

LEGAL SERVICES CORPORATION
BOARD OF DIRECTORS

TELEPHONIC MEETING OF THE
FINANCE COMMITTEE

OPEN SESSION

Monday, June 11, 2012

12:06 p.m.

Legal Services Corporation
F. William McCalpin Conference Center
3333 K Street, N.W.
Washington, D.C. 20007

COMMITTEE MEMBERS PRESENT:

Robert J. Grey Jr., Chairperson
Sharon L. Browne
Father Pius Pietrzyk, O.P.
Robert E. Henley Jr. (Non-Director member)
John G. Levi, ex officio

OTHER BOARD MEMBERS PRESENT:

Charles N.W. Keckler

STAFF AND PUBLIC PRESENT IN THE CORPORATION'S OFFICES:

James J. Sandman, President
Richard L. Sloane, Special Assistant to the President
Rebecca Fertig, Special Assistant to the President
Kathleen McNamara, Executive Assistant to the President
Emily Gydesen, Intern, Executive Office
Victor M. Fortuno, Vice President for Legal Affairs,
General Counsel, and Corporate Secretary
Katherine Ward, Executive Assistant, Office of Legal
Affairs
David L. Richardson, Comptroller and Treasurer, Office
of Financial and Administrative Services
Jeffrey E. Schanz, Inspector General
Joel Gallay, Special Counsel to the Inspector General,
Office of the Inspector General
David Maddox, Assistant Inspector General for
Management and Evaluation, Office of the
Inspector General
John Seeba, Director of Audit Operations/Administrative
Officer, Office of the Inspector General
Carol A. Bergman, Director, Office of Government
Relations and Public Affairs
Treefa Aziz, Government Affairs Representative, Office
of Government Relations and Public Affairs
Brendan Valentine, Office of Government Relations and
Public Affairs

Honorable Vanessa Ruiz, Associate Judge, District of
Columbia Court of Appeals, representing the
American Bar Association Standing Committee on
Legal Aid and Indigent Defendants (ABA SCLAID)
Terry Brooks, SCLAID
Chuck Greenfield, National Legal Aid and Defender
Association (NLADA)
Don Saunders, NLADA

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P R O C E E D I N G S

(12:06 p.m.)

MR. LEVI: Let's call the meeting to order.

And because we do have a quorum, could I have a motion to approve the agenda?

M O T I O N

MS. BROWNE: This is Sharon. I'll approve the agenda -- I'll move to approve it.

FATHER PIUS: Second.

MR. LEVI: All in favor?

(A chorus of ayes.)

MR. LEVI: The approval of the minutes. Are there any issues with the minutes? They seem fine.

M O T I O N

FATHER PIUS: I move that they be approved.

MS. BROWNE: Second.

MR. LEVI: Second? A second there?

MS. BROWNE: This is Sharon. Second.

MR. LEVI: All in favor?

(A chorus of ayes.)

MR. LEVI: Now, as is our practice, we've asked for public comment. And I know this is a little earlier

1 in the process than we usually do, but this is the new
2 process that we've been embarking on. And so is someone
3 from SCLAID on the call?

4 JUDGE RUIZ: Yes. Shall I go ahead?

5 MR. LEVI: Yes. Go ahead.

6 JUDGE RUIZ: Yes. This is Vanessa Ruiz, on the
7 District of Columbia Court of Appeals. I'm a member of
8 SCLAID. And first, I want to make sure that all of the
9 committee members have received the memorandum dated June
10 6, 2012 from SCLAID chair Robert Stein.

11 MS. BROWNE: Yes. I received it. Thank you.

12 JUDGE RUIZ: All right. You're welcome.

13 Well, as you know, the American Bar Association
14 through SCLAID makes these annual presentations to the
15 Legal Services Committee's Finance Committee -- I mean,
16 the Legal Services Corporation's Finance Committee, and
17 that's usually done through the chair of SCLAID. But
18 this year Bob Stein is not available, and he asked that I
19 do it in his stead. And I'm happy to do that.

