performance measurement going to be field tested next month
■ or two months. But --

■ MS. YOUELLS: Well, we actually -- you're right.
■ We do have a state planning evaluation instrument that was
■ specifically designed to try to capture outcomes related to
■ the initiation of the state planning initiative, and that is
■ going to be field tested in January. And then everything

being equal and everything going all right, we will actually begin to implement that evaluation next year.

But that's not the only way that we have to capture the improvements that we have made in the last several years.

For example, one of the bullets on Mauricio's chart was the Matters Project. And the Matters Project was an outgrowth of something this board said, which is "We would like to capture the work that is being done by our grantees that is not captured in the CSR system." And so we began to develop a new reporting mechanism called the Matters reporting mechanism. And in the first test period of the Matters reporting, or the first year, we recorded over two million services that had been delivered to clients by our grantees that were not otherwise being captured by the CSR system.

Now, I'll tell you that actually, that two million was just as conservative as we could make it so we would not run into any problems defending it. When the statistics first came in from our grantees, it was 12 million. Twelve million matters were reported to LSC for the reporting period to supplement the case services reporting system. And we just winnowed it down and winnowed it down and winnowed it

■ down.

■ Now, certainly, some of those units of service
■ existed prior to the start of all the initiatives that we
■ were talking about today. But there is no question that by
■ setting up web sites, by paying higher attention to the needs
■ of pro se litigants, by doing more counsel and advice, we
■ have, in fact, I think no question, increased and enhanced
■ services over the past couple years. And we hope to capture
■ that in this next year.

■ Now, the other thing, as you know, because it is
■ something very near and dear to your heart, we also -- we're
■ trying to bring the state planning evaluation in certain
■ projects down a bit. We're trying to get it, you know,
■ three-fourths of the way down, because we're ready to launch
■ the last and final stage of that multi-year initiative. And
■ that is to develop a way to get from our clients outcomes --
■ get from our programs outcomes for clients that would enhance
■ both the Matters reporting system and the CSR reporting
■ system. So that's the last and final stage, and we hope to
■ launch that in February or March.

■ It's actually been launched by a request for

information from the field: "How are you reporting it now?"

But we hope to pay serious attention to that.

So, you know, there are some things that are taking place to try to demonstrate that these amazing initiatives that have been going on by us, by our partners, by the field, have, in fact, improved the Legal Services delivery system.

CHAIR EAKELEY: How do we evaluate the resource allocation issue, John? You've had the opportunity to serve as the longest interim president, I think, in the history of the corporation.

But we say we want to do these things. We've done extraordinary things with a limited budget. But how can a board assure itself that the funds of the organization are being allocated in the priority of expenditure that the board has expressed its preference for in a planning instrument?

MR. ERLNBORN: I'm not certain I could answer that. I don't hold myself out as being an expert in this sort of thing.

What I will say is that when I became the president and got to know the vice presidents, who, together with me, constituted the executive team, one of the things that I

■ wanted to do, because I was comfortable with it, was to have
■ collegial rule. That doesn't mean that I will have them hold
■ up their hands, and of the five, four say one thing, that I
■ decided after a discussion I want to go the other way. I
■ still make the decision.

■ But I think that the collegial approach is the way
■ I would do it. Each one speaks for their programs. Each one
■ is very sensitive to how the allocation of resources is being
■ made, and the impact that it has on the programs that they
■ manage.

■ So that's about, I think, all I can tell you.

■ CHAIR EAKELEY: Well, actually, though, that's
■ saying a lot. Because I think that one of the sources of
■ confidence we derive is from having a management team that we
■ perceive to be in sync with the board's own priorities and
■ sense of strategic orientation. And once in a while,
■ somebody actually calls out of turn to say, "Didn't I hear
■ you say we ought to be doing something about best practices,
■ or in compliance and enforcement," or whatever, just to see
■ what the board's take on a particular emphasis might be.

■ Len, what is your perspective as Inspector General

■ on the strategic planning and resource allocation process
■ within the corporation?

■ MR. KOCZUR: Overall, I think the strategic
■ direction plan still has a validity. As to the resource
■ allocation, I think one of the things we have to deal with is
■ there's not a real good way of linking strategic initiative
■ to how much resources are going to that. I mean, I know
■ Mauricio made estimates and all. But we really don't know.
■ We don't keep time for our professional staff. And I'm not
■ saying we should. But if you don't really know what
■ functions our people are working on, professional people.

■ You know, I know Mike Genz right there, he works on
■ a lot of different things that go to the strategic plan, but
■ you don't really know how much time he spends on it. He can
■ make an estimate, and maybe a good estimate. But, you know,
■ over time, there's no systematic way of collecting that
■ information.

■ And I think if you want to link resources, resource
■ allocation, and strategic directions and your strategic
■ goals, then you need to have some way of linking directly
■ what people are working on, how long it's taking. Well, not

specifically how long. But what are the resources going to each of those directives? And you have to capture that at a very low level. That is, at the staff level, the person doing the work.

So I think until we move to that type of system that captures our time -- because time, and, of course, everything associated with it, the additional cost of travel and so forth, need to be wrapped into that so you can tie that to a strategic direction.

MS. MERCADO: Now, can I just ask for a clarification? Are you saying that for the LSC management side, or are you saying that for all the grantees, or a combination thereof?

MR. KOCZUR: No, not for the grantees. No, I'm just -- I don't think we can impose --

MS. MERCADO: I heard you say Mike Genz, so that's why I wasn't sure whether you were just talking about --

MR. KOCZUR: No, just internally, LSC management.

CHAIR EAKELEY: How does the -- Dee Miller or Linda Perle, how does the state planning process that we require of our grantees compare or differ from the strategic planning

■ process that we seem to engage in episodically?

■ MS. PERLE: I'm really not sure that I can answer
■ that question at all, nor do I really seriously think that
■ I'm the appropriate person. Because I don't -- first of all,
■ I'm not the person in the national community that has, you
■ know, a lot of responsibility for dealing with state planning
■ issues. But also, I think it varies tremendously from state
■ to state, and I really seriously do think that Dee is in a
■ better position at least to talk about how -- to answer that
■ question with respect to the experience that he has had in
■ New Jersey. And maybe if we still have -- some of the people
■ from this morning might be able to tell you how it is in the
■ Los Angeles area, or in California.

■ But I think that -- I guess my perception is that -
■ - and I don't know whether state planning is necessarily
■ exactly the same thing as strategic planning. I'm not sure
■ that I understand, you know, all of the vocabulary.

