

LEGAL SERVICES CORPORATION
BOARD OF DIRECTORS

MEETING OF THE
BOARD OF DIRECTORS

OPEN SESSION

Saturday, October 31, 2009

12:40 p.m.

Crown Plaza Philadelphia - Center City
1800 Market Street
Philadelphia, Pennsylvania

BOARD MEMBERS PRESENT:

- Frank B. Strickland, Chairman
- Michael McKay, Vice Chairman
- Jonann C. Chiles
- Thomas A. Fuentes
- Herbert S. Garten
- Laurie Mikva
- Thomas R. Meites
- Bernice Phillips-Jackson
- Sarah M. Singleton (by telephone)
- Helaine M. Barnett, ex officio

1 STAFF AND PUBLIC PRESENT:

2 Karen M. Dozier, Executive Assistant to the President
Victor M. Fortunato, Vice President for Legal Affairs,
3 General Counsel, and Corporate Secretary

4 David L. Richardson, Treasurer and Comptroller, Office
of Financial and Administrative Services

5 Karen J. Sarjeant, Vice President for Programs and
Compliance

6 Charles Jeffress, Chief Administrative Officer

7 Jeffrey E. Schanz, Inspector General

8 Joel Gallay, Special Counsel to the Inspector General,
Office of the Inspector General

9 Ronald "Dutch" Merryman, Assistant Inspector General
for Audit, Office of the Inspector General

10 David Maddox, Assistant Inspector General for
Management and Evaluation, Office of the Inspector
General

11 Thomas Coogan, Assistant Inspector General for
Investigations, Office of the Inspector General

12 John Constance, Director, Government Relations and
Public Affairs Office

13 Stephen Barr, Media Relations Director, Government
Relations and Public Affairs Office

14 Kathleen Connors, Executive Assistant, Government
Relations and Public Affairs Office

15 Julie A. Reiskin, LSC Board Nominee

16 John G. Levi, LSC Board Nominee (by telephone)

17 Don Saunders, National Legal Aid and Defenders
Association (NLADA)

18 Robert E. Stein, Chair, Standing Committee on Legal
Aid & Indigent Defendants (SCLAID), American Bar
Association

19 Julie Strandlie, Standing Committee on Legal Aid &
Indigent Defendants (SCLAID), American Bar
Association

20 Linda Perle, Center for Law & Social Policy (CLASP)

21

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P R O C E E D I N G S

(12:40 p.m.)

CHAIRMAN STRICKLAND: Good afternoon, everybody. I will now call to order a meeting of the board of directors of the Legal Services Corporation for October 31, 2009. Welcome, everybody.

And other than those in attendance around the table, I want to recognize on the record the presence of Julie Reiskin, one of our nominees to the board. Julie, we're glad to have you with us today.

All right. The first item is approval of the agenda. Is there a motion to approve the agenda?

M O T I O N

MR. FUENTES: Move approval.

CHAIRMAN STRICKLAND: Second?

MS. MIKVA: Second.

CHAIRMAN STRICKLAND: All those in favor please say aye.

(A chorus of ayes.)

CHAIRMAN STRICKLAND: Opposed, nay.

(No response.)

CHAIRMAN STRICKLAND: The ayes have it and the

1 agenda is approved.

2 I'd like to take up the minutes in a group,
3 that is, the minutes of the open session of July 25,
4 2009, open session telephonic meeting of September 8,
5 2009, and the board's open session of September 21,
6 2009.

7 Is there a motion to approve all those
8 minutes?

9 M O T I O N

10 MR. FUENTES: Move approval as requested.

11 CHAIRMAN STRICKLAND: Second?

12 MS. CHILES: Second.

13 CHAIRMAN STRICKLAND: Any discussion?

14 (No response.)

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

17 (A chorus of ayes.)

18 CHAIRMAN STRICKLAND: Opposed, nay.

19 (No response.)

20 CHAIRMAN STRICKLAND: The ayes have it and the
21 minutes are approved.

22 The next item on the agenda is the chairman's

1 report, which will be very brief.

2 Along with Helaine, I attended the SCLAID
3 meeting in Chicago. And I'll let Helaine go into more
4 detail if she wishes relative to the SCLAID meeting.
5 And beyond that, I don't have anything further to
6 report for myself.