20 As you know, from the memorandum of June 6, the
21 ABA SCLAID recommendation is that the LSC request that
22 the Administration allocate \$470 million for the Legal

1 Services Corporation. As we view it, and this is based
2 in part of our constant and open dialogue with legal
3 services providers around the country, the situation
4 really has changed very little since the prior request by
5 LSC was presented last fall.

6 The economic recovery continues to be elusive.
7 The situation of the poor, if anything, grows more
8 desperate all the time. That means the need for services
9 from LSC and LSC grantees continues to grow. The number
10 of people in poverty is increasing, expected to continue
11 to increase. Hopefully we will start to see some change,
12 but that doesn't seem to be on the immediate horizon.

13 The employment numbers are continuing at
14 historically low levels. The jobs that are available to
15 people put them in the category of being working poor.
16 So many people will be poor or near poor for the
17 foreseeable future, and certainly for the fiscal year
18 that we're talking about here.

19 There is concurrently a really alarming trend
20 toward pro se appearances in court, and the diminishing
21 capacity of courts to provide justice as a result. This
22 is something I'm acutely aware of as a judge.

1 So I think what we're facing you could describe
2 as kind of a perfect storm within the justice system.
3 You have a continuing reduction in funding of legal aid
4 organizations. The number of legal aid lawyers who are
5 available to help people who have to go to court is
6 declining. So many more people just have to try to make
7 do on their own, and that's rarely a good outcome.

8 CHAIRMAN GREY: I'm Robert Grey.

9 JUDGE RUIZ: And court budgets are squeezed,
10 and so the courts are less able to offer self-help
11 services.

12 I know personally that judges are trying to
13 address this by themselves being more attuned to the
14 needs of pro se litigants. But, as we know, that itself
15 takes a real reorientation in the way that judges think
16 of their role. It takes a lot of training. But we are,
17 as judges, generally very aware of the situation and
18 trying to see what we can do. But it will never
19 supplant, obviously, having somebody, a lawyer, represent
20 a person in court.

21 CHAIRMAN GREY: Hi. Robert Grey.

22 JUDGE RUIZ: This is Bob Grey who just joined?

1 CHAIRMAN GREY: Yes.

2 JUDGE RUIZ: This is Vanessa Ruiz on behalf of
3 SCLAID, presenting the ABA's recommendation that LSC seek
4 \$470 million as an allocation from the Administration.

5 CHAIRMAN GREY: Thank you, Judge. I was
6 listening. I just wanted to, first of all, apologize for
7 being late. But I was listening, and just wanted to let
8 you know I was on the phone. But go ahead.

9 JUDGE RUIZ: Well, I won't repeat anything,
10 then.

11 CHAIRMAN GREY: No.

12 JUDGE RUIZ: As a result, we have a number of
13 unrepresented litigants in court who many times are
14 unable to achieve the result that justice really would
15 require that they achieve. And courts end up operating
16 very inefficiently, which affects all litigants, even
17 those who are represented by counsel.

18 We think that legal aid is an important
19 constituent service in every congressional district in
20 the country, and that in most situations it is more
21 expensive for government to provide services after the
22 fact -- after somebody is evicted; after somebody is not

1 able to get child support, for example; after something
2 doesn't get the protection order in a domestic violence
3 case -- than it would be to prevent the legal problem in
4 the first place. So it's a good investment to provide
5 legal services for the poor and the working poor.

6 The sources of funding for legal aid, as we
7 know, continue to decline, the other sources of funding
8 outside of LSC, which is and continues to be the backbone
9 of the civil legal aid delivery system. The LSC funding
10 acts as a catalyst to develop other, additional funding
11 sources.

12 We know that the other funding sources are
13 experiencing great difficulty in providing support for
14 legal aid. Public appropriations, fees, and fines
15 declined in 2011. This was the first time since the ABA
16 began tracking these funding sources in the late 1990s
17 those numbers are actually going down.

18 And when you look at the states that provide
19 public funding for legal aid, and not all of them do,
20 those declined in two -- I'm sorry -- in more than twice
21 as many states as it increased. So in 18 states funding
22 was reduced or eliminated, and there were only seven

1 states where new or increased funds were obtained for
2 legal aid. So the need for LSC is even greater.