■ But I do think that in many states -- not every
■ state -- but from what I do understand and what I do see, I
■ think there has been a tremendous amount of introspection and
■ planning that's gone on in the states, and it's made a

■ tremendous difference in terms of the way legal services are
■ delivered in a lot of states, and, you know, that clearly,
■ the corporation, a lot of that planning was precipitated by
■ the actions that the corporation took. But a lot of places,
■ that was going on long before the corporation started the
■ state planning efforts.

■ And I don't -- you know, to the extent that the
■ strategic directions encouraged state planning to go forward,
■ there's a relationship. But I'm not going to be able to
■ really answer the question directly.

■ CHAIR EAKELEY: Dee?

■ MR. MILLER: I'm not --

■ CHAIR EAKELEY: Melville D. Miller, Jr.

■ MR. MILLER: I'm not sure that I would, up until
■ this very moment, have drawn an exact analogy between state
■ planning and strategic planning. Although I think in the
■ vision of -- as I understand the vision of the corporation,
■ they would have had state planning be realistically strategic
■ planning for that state.

■ My hunch is, from some of the road show that I did
■ a year ago -- it's not current now. A lot of other people

■ here have much better information. But my hunch is in a lot
■ of states, there is probably something of a disconnect
■ between substantive strategic planning for Legal Services and
■ other actors ideally getting together to figure out how to
■ deal with the problems of the poor, the housing problems of
■ the poor, poverty as a general matter, those sorts of issues
■ in a legal assistance context, and the state planning
■ process, which tends to focus more on institutions and
■ institutional delivery, and even methods of delivery. There
■ need not be a disconnect.

■ I think the substantive stuff is much harder,
■ involves different people, typically, than are involved in
■ state planning in most states. And the challenge for states,
■ and ultimately for the corporation, I think, is to figure out
■ ways to integrate delivery decisions with substantive
■ strategic plans. Because if there's a disconnect there,
■ things that might seem very dramatic in the abstract,
■ important delivery innovations, may do little to actually
■ advance substantive efforts to achieve economic and legal
■ justice.

■ So that's probably not the answer you anticipated,

■ but --

■ CHAIR EAKELEY: I wasn't looking for an answer,
■ but for perspective. I mean, talking about disconnect, I
■ think that the board has felt a sort of disconnect from time
■ to time, or for longer than just from time to time in terms
■ of taking initiatives or the balance between prerogatives of
■ management and prerogatives of the board. And we have, over
■ time, almost become bystanders to -- bystanders appreciative
■ in many ways, but bystanders to many of the initiatives
■ undertaken by management.

■ And that gets back to the question of what does a
■ volunteer board coming together every other month have to
■ say, or what should it say, what should we be doing that
■ we're not doing in directing or injecting policy and strategy
■ into the organizational operations. Maria Luisa.

■ MS. MERCADO: Unfortunately, the reality for us as
■ a board, at least during our term, is that a lot of the
■ direction of Legal Services as an entity, not only within our
■ management, but also just nationally, that a lot of that
■ agenda was not set by us, but was set by Congress. And so
■ consequently, even if you're saying "This is what our

■ strategic direction is" -- you know, if in one year, you're
■ saying it's still a goal that we want maximum increase of
■ funding and resources, allocation of resources for people,
■ but then you get cut drastically the next year, well, by its
■ very nature, someone on the outside is having an effect on
■ how we set strategic directions.

■ And that's not a reason that we shouldn't set them.

■ But the fact is that there are a lot of other factors out
■ there that are going to come to bear as to whether or not
■ we're successful in our long-term goals that we're setting
■ for ourselves. Just like all the IOLTA, you know, reduction
■ in interest rates, and a lot of the programs being shut down
■ has had a significant effect on the amount of poor people
■ that we represent in different states. And so consequently,
■ our goal is not different; our ability to accomplish it has
■ been thwarted. And so it's dealing with those other factors.

■ CHAIR EAKELEY: Randi.

■ MS. YOUELLS: I was somewhat surprised to hear you
■ describe the board as a bystander. Because my point of view,
■ and I think the point of view shared by at least the folks on
■ the program side of the house, is we don't think of you as

■ bystanders at all.

■ We talk and live and breathe every day the
■ strategic directions document, which you all wrote. And the
■ strategic directions document is the document that guides
■ what we do. So when that document calls upon us to develop
■ robust state planning communities, we consider those our
■ marching orders. And when that document tells us to
■ highlight diversity inclusion and multi-cultural competency,
■ we consider that a direct challenge to us to make that real.

■ So --

■ CHAIR EAKELEY: How constrained do you feel by the
■ budget in trying to realize those objectives?

■ MS. YOUELLS: Oh, I feel -- with all due respect, I
■ feel constrained all the time by the budget. You know, the
■ initiatives that the program side of the house has
■ implemented although I think have been amazingly successful,
■ they still have been done with limited funds and on the backs
■ of a few people.

■ We have five full-time staff, only five, assigned
■ to state planning for all of the 50 states and the
■ territories. We have no full-time staff assigned to a very

■ successful diversity inclusion and multi-cultural competency
■ initiative. So I feel incredibly constrained.

■ CHAIR EAKELEY: I don't want to spark an intramural
■ battle at the moment. But given flat funding right now, are
■ you suggesting that the budget process ought to generate more
■ funds for your program and less funds for other areas of the
■ corporation? Please don't name them. That's a yes-or-no
■ question.

■ MR. ASKEW: One-word answer?

■ CHAIR EAKELEY: Yeah, one word.

■ MR. ASKEW: Yes.

■ MS. YOUELLS: Yes.

■ CHAIR EAKELEY: David, how do you feel about that?

■ MR. RICHARDSON: Certainly, the problem we've had
■ with money and finances appropriation has had an impact on
■ the program. When Randi --

■ CHAIR EAKELEY: It helps to be plugged --

■ MR. RICHARDSON: Oh, okay. When Randi was talking
■ about the money for her program, you know, each year with our
■ rolling budget process, we have a way of, you know,
■ allocating money across the appropriations or the budgets, as

■ you see. And as money is not used, or as staff leave, and we
■ have attrition, money is then quickly funneled to OPP. We've
■ been doing that for a number of years.

■ But I'm sure more could be done. Better planning.

■ Certainly, more staff, as Randi has indicated, is needed in
■ certain areas. So if you have more money up front, where you
■ could plan to use it, use it more effectively, instead of
■ getting some in March, some in June, some in September, you
■ would be more effectively using your money also. But it's
■ just sort of the budget restraints that we've been operating
■ under.