7 But are there other members who have reports
8 they'd like to make to the board? Mr. Garten?

9 MR. GARTEN: I'd like to note that the
10 American Bar Association is sponsoring a National Pro
11 Bono Week, and there are events all of the country,
12 including events in Maryland, one every day of the
13 week.

14 And I'm pleased to report that this event was
15 commenced by this board initially and brought it to the
16 attention of the ABA, who concluded to move ahead with
17 it. And I'm glad to see that, as a result of our
18 suggestion, that this is a national event that, at
19 least in Maryland that I'm most familiar with, is being
20 supported very heavily.

21 So I think some kind of acknowledgment should
22 be made by the board to the ABA, and especially the Pro

1 Bono Committee, congratulating them on following
2 through on our original recommendation.

3 CHAIRMAN STRICKLAND: Would you like to attend
4 to that task, or work with Helaine and staff?

5 MR. GARTEN: I'll be glad to. Yes.

6 CHAIRMAN STRICKLAND: May we leave that to you
7 and Helaine?

8 MR. GARTEN: Yes. Thank you.

9 CHAIRMAN STRICKLAND: All right. Good. Thank
10 you very much.

11 Any other members have reports?

12 MS. SINGLETON: Mr. Chairman, this is Sarah
13 Singleton.

14 CHAIRMAN STRICKLAND: Yes, Sarah?

15 MS. SINGLETON: I have one if no one else
16 indicates they do.

17 CHAIRMAN STRICKLAND: Go ahead.

18 MS. SINGLETON: Me? Were you talking to me?

19 CHAIRMAN STRICKLAND: Yes, you. I'm talking
20 to you. Sorry. Sarah. Go ahead, Sarah.

21 MS. SINGLETON: My report is a follow-up,
22 actually, to Herb's report. And I wanted to report

1 that this past week, I traveled over 1300 miles in New
2 Mexico, going around to seven different communities to
3 encourage the lawyers in those communities to engage in
4 even more pro bono than they've already been doing.

5 This was undertaken as part of our state
6 Access to Justice Commission participation and the ABA
7 Celebrate Pro Bono Week. It was done with the support
8 and encouragement of our Supreme Court in every
9 judicial district that we have, and in some instances
10 in more than one community in those districts a CLE
11 presentation on doing pro bono was made and a Supreme
12 Court justice or Court of Appeals judge attended to
13 encourage the lawyers to do even more pro bono.

14 In addition, in many of the communities, they
15 had various kinds of public events, where people could
16 get to talk to lawyers about a problem they had. All
17 of these were very well received, and on the whole, I
18 think that New Mexico had a Pro Bono Week the likes of
19 which our state has never seen before.

20 And so I wanted to let you all know that we
21 are in fact continuing to try to improve pro bono
22 participation. And you should also be aware that both

1 of the LSC-funded entities were instrumental in helping
2 us to put on these celebrations across the state.

3 That's my report, Mr. Chairman.

4 CHAIRMAN STRICKLAND: Thank you very much,
5 Sarah.

6 Seeing no other members who have indicated an
7 interest in making a report, before we move to the
8 president's report, I also want to note the presence of
9 Bob Stein, the new chair of the ABA SCLAID committee.
10 I believe this is the first meeting Bob has attended
11 with us, and we welcome you, Bob, and look forward to
12 working with you.

13 MR. STEIN: Thank you.

14 CHAIRMAN STRICKLAND: All right. The next
15 item on the agenda is the president's report. I'll
16 call on Helaine Barnett for that.

17 MS. BARNETT: I distributed the written
18 president's report to each of you on Thursday evening.
19 I will only take this opportunity to highlight less
20 than a handful of items there. But of course, I'm
21 available to answer any questions on any of the report,
22 and I ask the reporter if he would please include the

1 entire report as part of the official transcript of
2 this meeting.

3 THE REPORTER: Yes, ma'am, Madam President.

4 MS. BARNETT: The few items that I would like
5 to highlight for you:

6 In your competitive grants process, going over
7 the grants for fiscal year 2010, we have two existing
8 LSC providers competing for the same service area; that
9 is, the migrant area in South Carolina. And both South
10 Carolina Legal Services and Georgia Legal Services are
11 applying for that grant.

12 As mandated by statute, we have to have a
13 capability assessment where we empanel an outside
14 review panel that makes a recommendation to me, as well
15 as a staff panel that makes a recommendation to me. I
16 am awaiting both of those recommendations, and they
17 will be part of the decision-making process in December
18 when we make all the grants.