3 IOLTA funding, as we know, has just been dismal
4 because of the historically low interest rates, which as
5 far as we can tell will continue to be very low.

6 So those falling interest rates and the
7 reduction in the principal balances in lawyer trust
8 accounts caused overall IOLTA income to fall from \$371
9 million -- that was the number in 2007 -- to below \$95
10 million in 2010. So we're talking about a drastic
11 reduction in IOLTA funds available to finance legal
12 services.

13 Now, there are obviously other ways to provide
14 legal services to those who would otherwise not have been
15 able to afford them. An important source is pro bono,
16 which is supplementary. We view all of these as
17 different legs, if you will, of supporting representation
18 for the otherwise unrepresented -- LSC grantees, public
19 funding from states, and pro bono services.

20 But we have to understand that pro bono will
21 never be able to really supplant or make up for
22 deficiencies on LSC. In part it's because LSC grantees

1 are an integral part of the delivery service, delivery of
2 pro bono services.

3 The LSC grantees are the ones who conduct
4 intake of cases and refer them to private attorneys.
5 It's the LSC grantees who provide backup assistance and
6 expertise for pro bono lawyers. This is something I know
7 personally, both from when I was in private practice and
8 did pro bono work, and as a judge.

9 I have been to some of the legal advice and
10 referral clinics of the D.C. Bar, and sometimes you have
11 very accomplished, high-priced lawyers who would like to
12 do pro bono and are, however, completely lost when they
13 are faced with the very mundane problems of the clients
14 who are usually served by LSC grantees.

15 I remember not too long ago -- I'd say two
16 months ago -- I attended one of those clinics. I don't
17 know whether Jim -- Jim, were you there?

18 PRESIDENT SANDMAN: I wasn't at that one, Judge
19 Ruiz.

20 JUDGE RUIZ: At that one we had, for example,
21 Howell Crowe, the legal advisor, was there. We had all
22 kinds of people at this legal aid -- I mean, at this

1 clinic in a Saturday morning.

2 I, as a judge, of course, couldn't even provide
3 legal advice, so I was just directing people to different
4 places. But I could see how the other lawyers relied
5 very heavily on the people who provide this kind of legal
6 services day in and day out in order to do a good job and
7 to feel that they were in fact being helpful.

8 So without LSC at the core, providing funding
9 for these grantees, the pro bono system itself really
10 doesn't work very well because it would be disorganized,
11 and services would be provided on a very haphazard basis.
12 Some lawyers who want to do pro bono might then feel more
13 comfortable doing work for other clients, not that they
14 don't merit it -- you know, other nonprofits, arts
15 organizations. But they are not the target of the Legal
16 Services Corporation, who are poor people.

17 So the ABA, in addition, is working with the
18 management of LSC and with other groups to see about ways
19 to expand and maximize pro bono in order to make it a
20 larger component of the overall delivery of services to
21 the poor, but understanding that it will never be able to
22 supplant the grantees that LSC funds.

1 So to conclude, our recommendation again is
2 that the LSC advocate for a reasonable increase in
3 federal support for legal services for the poor. And
4 here I want to emphasize two words, both "increase" and
5 "reasonable." We think that the request of \$470 million
6 is reasonable in light of the desperate and growing need
7 for legal services.

8 We know that this is an ambitious suggestion in
9 the current fiscal environment. But at the same time, we
10 are also very much cognizant of the fact that we're still
11 early in the budget process, and we think LSC should
12 start out making a very strong case to the Administration
13 to obtain the highest possible budget allocation at the
14 end of the process.

15 We think it is very justifiable because the
16 conditions for poor people continue to worsen. Even
17 since last fall's \$470 million request. And we still
18 don't know what's going to happen with the 2013 fiscal
19 year budget. So we have little guidance at this point to
20 tell us that we should take a different tack.

21 We also recognize that others will suggest a
22 higher number. And there can be no question that a

1 higher number, really a much higher number, can be
2 justified in terms of the need.