■ As far as what you were talking about with freeze
■ funding, I'm sure she would like to have more money. But it
■ would take some realignment, as you say, of staffing and
■ responsibilities, and trying to determine how we could link
■ it in and make that happen. And I think we could. I think
■ that's happened over the years. My office has gone from 13
■ to 6.

■ CHAIR EAKELEY: Well, but I wasn't calling on you
■ to suggest that we -- but for example, John Idleman is
■ sitting right behind you. We have roughly one-third of our

entire budget goes to compliance and enforcement, if you include OIG and OCE. John wasn't in his current position when the latest increase for OCE came in. But how does the board assure itself of the right funding balances to go to these very important different areas of programs and communications and integrity and company? John Eidleman?

MR. EIDLEMAN: I think I'd like to say, first of all, there is no intramural disputes between offices. I think we work pretty collaboratively.

CHAIR EAKELEY: That's our sense, too, and it's appreciated.

MR. EIDLEMAN: And I think we all feel that certainly what we're interested in is the best service for clients. And the two offices that I see that have the most direct contact with clients, OPP, OCE, we know that Congress has told us that we should have a certain number of staff in OCE to fulfill that compliance obligation.

And so as was said before, some of what we're grappling with has been set for us, and it's hard for us to maneuver around that.

David also mentioned that we took some money this

■ year from the executive office to move it over to OPP for
■ some of the fine work they're doing. And I think we all have
■ that interest in seeing that the clients ultimately get the
■ best service. And to do that, as I said, I see OPP, OCE,
■ carrying that, and the others as being the background, who's
■ serving the staff. They're trying to do those things.

■ Other than that, I think that I would comment that
■ even though some of my colleagues may not appreciate me
■ saying this, but I think Len has some good ideas. I think
■ for us to really know how we're allocating our money, how
■ we're spending our money, we need to know what money is going
■ into each one of these individual projects to see whether we
■ can move money from one to the other, and how efficient are
■ we.

■ Right now, we basically look at an office. An
■ office has a lot of different tasks. And we don't have that
■ breakdown. So we can't really finely tune what we're doing.

■ My colleagues are probably saying, "This man's out of his
■ mind. We don't want to keep time." I'm not sure I'm
■ advocating that. I don't have the skills in that area. But
■ we probably could be a little bit more precise in exactly how

■ we're spending what we spend.

■ CHAIR EAKELEY: Bucky.

■ MR. ASKEW: Well, I think I was worried we were
■ fleeing a little too quickly to the bottom line here. And
■ our first strategic goal is to increase the provision of
■ legal services. And we too often think of that as more money
■ and higher numbers, without thinking more deeply about what
■ that means.

■ And if that's the standard, we failed. Because I
■ think it was '94, we said a billion dollars, you know, is our
■ goal. So if that's all we're going to judge ourselves by,
■ then we haven't met that goal, and I don't think we should be
■ that narrow in our thinking about how do we increase the
■ provision of legal services without more money, or without
■ being able to affect necessarily the numbers.

■ And I think we didn't -- Mauricio appropriately
■ didn't make judgments about whether we're meeting these
■ goals. He listed what falls under them. But I think we've
■ made a lot of progress on the increase through state planning
■ and through some of the initiatives we've undertaken that
■ started, some of which with the board, and some with the

■ staff. But I think we've made a lot of progress in that
■ regard.

■ But, as Dee pointed out, that really hasn't focused
■ as much on it is, as I said in Georgia, that what we're
■ asking the programs to do in Georgia is strategic planning at
■ a state level. But it is focused institutionally and
■ organizationally on services, not on the substance of what's
■ being done and how to do a better job on that front. And
■ that is something that's missing.

■ But I think we have done a very good job of moving
■ the issues along with the financial restraints that we've had
■ in terms of our overall budget.

■ But I am struck when I look at the budget, and it's
■ something that I thought about when I worked at the
■ corporation, the amount of money we put into program support,
■ as opposed to the amount of money we put into supporting the
■ activities of the corporation. And there are some
■ distinctions that are hard to make in that calculation, but I
■ think we should be looking more at how do we put more money
■ into program support as a way of furthering both of these
■ goals, but particularly the provision goal and making some of

■ those fine distinctions as we move forward. And if it
■ requires going back to the Congress and asking for a change,
■ or "If we can't get more money, then we need more
■ flexibility" sort of approach, then that's what I would
■ advocate.

■ Because I think we do need to look, with the
■ changes in the census, with the potential death now of IOLTA,
■ with all the things that are happening around the country,
■ that we need to look more carefully to how we're allocating
■ our resources, and how they can be used more effectively.

■ And I think we shouldn't sell ourselves short on
■ what's happening through state planning, and what is
■ happening out around the states. There are some really
■ wonderful things happening in many of these states that are
■ going to have long-term impacts. But they're mostly
■ institutional sort of changes. The proof is in the pudding
■ about whether they're really going to improve services to
■ clients over the long run. And I think they will, frankly,
■ but that judgment hadn't been made yet. There hadn't been
■ enough time.

■ But we should look at our budget and how we

allocate it, and is there a way we can put more money into programmatic improvement, supporting programs, technical assistance to programs, that sort of thing, if it can be done.

But I hate that -- what I was getting nervous about is we're getting right to the bottom line very quickly, and haven't talked about what's really happening with the changes that we've been going through, and the things we've been advocating, and what's happening out around the states. Is that really having the sort of impact we wanted? I believe it has, but we haven't talked much about it. And if so, what can we do to further that, to support it, and make sure more of it goes on in the future?

CHAIR EAKELEY: LaVeeda.

MS. MORGAN BATTLE: Yeah, I just wanted to follow up. I think that our staff has done an enormously wonderful job of dealing with such limited resources to figure out, for example, technological initiatives and things that you can do to potentially take resources and make them work better.

But getting back to the goals that were set back in 2000, for example, asserting a strong leadership role in the

■ nationwide effort to address the issue of civil equal
■ justice, I would venture to say that if we've got to look to
■ the future today on something that's going to be extremely
■ key for the position that Legal Services will hold for the
■ future, I think that that's a big piece of it.

■ I think we've done a lot of state planning, and we
■ have forced states and state justice communities to get
■ together and start looking at what they need to be doing.
■ But the board and the Legal Services Corporation and its
■ place in advocating and getting people to understand the
■ importance of the role of legal services in our entire
■ justice community and in our system of equal justice, or
■ system of justice generally, is going to be extremely key to
■ both maintaining and potentially continuing that incremental
■ increase in funding for legal services. And that's a role, I
■ think, that this board, either as a board or in its role in
■ developing new leaders for the future, will have to really
■ pay attention to.