19 I also wanted to highlight for you -- we have
20 made our technology initiative grants for 2010, and one
21 in particular I wanted to bring to your attention,
22 which we indicated as an area of interest. We would

1 welcome receiving grant applications that focused on
2 ways to give better services to returning veterans.

3 And we've got a number of programs, four
4 programs we're putting together, under the lead of Pine
5 Tree Legal Assistance in Maine, developing a resource
6 and materials that will be part of a user-friendly
7 national website.

8 We're looking to do a soft launch actually
9 early this spring, and we're very excited about this
10 major grant and the potential it holds for us to be
11 able to report back to Congress the important work that
12 our LSC-funded programs are doing on behalf of
13 returning veterans.

14 I also wanted to share with you that the
15 National Institute of Trial Advocacy, known as NITA,
16 provided free training to LSC-funded attorneys, a
17 week-long trial advocacy training -- and those of you
18 who have ever taken that training know what an
19 invaluable experience that is -- to 75 attorneys in
20 LSC-funded offices, tuition-free, and also provided a
21 travel stipend.

22 And I went out and redid the class that was

1 there. This is a wonderful opportunity. Sullivan &
2 Cromwell was also a sponsor. And they had indicated to
3 me that they hoped to be able to offer this program
4 again.

5 And finally, on my board report, I just wanted
6 to point out that I was sent a letter by the chief
7 judge of the -- the president of the Conference of
8 Chief Justices and the president of the Conference of
9 State Court Administrators, indicating that they had
10 passed a resolution at their last meeting in support of
11 increased federal funding on a continuing basis for the
12 Legal Services Corporation to better meet the demand
13 for legal services.

14 However, I would just like to add a few
15 comments that are not in my written report.

16 Since no one knows with certainty when a new
17 board will take their seats at this table, I would like
18 to take this opportunity to thank this board for the
19 honor and the privilege of serving for these past six
20 years as president of LSC.

21 I could not let this moment pass without
22 stating for the record my great appreciation, as well

1 as, I am sure, that of the entire legal services
2 community, of the hard work, time, effort, and
3 deduction of each of the members of this board to the
4 cause of equal access to justice for those less
5 advantaged in our society. You all deservedly should
6 feel a sense of satisfaction and fulfillment in your
7 service to our nation.

8 On a more personal note, I would like to thank
9 the board and each of the members individually for your
10 support and for your friendship over these many years
11 we have traveled the road together, and for appointing
12 me to this most important position, and entrusting with
13 me the responsibility of trying to fulfill the mission
14 of LSC. Thank you.

15 CHAIRMAN STRICKLAND: Thank you very much,
16 Helaine. That's very kind.

17 Does anyone have any questions for Helaine?

18 (No response.)

19 CHAIRMAN STRICKLAND: All right. Thank you
20 very much.

21 We'll now move to the inspector general's
22 report. Jeff Schanz.

1 MR. SCHANZ: Thank you, Mr. Chairman. In the
2 interest of time, I'm going to go through a rocket
3 docket here and list some names, and then I will tell
4 you what the relevancy is. That way I hopefully will
5 have your rapt attention first before I explain why I'm
6 doing this.

7 Corporation for Public Broadcasting. GAO.
8 EPA. U.S. Energy. California. Georgia. Louisiana.
9 Maryland. Illinois governor. State of Illinois.
10 Virginia. Albuquerque -- easy for you to say, Sarah.
11 Baltimore. City of Baltimore. Cook County, Illinois.
12 District of Columbia. Los Angeles. Montgomery County,
13 Maryland. Newark. University of Maryland. University
14 of Miami. Illinois University.

15 Those are but a few -- and I tried to
16 highlight the areas that the board members are
17 from -- of the agencies that have OIGs. So my caution
18 to you, as you leave your boardship, many of these
19 areas -- and I indicated about one-fifth of the
20 agencies that have Offices of Inspector General. We're
21 everywhere.

22 (Laughter.)

1 MR. SCHANZ: It is a concept and an idea that
2 has come truly to fruition, from starting in 1978 with
3 the federal IGs. I attended last week an Association
4 of Inspectors General meeting, and as I mentioned, all
5 of your states and many, many others are members of
6 this group.