3 But here I want to emphasize the word
4 "reasonable," which is we know the fiscal situation that
5 the Administration, that the country, faces. And so we
6 want to start out with a number that is appropriate in
7 terms of the need, but at the same time is realistic in
8 terms of what we think can eventually be accomplished.
9 And that shows that we are sensitive to other needs that
10 the Administration and the country face.

11 So that concludes my presentation. But I'm
12 happy to take any questions.

13 MS. BROWNE: This is Sharon Browne, Judge, and
14 I really appreciated all that you said. I thought the
15 letter from the ABA was very comprehensive and well
16 thought out.

17 You mentioned in your remarks that it's a good
18 investment for the states and local governments to invest
19 in legal aid because it does help the working poor get
20 out of poverty. And you also mentioned that LSC is a
21 catalyst for other legal aid funding.

22 Could you expand on what you meant by that

1 term, that LSC is a catalyst for other funding? Because
2 local and state governments are really being impacted,
3 and I'd just like to know what your experiences are with
4 LSC being a catalyst.

5 JUDGE RUIZ: If you don't mind, Sharon, I'm
6 going to address your first point first, or your first
7 question first, about why it's a good investment in terms
8 of states. And what I meant to say there is that an
9 investment in legal services can prevent problems up
10 front that end up being more expensive for states to
11 address when, like I said, if somebody's evicted and
12 becomes homeless, for example. And then social services
13 have to be provided to attend to that situation.

14 As far as the catalyst idea, again, to the
15 extent that grantees, for example, are able to organize
16 themselves and be available to pro bono services, they
17 can help to enhance the resources. I'm going to turn
18 this to Jim in terms of the notion of how it is that LSC
19 money can help actually generate state public financing
20 of LSC.

21 I know that in the District of Columbia,
22 because I'm a member of our Access to Justice Commission,

1 but perhaps Jim can speak more broadly or Terry Brooks if
2 -- Terry, are you on the line?

3 MR. BROOKS: I am on the line.

4 JUDGE RUIZ: You are. Okay. We have been able
5 to obtain public financing for legal services. But a lot
6 of that was based on being able to point to existing
7 legal services and having them make very concrete
8 proposals to the legislature as to how their services
9 could be enhanced in an efficient and cost-effective way
10 if they received state funding.

11 So having a core there, having a group of
12 people who are able to propose specific programs for
13 expansion, I think is really important in order to get
14 additional funding at the state level.

15 MS. BROWNE: Thank you.

16 PRESIDENT SANDMAN: This is Jim. To follow up
17 on what Judge Ruiz said, LSC funding is the backbone of
18 the national system of legal aid provision. It provides
19 a baseline of services that I think in many places can
20 demonstrate the value of legal aid to hours and make it
21 clear to other funding sources, particularly state and
22 local governments as well as the private bar and

1 foundations, why this is something that they should also
2 jump in to support.

3 LSC funding is not adequate in and of itself,
4 but it does provide enough in most places, I think, to
5 demonstrate the value of the proposition, and therefore
6 to enlist additional sources of support.

7 MS. BROWNE: Do we know --

8 JUDGE RUIZ: There will also be grantors that
9 want matching funds, and they want to see that the
10 grantee has a certain underlying stability before they
11 sink more funds into the program.

12 MS. BROWNE: Do we know whether the states and
13 local governments are stepping up and providing more
14 funds, or any funds at all, to legal aid groups? I know
15 IOLTA is stalled. But what about the states and the
16 local governments coming forward? I mean, if LSC is the
17 catalyst, then should we be seeing an increase in state
18 and local funding?

19 JUDGE RUIZ: Well, the states, as we know, are
20 themselves under huge financial pressure. I mean, some
21 have and some have not. Some, I know, as I said, have
22 decreased their contributions. I know that we've been

1 able to maintain ours here, but we've been quite
2 fortunate in that regard.

3 MS. BROWNE: Thank you.

4 CHAIRMAN GREY: Any more questions for Judge
5 Ruiz?

6 (No response.)