■ CHAIR EAKELEY: Dee?

■ MR. MILLER: Yeah. I think the comment I would
■ make, probably, at the level of strategy, as I remember

■ Mauricio's breakout in that chart, within your first goal
■ about increasing provision, what Bucky was sort of
■ highlighting, I think the challenge for the community --
■ certainly for the corporation, but really for the whole
■ community -- in the coming years is to articulate in a way
■ that resonates with policy makers the justice gap, the legal
■ assistance gap, the shortfall. And it's not just a legal
■ needs study. It can't be just that. That's a piece of it.

■ But it's also the kind of thing that, for example,
■ Maria Luisa was talking about earlier, the higher costs, the
■ greater difficulties of providing necessary representation in
■ a variety of situations, situations that require fluency in
■ other languages, situations that require travel over
■ considerable distances, situations where the legal culture or
■ the judicial culture may still be somewhat less conducive to
■ indication of rights of certain groups of people. Frankly,
■ situations where brief advice and web access to information
■ don't necessarily do it or get it for clients, a whole range
■ of things that are somewhat qualitative. And there's no
■ silver bullet that the corporation could administer; no, I
■ think, \$3 million project that will solve it all.

■ But one of the challenges that we surely have to
■ have in front of us if we're going to be more successful in
■ the next decade or two in terms of raising support for
■ necessary legal assistance is really being able to get our
■ arms around and articulate the various ways, understanding
■ the various ways, that we are falling short of the mark. And
■ that underlies all of what you do, but it may be a little bit
■ of a way of sort of framing it differently as a challenge for
■ the future in trying to shake things up a little bit more.

■ CHAIR EAKELEY: Mauricio, do you want to comment on
■ that communications strategy element there?

■ MR. VIVERO: Sure. I think that what Dee said is
■ correct. That's the challenge that we have, and we, at every
■ opportunity, try to tackle those challenges, whether it's
■ publicizing a new needs study, whether it's helping our
■ grantees to forge better relationships with state funders or
■ foundations, whether it's explaining the cost of not
■ providing service to someone in higher government payouts.

■ I think we've tried to create, for the board and
■ for management, a strategy that highlights our best arguments
■ and distributes those in a way that's the most effective,

■ given the resources that we have. I think that one of the
■ most important goals is what was mentioned by LaVeeda in
■ terms of creating a leadership position for the institution
■ which would allow us to have the ability to explain to the
■ right people and to make progress to enhance our resources.

■ So that's always been one of my goals. And the
■ only thing limiting us is the available resources to do those
■ things. And to some degree, I think we can -- every year, I
■ think we learn how to better partner with the courts and
■ foundations and others who are beginning to enter the fold in
■ a very strong way.

■ Four years ago, there weren't many chief justices
■ who were willing to, you know, speak on the record and hold
■ press conferences with us, and talk about the funding crisis
■ in their state. And I think engaging those partners and
■ those surrogates to take this issue on as their own is the
■ result of good leadership. And if we continue to do that,
■ we'll see progress. But I agree with Dee and I agree with
■ what LaVeeda mentioned.

■ CHAIR EAKELEY: Victor, you've been a very patient
■ and sage counsel to the board in our nine years of tenure

here. What's your perspective on the board's strategic planning or lack of planning, or its strategic plans?

MR. FORTUNO: I think that it's easy to get caught up in the day-to-day details while it's, I think you've alluded earlier, a part-time board, meeting every couple of months. I think that when you do come together, there are so many competing demands on your time that it's difficult to do what you're doing now, which is to take a step back and to analyze the larger issues.

I think that it takes a concerted effort. I mean, you have to continue to remind yourselves as to where you can make the biggest difference. The amount of time that you have to devote to this effort is limited, not your energy. And by that, I don't mean to suggest that folks aren't giving it their all. But you've got a limited amount of time to devote to this, and so it's a matter of deciding what makes the most sense, and where you can get the biggest bang for buck.

I think that setting up strategic directions is just such an effort. I think that what you -- and I think that what was talked about before, the constraints, is very

■ real. I mean, there's no way of getting away from that. The
■ fact is, the constraints are imposed by Congress in terms of
■ what can be done in terms of what resources, what funds we
■ have with which to do it. But then it trickles down. And
■ within those constraints, you have decisions to make. And
■ you set the policy within those constraints for the
■ corporation.

■ The principal elements of the corporation are the
■ operating components, program performance, program side of
■ the house, and compliance. In large part, the rest of us are
■ a support function. And you need to decide what you want
■ those operating components to do and what you want them to
■ accomplish, and the rest, in some respects, falls into place.

■ Because it's a matter of what those operating components
■ need in the way of support in order to accomplish what you've
■ set out for them.

■ But I, as I said, see the Office of Legal Affairs,
■ for one, as a support component. And that's why I was
■ sitting back quietly, because I was most interested in
■ hearing what the operating components, the program side of
■ the house, compliance. And while it's not one of the

operating components, I think it's more than just the support is getting the message out. I think getting the message, crafting the message that the board wants put together, and then disseminated in a way that resonates with the policy makers.

I think a point that was made earlier, and not one that should be overlooked, needs to be emphasized, and I hope that I'm doing that now, is it's an important point to make, so it's worth making again.

I don't know. Were there specific questions, or -- I mean, those are the initial thoughts that I have. Kind of over-arching.

CHAIR EAKELEY: I'm going to go ask Bill for his reaction to your observation that it's the board that sets policy. I'm not sure how much policy we've said, or strategies we've initiated recently. But since Mike Genz has stepped up to the table, I suspect he has something to say.

MR. GENZ: Well, actually, I was told to step up to the table.

(Laughter.)

CHAIR EAKELEY: Is that so?

MR. GENZ: Right. So now the microphone is in my hands. Yes, my feeling is, as I believe it was Randi said earlier, as far as whether you've articulated policy or not, let us assure you that the policy you've articulated is what we live day in and day out, and frantically moving towards those goals. As I see what your policy is is this is the logic model. We have the goals, and these are the strategies to follow, that we believe it makes sense that if we follow those, we're going to get these goals.

Now, we're going to give you measurements in a short period of time. We're going to begin to have a sense of measurement. Measurement is a complex thing, and we're not going to have it perfectly.