7 CHAIRMAN GREY: Anything else from the ABA?

8 JUDGE RUIZ: I don't have anything else.

9 CHAIRMAN GREY: Well, to echo the comments of
10 my colleagues, thank you very much for your very
11 thoughtful presentation. The amount of time and effort
12 you put into your report sheds an awful lot of light on
13 why we ought to be diligent about the work in asking for
14 appropriate funds for LSC. So we appreciate that support
15 as well.

16 Did we go through the other agenda items before
17 launching into the report?

18 MR. LEVI: I called the meeting to order and we
19 went through that. But that was just the agenda and the
20 approval of minutes, and now we should be hearing from
21 the NLADA.

22 CHAIRMAN GREY: Right. And let's ask NLADA to

1 make their presentation, if they choose to.

2 MR. SAUNDERS: Thank you, Chairman Grey. This
3 is Don Saunders. I'm joined by my colleague changed.

4 Mr. Chairman, members of the committee and the
5 Board, we appreciate the opportunity you've given us
6 today to talk to you about the quality of our justice
7 system and to speak on behalf of the LSC request for
8 funding for fiscal year 2014.

9 I speak to you today on behalf of the NLADA
10 board, which is chaired by Lillian Johnson, the CEO of
11 Community Legal Services, your grantee program in
12 Phoenix; our civil policy group, chaired by Dennis
13 Gronenboom, who's executive director of Iowa Legal Aid,
14 and LSC statewide program; and Alison Thompson, the chair
15 of our resources committee. Alison directs the LSC
16 grantee in Gainesville, Florida, Three Rivers Legal
17 Services.

18 I'll refer the committee to the written remarks
19 we submitted in support of our recommendation of \$516.5
20 million for FY 2014. That recommendation stems from a
21 number of conversations with field programs and others
22 about the growing crisis that currently exists in civil

1 legal services in this country.

2 I've been involved with civil legal assistance
3 for many years in a number of different capacities. This
4 is not the first time, of course, that we have used the
5 word "crisis" in connection with the need for increased
6 federal support for LSC. And indeed, the resources
7 available to your grantees to seek a full measure of
8 justice in the communities they serve have never been
9 close to adequate in the past.

10 But, as Judge Ruiz' testimony clearly points
11 out, we need a new word to describe the circumstances
12 that face your grantees as a result of the explosion in
13 the growth of poverty in this country at a time of harsh
14 reductions in their capacities to put advocates out there
15 to meet the resulting challenges. "Crisis" somehow just
16 does not capture the current situation on the ground.

17 With a third of the effective federal support
18 that Congress provided in 1981, your grantees are
19 expected to continue to serve every county in the United
20 States. They are expected to provide meaningful access
21 to justice for over 60 million poor people, compared to
22 the 43 million potential clients who were then eligible.

1 Some of our poorest states, in the Deep South
2 and Rock Mountain regions, are the most dependent on
3 federal support to provide a modicum of services to their
4 client populations, to provide that backbone that Jim was
5 talking about of an infrastructure that's so critical in
6 the poorest among our states.

7 These states often must represent large rural
8 areas, serve Native American reservations, and deal with
9 veterans returning to a landscape offering few jobs and
10 very limited access to the legal help they need to
11 restart their lives.

12 It is critical that federal support for legal
13 aid be sufficient to provide that basic infrastructure
14 that is needed in all parts of the country. The quality
15 of our justice system should not depend on where one
16 lives in a country founded on the premise of justice and
17 equality.

18 We're also faced with, in some of the states
19 that are most in need of federal support, a
20 redistribution under the 2010 census. A community like
21 New Orleans, for example, that was devastated by
22 Hurricane Katrina, is looking to lose even more of its

1 federal funding support as a result of the census. There
2 are a number of other states and communities in this
3 country that will be faced with that situation as well.

4 Even in states enjoying significant outside
5 resources to support legal aid, the situation is rapidly
6 deteriorating. Judge Ruiz pointed out very clearly, and
7 our written comments address, some of the context for the
8 cutbacks that your provider community are having to deal
9 with as you meet today and go forward with your
10 discussions with the Board.