One thing that I would bid you do would be to reexamine your logic model and take a look at those sort of parts of strategies and how we're implementing them, and say does that still make sense to you that we're accomplishing these things. State planning is clearly accomplishing a great deal. This is all a work in process, but we need to look back at the changes and attitudes and the vocabulary of people in the field about what we're doing and how we're

doing it. I think the same is true of technology, that this has been sort of a major shift.

I do want to make a comment about another way in which I think progress is accomplished, and that's by virtue of when you take some steps, one of the things you're doing is accomplishing the steps you're taking. And the other thing that you're doing is emphasizing the problem and the need for greater things.

I think two examples of these are the work we're doing in pro se and the work we're doing in web sites. One of the things we're doing is we're giving this little -- we're taking these little steps. But the other things are courts and the others that are working with us and our other partners are becoming more and more aware of that 80 percent that weren't represented. I mean, they are now visible. They are now there. They have this information. They're making inquiries. There's a need for further justice. So that's one of the ways that we are, I believe, helping to articulate the justice gap, which I think Dee said, which is crucial. Thank you.

CHAIR EAKELEY: Bill, it's your birthday, and I

■ don't want to put you on the spot. But you've been --

■ MR. GENZ: You just did.

■ CHAIR EAKELEY: Serving on the board with you for
■ nine years has been a constant challenge. And you've always
■ been a voice of reason and wisdom on the board, but always
■ challenging us also to do better. And I'm wondering what
■ you're thinking about this process or discussion. And don't
■ say, "Waste of time," because --

■ MR. MCCALPIN: Well, as I've sat here, I've thought
■ back over the last nine years. When we came on, we felt the
■ need to make substantial change at the top levels of the
■ corporation, and I guess it's fair to say that we had some
■ questions in our mind about lower levels in the staff. The
■ result of that was that we became a more active board. We
■ were the ones that decided what policies needed to be
■ changed, determined, or initiated, and then we went ahead
■ largely and drafted the policies.

■ Then when we established the kind of staff that we
■ wanted, we had a tendency pretty much to let them alone. We
■ had confidence in them.

■ As I've thought about the proper role of a board --

and obviously, with Enron and WorldCom and everybody else, there's been lots of talk these days about what a board ought to do -- it seems to me that aside from the very occasional responsibility of choosing a chief executive officer, there are two continuing obligations of a board.

One is to set the direction, the policy, for the organization to go forward, and the other is to monitor the operation of the various elements of the corporation, not only in terms of do they follow the policy, but generally, how are they doing.

I think in recent times, we have not been the ones to decide what policies needed to be created or changed. That initiative, and not surprisingly, has come from the staff. We can't set policy without knowing the detail, the pros and cons of it. And I guess I'd have to sort of echo the remark you made a few moments ago that it doesn't seem to me that we come here five times a year or whatever and do much in terms of setting policy. Maybe we did in the strategic directions. We've done it in a few other cases, but certainly not to the extent that we did in the first two or three years.

■ In addition, and I guess I said this to John last
■ night, that as an alumnus of the Operations and Regulations
■ Committee, it seems to me that in my day on that committee,
■ we didn't look at operations to the extent that we did
■ regulations. And as a result, some things may have come
■ along and developed in the course of it that we learned about
■ too late, because we just didn't look internally too well.

■ So, you know, I think that generally, in American
■ corporate culture, there's a renewed look at the
■ responsibility of a board. And I think that we have -- we've
■ been sort of up and down. We were way high on certain
■ aspects of it early on. I think we've slacked off a bit in
■ the past, recent times, largely because we have a staff that
■ we have relied on. But we may not have looked internally at
■ the operations of the corporation to the extent that we might
■ have.

■ Just one last thing I would say. When we came to
■ this corporation, it had a separate specific unit related to
■ research, R&D, research and development. And now all
■ elements of the staff have that as kind of an added duty, but
■ nobody has it as the prime responsibility.

■ And I have learned over the years to be in
■ admiration of the Canadian system, where in the Canadian
■ Ministry of Justice, there is an R&D unit devoted entirely to
■ legal aid. And they come up with some well-thought-out
■ ideas, some innovative things for them, different somewhat
■ from ours. But that does seem to me that maybe we ought to
■ think seriously about whether we shouldn't have an R&D unit
■ in the future.

■ CHAIR EAKELEY: Ahn, you've been traveling the
■ country catalyzing state planning, and seeing the board from
■ a different perspective.

■ MS. TU: Thank you. Just a little bit in reaction
■ to what Bill just said, and what the chair has said before.
■ Let me, as a staff person, and probably a junior, a lower
■ staff level person, say that --

■ CHAIR EAKELEY: He doesn't pull punches.

■ MS. TU: Well, no, no, no. I really appreciate --
■ and moreover, as somebody who, before I came to work at the
■ corporation, had been outside, and had performed the function
■ of a watchdog of the corporation. So I have seen it from
■ both sides, now, as I am a staff at the corporation, compared

with when I was watching the corporation. And I think that there is no need for you to do any soul searching here today about whether you've given staff the support, or whether you have provided us with the leadership, because I think we certainly do feel that. We think that a lot of how much we have been able to accomplish, that is thanks to your leadership and your support.

And I have, as I said, observed before a board where it had no interest in the delivery in quality legal services for clients. And I think whether staff agreed with the board at that time or not, there was no way staff could do anything.

So whatever we have been able to accomplish, that is thanks to your support. And I think that you should keep that in mind.

CHAIR EAKELEY: Well, thank you. Do you think the strategic directions gives enough of an articulation of policy and strategic orientation?

MS. TU: Well, you know, I --

CHAIR EAKELEY: Or does it give too much, so that staff can just invent where they want to go and say, "We read

about it right here at a strategic directions"?

MS. TU: Well, I am not very good at that. I am much better at giving you examples. And let me just take you back to a board meeting in Arizona, in Phoenix. I think it was shortly after John McKay became president, so it must be in 1996 or 1997. And you had a panel, a couple in the panel of field people came to talk, you know, to do a presentation about their work before you.

And it was an absolute disaster. That was the beginning of state planning. And you had three or four -- at that time, I think Arizona had five programs. They all came to you to give you that case, meaning that just to leave them alone. And you contrasted that with what you have seen today.

And I just hope that you see the difference, you see the improvement, you see the results and the fruit of the state planning work, I mean, whether that was a strategy direction from you, whether it's implemented by your staff. But frankly, I think it is implemented by field people. And for me, that is a partnership. As a corporate board, you do have to set strategic direction for your own corporation.

■ And I think you already have done that, that we
■ cannot accomplish whatever you want accomplished in that
■ vision for your operation, unless we get the field involved
■ and support. And I think through the efforts of state
■ planning in the last few years, you have done that. And I,
■ as a person who worked with California programs.

■ And actually, the last couple of years, I have
■ pretty much left them alone to work together, after we, you
■ know, stirred things up. And I am just amazed at the
■ cohesiveness and sense of the three programs truly doing work
■ together so very well.

■ CHAIR EAKELEY: It showed clearly in the
■ presentations this morning.

■ MS. TU: Yes, it did. So I just leave you with
■ that, just to see whether you think that what -- you've done
■ a lot of good work, I think. Thank you.

■ CHAIR EAKELEY: Thank you. Actually, the good work
■ is done by the people who are in this day in and day out.
■ But thank you. Bob.

■ MR. GROSS: Bob Gross. It's always hard to figure
■ out who you want to follow, because I don't want to follow

■ Ahn. She's so terrific.

■ CHAIR EAKELEY: Well, you just did.

■ MR. GROSS: I know. I've been sort of like waiting
■ for it, but the time has come.

■ You know, today you saw this tremendous display
■ here in this room. When you think of the various board
■ meetings you've had and what you've seen over the past year,
■ and particularly the presentations that are going on, that
■ didn't happen just by chance. And this board has played a
■ key role in that.

■ As you convened this morning, in the State of
■ Mississippi, there are, I think, 34 legal aid attorneys for
■ over 508,000 low-income persons on the census count. That's
■ an amazing number, amazingly low number, and it points out
■ the challenge. There once were 134 legal aid attorneys in
■ that state. So we can't understate the challenge.

■ But at the same time in Mississippi, there was a
■ meeting about what to do about that. It's a state planning
■ meeting. The co-chairs of that state planning body are Chief
■ -- not the chief -- but a justice of the Mississippi Supreme
■ Court, and another judge, a chancellor judge in that court.

■ And in that room in the last meeting I was at just
■ a few weeks ago, and I'm sure today as well, are people, the
■ leadership of the Bar Association, the leadership of the
■ programs, other providers, other social services folks. And
■ all of that, you know, did not happen, again, by chance.

■ But I think that the board has, whether it
■ initiated strategic directions or followed someone else's
■ lead, it was on your watch. And when Randi and Mike say that
■ that guides us, in all our feedback letters to the states
■ about their planning, in all our letters about after
■ following program visits about quality, we quote from
■ strategic directions. I mean, that is our guide.

■ And the vision in there about partnerships, about
■ deepening public support, about deepening bipartisan support,
■ about enhancing resources and building, ultimately, a
■ stronger system in each and every state is what we've been
■ about, and what you've been about for so many years.

■ And I just look at something that's going on in
■ Mississippi, which is one of the poorest of the states, has
■ occurred in other states, and is happening, and to me, kind
■ of deals with the statements that LaVeeda made and others

made. That's our hope, I think, for the future is strengthening those kinds of partnerships and justice communities in each and every state. And this corporation, under your leadership, has played a tremendous leadership role in that.

So, you know, I've said it before. I think this board has done a magnificent job. And I think what Ahn said gives it a little longer perspective about the transformation that you've watched over and made happen within the corporation, where I don't think there are questions anymore about what is the mission of this corporation, and is it supporting client services. I think that's pretty clear. And you've charted out some directions.

There's more work to be done. You know, we need to figure out, as Mike said, better ways to evaluate our results, you know, better ways, perhaps, to look at resources over time. But I think you should stand very proud in what's happening so far.

CHAIR EAKELEY: I didn't mean to turn this into a wake for the living. I was really looking to see whether or not the strategic directions still meant something, whether

■ we were on the right track, whether forward-looking
■ adjustments needed to be made, whether there was a sense of
■ deficiency in the translation of those initiatives into
■ resource allocation, or whether others had other views about
■ it. But thank you, Bob, also.

■ John Erlenborn, or Tom Smegal, or Edna, or
■ Ernestine?

■ MR. ERLNBORN: Well, let me say this. I was just
■ trying to formulate it in my mind, and you caught me
■ unawares, so it may not be quite as eloquent as I would
■ otherwise hope.

■ I think when you look at the strategic directions
■ and ask the question have these been implemented partially or
■ fully? Have they worked? Or do we have to have a different
■ direction, another strategic direction, rather than the one
■ that we set a few years ago? And I would say that if you
■ look at the things, the adverse things, that affected this
■ corporation, particularly during those mid-'90 years, when
■ the extreme right in the House of Representatives was
■ attacking the corporation, and our very existence was at
■ doubt.

■ And then you look and see what has happened since
■ then. I think we activated -- not that we did it, but it was
■ our problems that we faced -- activated people around this
■ country. We knew what we wanted to do, and we did the best
■ we could. And with things like technical initiatives, web
■ sites -- and I can just go on and list all of those things
■ that have been done by the corporation in a short period of
■ time. Four or five years ago, these things didn't exist.

■ And if you look now at the number of people who are
■ being served -- and that's the real test, I think, as to
■ whether our directions, strategic or non-strategic, are
■ working. But if we are serving -- and I don't know about
■ measuring the quality. That's something I think we can't yet
■ do. But the numbers, the sheer numbers, show you that with
■ all of the problems that faced us we muddled our way through,
■ possibly -- I think it was probably more than that -- we
■ wound up serving as many, and I think probably more, people
■ today with the things that we provided, the tools that we
■ provided, to fulfill the strategic directions.

■ And I think you add that all up, you're not going
■ to say, "Well, the directions must have been wrong. They

■ didn't work." The directions were right, the directions were
■ followed, and it worked.

■ CHAIR EAKELEY: Should we be trying to find ways to
■ allocate more scarce resources towards those directions?

■ MR. ERLNBORN: I don't know how that would break
■ down. I think something like the -- there's a particular
■ element in our appropriation for some of the technical
■ assistance grants. I don't know if you're going to be able
■ to, or if you want to, change that so that the money is free
■ to go in other directions.

■ Frankly, I think that the technical things that we
■ utilized during that period of the last four or five years
■ was really the key to success. Not standing alone, however.

■ I think the justice communities in the states, the fewer
■ people, the fewer programs that there are still serving the
■ area, but not utilizing as much in overhead expenses. I
■ mean, there are a lot of these things that have worked.

■ And how you would want to allocate in the future,
■ I'm not ready to say. Although I would hope that we would
■ keep a lot of the technical assistance as a part of what
■ we're doing to make the provision of services work, even

■ though we are so constrained by the lack of resources.