11 The drop in IOLTA funding and IOLTA revenue
12 since 2007 is threefold, a significant, enormous cutback
13 in the second largest resource available for civil legal
14 aid in this country.

15 So again, this is no ordinary crisis we face.
16 The recession has created an unprecedented demand in the
17 need for legal assistance in matters affecting housing,
18 domestic violence, employment, and basic family income
19 security. As we point out in our written testimony, kids
20 represent the fastest-growing segment of the poverty
21 population.

22 Legal aid providers, in addition to all the

1 economic benefits that Ms. Browne and Judge Ruiz talked
2 about earlier, can make a real difference in helping
3 ensure positive outcomes for children living in poverty,
4 facing homelessness, family violence, or lack of
5 appropriate educational opportunities.

6 We chose for our testimony this time three
7 specific client stories. We have hundreds of those, as
8 LSC has documented very clearly over time. It just
9 points out on a human level what some of the enormous
10 needs are and what a difference your providers can make
11 in the lives of poor people and their children.

12 We have two specific comments with regard to
13 the budget that are outlined in our budget request. I'll
14 just mention basically our continuing support for LSC to
15 work with the Native American community in addressing
16 some of their specific delivery needs, and again echo our
17 support for the continuation of the Garten Loan Repayment
18 Assistance Program.

19 Obviously, we still support the TIG program,
20 but under the LRAP program, it does appear that the LSC
21 support will be the only ongoing civil payment program at
22 the federal level. We think that's critical in terms of

1 attracting and retaining the new generation of legal aid
2 lawyers.

3 We would reiterate our request from last year
4 that LSC just review whether or not the current Garten
5 program is targeted in the most efficient and effective
6 way, given the two federal programs that allow payments
7 based upon income as well as forgiveness after ten years.
8 Those programs are targeted in a way that a certain
9 segment of the legal aid community may not qualify, and
10 may be a more appropriate target for your assistance.

11 We are very interested in just discussing these
12 issues. We don't have a specific recommendation. But we
13 have heard quite a bit from the field and the community
14 about the need to rethink possibly how the Garten funds
15 are prioritized.

16 We are aware, Mr. Chairman, obviously, of the
17 enormous fiscal pressures facing Congress and our
18 country. Of course there are many other worthy programs
19 deserving of federal support. However, providing simple
20 justice to every American is not simply a goal to compete
21 with the wide array of other federal allocations. It is
22 a bedrock promise of our democracy.

1 Respectfully, Mr. Chairman, I would submit to
2 you that it is not your job to balance competing federal
3 priorities. That is the job of the Administration and
4 the Congress. LSC should focus on a clear articulation
5 of the tremendous need for federal support for civil
6 legal assistance for the poor that currently exists in
7 the United States.

8 We urge you to send this message in a loud and
9 clear voice. From our many interactions over the past
10 year with your grantees in particular, given the morale
11 and the layoffs that they're faced with, it is
12 particularly an urgent moment for you to send this
13 message as clearly as you can of the depth of your
14 support.

15 We believe a request of \$516.5 million sends
16 such a clear message. The need is much greater than that
17 to serve over 60 million eligible clients. This figure
18 reflects your own request of just a few years ago.

19 Obviously, nothing has changed, as Judge Ruiz
20 pointed out, since you sought the \$470 million last year.
21 We urge you to be bold as you pursue the critical
22 challenges facing you, the Board, and the entire legal

1 services community.

2 Thank you, Chairman Grey. The entire legal aid
3 community respects the leadership and support evidenced
4 by every member of this LSC Board since you were
5 confirmed. We have appreciated the opportunity to work
6 in partnership with you and your staff, and we are
7 committed to doing everything in our power to support
8 your final request.

9 I will be happy to entertain any questions that
10 you might have, sir.

11 CHAIRMAN GREY: Don, thank you very much. That
12 was a very clear and unequivocal statement of your
13 support for LSC and the need for funding, and we thank
14 you very much for your submission, both orally and in
15 writing.

16 The floor is open for any questions that board
17 members might have of Don, Chuck, or anybody else from
18 NLADA.

19 FATHER PIUS: This is Father Pius. Just, I
20 guess, sort of a question. Obviously, your figure is
21 almost exactly the same as last year despite the apparent
22 decrease in other funding sources and the apparent

1 increase in demand.

2 I just was curious why, then -- if you don't
3 think the Board should look at political issues, why is
4 your number then the same?

5 MR. SAUNDERS: Fair question, Father Pius. We
6 do understand that there are some limitations in terms of
7 the political environment that we're operating in. That
8 figure represented a fairly concerted strategy over the
9 years at LSC to close the so-called justice gap.

10 You know, there were many, many people that we
11 talked to on our board and on our policy group who
12 thought we should come in at a much higher level, and I
13 respected those positions. We felt, given the current
14 environment, that to not recognize that was not the
15 appropriate way to go.

16 That may not have been right. We could
17 certainly sit here and argue that need would be much
18 greater than \$516.5 million.

19 FATHER PIUS: Thank you.

20 CHAIRMAN GREY: Any other questions?

21 (No response.)

22 CHAIRMAN GREY: Don, thank you again very much

1 for your submission, and we look forward to additional
2 conversations and support. So we appreciate your
3 timeliness on this matter.

4 We did receive a submission late from the
5 Economic Policy Institute, and I wanted to make a point
6 that that letter had been received from Ross Eisenbrey.
7 Is anyone from the Economic Policy Institute on the
8 phone?

9 (No response.)

10 CHAIRMAN GREY: Okay. Is there anyone else who
11 would like to speak regarding LSC's fiscal year 2014
12 budget request?

13 MR. LEVI: Can I ask, did we receive a copy of
14 that, of their submission? Because I don't --

15 FATHER PIUS: Yes. We received one, or at
16 least the committee did.

17 CHAIRMAN GREY: Today.

18 PRESIDENT SANDMAN: It went out to the Board as
19 well.

20 MR. LEVI: It went out to the Board?

21 PRESIDENT SANDMAN: It was sent by email on
22 Friday, I believe.

1 MR. LEVI: Okay.

2 MR. RICHARDSON: Mr. Grey, would you like me to
3 summarize that letter, since some of the board members
4 may not have noted that second email?

5 CHAIRMAN GREY: That would be fine, David.
6 Thank you. Go ahead.

7 MR. RICHARDSON: The letter came addressed to
8 Jim on I think it was late Thursday and was sent to you
9 Friday morning. It's the Economic Policy Institute. And
10 they strongly support funding for the legal services.

11 In the first paragraph, it talks about that the
12 2012 budget was grossly inadequate, and even doubling our
13 budget would not make up for the combination of increased
14 poverty and fiscal starvation, as he said, that the legal
15 services has experienced.

16 They also did a study in regards to the 1980
17 amount of funding, and said that if we were to receive
18 the 1980 funding in 2010 dollars, it would be \$794.5
19 million, certainly a substantial less (sic) amount than
20 we're receiving.

21 MR. LEVI: I now have the letter. If everybody
22 else had it and read it, I don't want to make you

1 lengthen the meeting. But if people feel that we need to
2 hear more of it?

3 MS. BROWNE: This is Sharon Browne. I've read
4 the letter that was sent to us, so I'm fine. I don't
5 need it summarized.

6 CHAIRMAN GREY: Does anybody wish to have it
7 summarized? I'll tell you what, David. You started. Go
8 ahead and finish. It's not but two more paragraphs, so
9 go ahead.

10 MR. RICHARDSON: Well, let me summarize,
11 actually, the next to last paragraph because it talks
12 about in 1980, we spent \$27 per poor person to subsidize
13 legal services. The figure that is in the letter states
14 that we have \$9, about one-third as much, today.

15 And in the last paragraph, it says that the
16 legal services owes to its clients to identify the need
17 and ask Congress to begin raising its budget, with the
18 goal of returning the per capita funding levels to that
19 that prevailed in 1980.