■ And finally, let me say that I think we did a good
■ thing when we got the 330 million, and the administration
■ indicated that they were happy. We have the President now
■ supporting us -- not to say it hasn't been true all the way
■ along -- but the Republican President now supporting us, and
■ we said, "Well, okay. We'll settle for level funding. We'll
■ take the 330."

■ Well, this is the third year that we're facing
■ that, and I think it has gone too far. I think when it comes
■ to the time that we set the budget mark -- \$415 million was a
■ good thing to say, not "We're ready to take another year of
■ no growth." A year of no growth, another year of that would
■ be adding in an incremental way to sort of help carry out
■ what the wild right in the Congress is trying to do, only
■ doing it in small increments. Because if we just keep at
■ that level of funding, we're not going to profit by it,
■ obviously. And there are so many more things that we could
■ do.

■ But that's one of the most important things that I
■ see today is really driving to get a substantial increase in

our appropriation.

CHAIR EAKELEY: Tom.

MR. SMEGAL: Well, I guess I didn't see as setting strategic goals as much as recognizing what had been there to start with. Certainly back in 1974, I guess, when John Erlenborn was on the floor of the House trying to get a Legal Services Corporation act through, the objectives of the Legal Services Corporation were what they are, what we articulated a couple years ago.

And I think what we've done over the last years, and I think over the nine years we've been here, with a great deal of help from the permanent people, as opposed to us who show up every couple of months, is to recognize how we can improve upon what the act says we should be doing. Well, we're doing it better. We're delivering legal services better. We've got tools we didn't have two years ago, and we've got to continue to get those tools. And the way we're going to get those tools is to get more money. And we've just got to be more effective there.

And I think John's right. This is the time to be more effective than the status quo at 330. I came on this

board in 1984. I think there had been a 330 just before that. And that was different money. This is different money. That's really where this board can be helpful, I think, particularly with our new board members. They've got some clout with the administration. We hope they can utilize that clout in some way to make this program even more representative of what John Erlenborn and his friends did in 1974.

Anyway, I'm proud to have been here. I see this as Cap Weinberger used to say about the government. It's like a big battleship, and you're in charge, but you can't do much with it. You can throw a few deck chairs. And this has been a battleship since 1974 delivering legal services, and all we're trying to do is make it run a little better. And I think we've done that, and I think those who succeed us are going to be better at it.

CHAIR EAKELEY: Well, I think I'm not going to attempt to sum up any other observation, concluding remarks.

Well, Don came in in the middle. Do you have something -- would you like to -- he's in the middle of something else too.

MR. SMEGAL: I think we should comment on the physique of Don. Tell us about that.

MR. SAUNDERS: Thank you, Mr. Smegal. My name is Don Saunders. I'm the director of Civil Legal Services for the National Legal Aid and Defender Association, and I'll try not to do a living wake as well.

I'm sorry I missed the first part of this. I had some business at UCLA I had to do this afternoon, but I think I caught the flavor of what you're talking about today. And from my perspective, I've been on the receiving end in some ways of all the policies you've sat for, and I said it certainly feels like you've had a great deal of activity in terms of setting a direction.

Seriously, I think back to a time before you were aboard. There was a meeting in Kansas City, the last meeting of the Wittgraft Board. And it was sort of a transition period, as we're entering into now. And I think the Wittgraft Board did such a good job in terms of ending the rancor, but they really had no ability to set a vision, a direction, for legal services in this country. No board really -- I mean, Bill's old board sort of got the expansion

■ money out there, but no board has come in or had the
■ authority to come in and really talk about quality and
■ delivery. And that's what your strategic plan is all about.
■ It's about more people and the quality of service.

■ And I talked to a number of you there. I think
■ there was a sense in the field of great relief. "Well, your
■ job is to get us a billion dollars and leave us the hell
■ alone." And, you know, I talked to a number of you there who
■ came up before you were even a board. And some of you know
■ who I'm talking about. You said, "I'm here to talk about
■ quality. I'm here to talk about clients. And yes, we need
■ to be aggressive in the Congress. But, you know, we also are
■ going to take advantage of our tenure to really look at the
■ delivery of legal services in this country."

■ And I would echo what Bob said. We're embarking
■ now -- I've talked to more people across the country who say
■ these are the toughest times we face. We've got an IOLTA
■ argument on December 19, tight budgets. You know, we are
■ really facing -- you are facing now some of the most
■ challenging times we will face.

■ But we are a stronger community because of your

■ vision, and because of the people who are at the table. And
■ I think we were so self-focused when you came in. It was the
■ legal services community against the world. And I think
■ we're much stronger as a result of that vision. It has had
■ its ups and downs in terms of how it's been carried out in
■ various states.

■ But I think overall, you have a lot to be proud of,
■ and I think you're leaving the corporation in a very strong
■ position. I think it took the power of the purse that you
■ had to get this community to embrace change, however
■ begrudgingly it might have embraced it. And I have witnessed
■ dramatic improvements in quality and quantity in many parts
■ of the country, and I think that's the heart and soul of that
■ document.

■ I certainly feel as if it's been a real working
■ document, and have appreciated my organization with class.
■ We've appreciated the ability to be your partners in pursuing
■ those goals.

■ CHAIR EAKELEY: Well, we've appreciated the
■ partnerships, too. Anyone else? Ernestine.

■ MS. WATLINGTON: As a client, it has really been

interesting, I guess is the word, and as Don has indicated such. The whole feeling is so different in the beginning, and it changes. And the two things that Edna and I had talked about that we were able to accomplish, it didn't go exactly the way -- the first one, the conference for clients, came away very, very excited, but not too many of the things actually happened.

CHAIR EAKELEY: We lost a third of our funding for next year.

MS. WATLINGTON: Yeah. So that took away a lot of the, you know -- but then we were able to later get it back and have the one.

And the way that it's going was that client involvement, the way that it's going -- what is it called now? The client --

CHAIR EAKELEY: Client-centered?

MS. WATLINGTON: The client-centered communities. At least it's a start. It's not exactly where -- my expectation, what I wanted to come out, but at least you've got NLADA and the other national organization. No matter, you know, where they take it or what they do with it, at

■ least we started it.

■ And those were the two things that Edna and I had
■ said that we wanted to make a difference, that we wanted to
■ leave, you know, legacies of something that we were clients
■ that really tried to do what we could to improve legal
■ services, especially -- we look at it -- I know I do. I look
■ at it different than the corporate lawyers, and I look at it
■ different than the other board members. And I'm still
■ involved in the community as a client. I don't always want
■ to be one, but I ended up being one.