20 CHAIRMAN GREY: Thank you.

21 FATHER PIUS: And although he never gives that
22 number, it's about \$1,250,000,000.

1 CHAIRMAN GREY: Any other comments or
2 suggestions?

3 PROFESSOR KECKLER: Robert, this is Charles,
4 Charles Keckler. I have a very brief suggestion.

5 CHAIRMAN GREY: Go ahead.

6 PROFESSOR KECKLER: Thank you -- which is that
7 without recommending any kind of specific number, I just
8 want to reiterate my view that the Finance Committee
9 might wish to use as a benchmark current services, as
10 some other agencies do. But beyond that, I'll leave it
11 to your discretion.

12 CHAIRMAN GREY: Thank you, Charles.

13 MS. BROWNE: This is Sharon. I was looking at
14 the 2013 budget request that went to Congress, and in
15 there, LSC does highlight the December 2011 survey that
16 it sent to 135 grantees that asked the impact of the
17 funding cuts.

18 I was wondering if there's any decision whether
19 to follow up with the LSC grantees for the new survey?
20 Because this is December 2011, and it would be nice to
21 get more recent data on the impacts of the funding cuts.

22 PRESIDENT SANDMAN: Sharon, this is Jim

1 Sandman. I have a draft of a survey right in front of
2 me, and we expect to get it out this week.

3 MS. BROWNE: Oh, great. Thank you.

4 PRESIDENT SANDMAN: That will update the
5 information that we requested about a year ago, and then
6 again last December.

7 MS. BROWNE: Does your survey include the
8 census redistribution and the impact of that?

9 PRESIDENT SANDMAN: It does not. We don't need
10 to survey grantees to be able to generate that
11 information. We can do that with our own internal
12 resources.

13 MS. BROWNE: Well, I was just wondering, with
14 the census redistribution, whether that decreases the
15 number of eligible people that can qualify for legal aid
16 in that particular region. If they're having a funding
17 cut, wouldn't the census redistribution data have some
18 sort of a relationship to any funding cuts, and if
19 there's going to be an impact on whether or not they have
20 to lay off additional employees?

21 PRESIDENT SANDMAN: Well, we are able to
22 generate, based on information from the Bureau of the

1 Census, numbers that will allow us to estimate what the
2 percentage change will be in any service area's share of
3 total LSC funding as a result of shifts in the poverty
4 population since 2000.

5 But because, at this point, we don't know when
6 a change might be implemented or the mechanics of how it
7 would be implemented, I don't know that programs are
8 going to be in a position to estimate how it would affect
9 their operations. I think it's too speculative at this
10 point, would be my view.

11 MS. BROWNE: Okay. Thank you.

12 CHAIRMAN GREY: Any other questions or
13 comments?

14 MS. BROWNE: Do we have any more information on
15 the 2013 appropriation?

16 MS. BERGMAN: This is Carol Bergman. At this
17 point, the appropriations, the Senate is expected to take
18 up appropriations at the end of June. But there is no
19 actual date for our appropriations bill.

20 It's actually caught up in a challenge that has
21 to do with how the Weather Service has moved money
22 around, and so there's been debate among several senators

1 as to whether or not to put a hold on the commerce,
2 science, and justice appropriations bill for now.

3 So we don't have a date. But the Senate has
4 not begun any of their appropriations bills on the Senate
5 floor, but they're expecting to start at the end of this
6 month.

7 CHAIRMAN GREY: Does that answer your question?

8 MS. BROWNE: Yes, it does, very much. Thank
9 you.

10 CHAIRMAN GREY: Good.

11 Any other questions or comments?

12 (No response.)

13 CHAIRMAN GREY: Any other business?

14 (No response.)

15 CHAIRMAN GREY: I want to thank everyone who's
16 participated on this call, for those entities who have
17 taken the time to submit their thoughts and their
18 recommendations. We want to thank you for that work.

19 And if there is nothing else, I will entertain
20 a motion to adjourn.

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M O T I O N

MS. BROWNE: I'll move to adjourn.

FATHER PIUS: Second.

CHAIRMAN GREY: All in favor say aye.

(A chorus of ayes.)

CHAIRMAN GREY: Thank you very much. The meeting is adjourned.

(Whereupon, at 12:52 p.m., the Finance Committee meeting was adjourned.)

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