■ I remember one time one of the board members, the
■ chair -- I forget his name -- back in the days, he said, "Are
■ you an eligible correct?" I said, "Yeah, but I don't want to
■ be one all the time." But somehow, when you're doing low-
■ income housing, that's what you end up being.

■ But I really have been interested in strategic
■ planning, because I do know that in the work that I do or
■ anything you do, you have to plan. You look at the long
■ range and also the short range goals that you want to
■ accomplish, and go about getting accomplished.

■ And it has been -- and like I said, it's been an

interesting road, you know, time to go through. And today, what was good for the board and myself too was to see, to let you know, that no matter what we've accomplished, we still haven't did anything. I mean, you know, we've done a lot, but there's still so much more to do.

The things that came from this meeting today, what's actually happening here in Los Angeles, it's unbelievable. I mean, even though you're there every day, and you know what is happening in your community, you just don't think it's really happening everywhere.

So when you hear those kind of reports and those statistics and those many poor people out there and all, and you say well, you know, we're still just doing band-aid. We still haven't really been able to get to the root of what's causing it, to make any significant changes. But, you know, you just have to keep going.

So it's been interesting. I've enjoyed working with everyone. I met so many wonderful people, you know, and I didn't think I'd still be able to do it. I've been hanging onto it.

CHAIR EAKELEY: Yes, indeed.

MS. WATLINGTON: I just don't want to give it up till the end. It's too close to do so. I just want to let everybody know how much I appreciate them, you know, just being on the board, and how you're really being committed, and how you're really trying to assist the client community with, you know, making it, like you said, equal access to justice. That's all we can do.

CHAIR EAKELEY: Edna, you've been uncharacteristically quiet this afternoon.

MS. FAIRBANKS-WILLIAMS: Well, I didn't want to say too much for fear they might shoot the messenger. But after this morning, and I saw what they did in California, I was the one that started talking about mapping three or four years ago, and people were really uptight. But I think they're commencing to effect it now, and to accept that it's a way of life, and that we all have to do it. So I'm not feeling quit so exposed.

CHAIR EAKELEY: I have to confess. Len wanted to give us a presentation tomorrow -- or today, I guess, tomorrow. Because I wanted to take some time, make some time to have this discussion, we sort of compressed it and put it

off to another day. But I think we'll hear a little bit in your report tomorrow on the mapping project; will we not?

MR. KOCZUR: Yes.

CHAIR EAKELEY: Good.

MS. FAIRBANKS-WILLIAMS: And one of his people has said that he thought that there was going to be a presentation at the next meeting, so --

MR. KOCZUR: We'll have a full presentation at the January board meeting.

MS. FAIRBANKS-WILLIAMS: I'm looking forward to that.

CHAIR EAKELEY: Bucky?

MR. ASKEW: If the question you put to us at the beginning about the strategic plan was are the goals still appropriate, and are the strategies still the right strategies, it seems to me, from what I've heard today, I would say, and I hope most of us say, the goals are still the appropriate goals for this plan in terms of increasing legal services and improving the quality of legal services.

And we should probably leave here feeling that, that we have in a way maybe endorsed the strategic plan and

■ want to see us continue to work on it.

■ The challenges that we identified, or that Mauricio
■ put on the screen today for us, was that when we adopted this
■ back in '99, that the corporation hadn't developed a means to
■ effectively describe and/or quantify the outcomes and
■ measures. I think we've done a much better job over the last
■ few years of being able to speak to the challenges and be
■ able to describe what it is we're doing, and doing a better
■ job of getting our message out generally to the public and on
■ the Hill, and we're still working on the measures. But I
■ think on the whole, we've made progress in that area.

■ The second thing was his no strategic or
■ nationally-focused effort on developing new leadership,
■ providing training, or addressing the issues of diversity.
■ Well, we're addressing the issues of diversity, although the
■ money, you know, is in question of how we're going to be able
■ to take that forward. But I don't know that we have done
■ much about developing the leadership or providing training,
■ and that's something that maybe we need to focus on as we go
■ forward.

■ And lastly, the challenge was the quality

■ assistance level service and availability of aid offered by
■ grantees varies from program to program, and results are
■ uneven. But I think the whole state planning effort has
■ helped dramatically in that regard, and that results are more
■ even, and across states, that there is more of a uniform
■ effort and more collaboration. I think we've made great
■ progress on that challenge.

■ And another issue for me is whether this is a plan
■ not only that stands the test of time, but one we can pass on
■ to the next board. I mean, we're on a short-term here. And
■ I think it's one that we can very confidently pass on to the
■ next board to pick up and review and change as they see fit,
■ but at least one that we can be proud of, I think, and say
■ does represent what we believed in and what we worked on, and
■ some things that we accomplished. And hopefully, it will be
■ up to them to pick it up and move it on from there.

■ CHAIR EAKELEY: And I think that's a fair summation
■ of the discussion this afternoon. I, for one, would like to
■ see more effort made to find and devote more resources to
■ delivery, program quality, resource development, and the
■ like. And I know we're talking about marginal adjustments,

■ because you have to have a building and administration and
■ all the people who make the place run.

■ But we had a Finance Committee meeting where we
■ were presented with carryover funding, and two different
■ principle lines. I think that I'd like to take another look
■ overnight at maybe applying a little bit of those funds to
■ beneficial purposes, rather than letting them just carry
■ over.

■ But I do think moving forward, I would surely love
■ to find the extra funding to do more of what we're doing,
■ which I suspect is probably the best endorsement of our
■ management team and their wonderful staff right there, just
■ to keep up the good work and do as much of it as you can with
■ the limited resources we've got.

■ And I want to thank Mauricio for undertaking to
■ getting us going, and for this presentation, which really is
■ excellent.

■ Any other comments or business?

■ (No response.)

■ M O T I O N

■ CHAIR EAKELEY: If not, then motion to adjourn.

MR. ASKEW: What's the plan for the evening?

CHAIR EAKELEY: Plan for the evening? Seven o'clock reception with Los Angeles Bar Association, and LAFLA, and various guests and friends.

MS. MERCADO: We have many sponsors, and expect a good --

CHAIR EAKELEY: Seven o'clock in the great room, which is where we had lunch today.

MS. MERCADO: Right.

CHAIR EAKELEY: So again, I thank you all for indulging me in this sort of seance.

(Whereupon, at 4:00 p.m., the meeting was concluded.)

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