7 So I intend to continue to be affiliated with
8 them. They had excellent presentations on fraud
9 vulnerabilities and some of the things that we've
10 adopted in the LSC OIG.

11 Okay. That being said, hopefully I have your
12 attention. What I did do in the last six months is
13 issued the IG's Semiannual Report to Congress. Now, I
14 e-mailed you a copy. We do have hard copies available.
15 I would ask that you embargo this because until it's
16 sent to Congress by the board, it's not an official
17 document yet.

18 But this will give you a summation of the
19 activities that my office has been engaged in, and
20 under the concept of production and professionalism, I
21 think or at least I hope you'll agree that we're moving
22 forward fairly rapidly as an Office of the Inspector

1 General for the Legal Services Corporation.

2 Just to sum up, a couple of the things that I
3 did earlier during the session here is we suspended the
4 audit bulletin related to getting opinions,
5 professional opinions, on internal controls. We were
6 able to approve the OIG seal. Thank you very much.
7 And we have had, as I mentioned, the SAR information
8 that's been disseminated to you electronically.

9 I will defer a couple of things to the
10 confidential part of the meeting. I'm going -- I'm
11 very pleased to have my assistant inspector general for
12 investigations in attendance today. He will be
13 presenting on some of our open cases and some of the
14 information that we've been gaining from our fraud
15 vulnerability assessments when we take the -- out on
16 the road.

17 We also have an OIG summary memo on CRLA in
18 the board materials. And we can discuss that a little
19 bit more during the confidential session.

20 As with everybody else, and I feel like the
21 caboose on the train, I do want to thank the board for
22 their support, and for their recognition of my 3C style

1 of management, communication, coordination, and
2 cooperation; I think we've moved a long way, at least
3 in my career, towards making those things a reality.

4 They're not just trite phrases for me; they're
5 how I operate, and that's how I run my office. So
6 hopefully you've learned a little from me, and I've
7 learned a lot from you. So I thank you very much for
8 your support, and for hiring me as the inspector
9 general. Thank you.

10 CHAIRMAN STRICKLAND: Great. Thank you, Jeff.
11 Does anyone have any questions for Jeff? I have one
12 for you, Jeff.

13 Are we going to -- the report you mentioned
14 that is embargoed, is that something we'll be approving
15 on November 23rd?

16 MR. SCHANZ: We can. We'll have management's
17 response to this, and then they'll go together to the
18 Hill.

19 CHAIRMAN STRICKLAND: All right. Thank you.

20 The next agenda item is consider and act on
21 the report of the provision for the delivery of legal
22 services committee. Who is bring that report to us?

1 MS. MIKVA: I think that would be me.

2 CHAIRMAN STRICKLAND: All right. Go ahead,
3 Laurie.

4 MS. MIKVA: There is nothing that needs to be
5 acted on.

6 A brief report: The New Jersey legal services
7 gave a presentation that was pretty much doom and
8 gloom. They lost -- their IOLTA funding dropped from
9 40 million in 2007 to 3 million, annualized, at the end
10 of 2008. They're expecting around 8 million -- I guess
11 it's 8 million currently, again annualized.

12 And they talked about what it's meant for the
13 programs, cutting all non-personnel expenditures to
14 zero, and then having to cut personnel. They've
15 reduced benefits. They have eliminated contributions
16 to retirement plans. Obviously, no pay raises. But
17 they're also all facing from moderate to extensive
18 staff layoffs, ending special projects or cutting back
19 on them,, and providing more limited as opposed to full
20 representation. And that was their report.

21 There was a staff update on private attorney
22 involvement. The Corporation continues to work with a

1 PAI advisory committee to figure out ways that the
2 Corporation can help the grantees to improve and
3 encourage pro bono or private attorney involvement.

4 There was a staff report on Native American
5 delivery and funding. There is a meeting -- LSC is
6 meeting in November with NAILS, and they hope to come
7 up with a -- the hope is to come up with a joint plan
8 about delivery of legal services to Native Americans.

9 The only other thing we talked about was
10 training initiatives. The LSC 2010 work plan contains
11 training initiatives regarding oversight. There is
12 also a group that is just starting to meet under Don
13 Saunders to talk about training, reestablishing
14 national training centers, which is a separate issue.

15 CHAIRMAN STRICKLAND: Thank you, Laurie.

16 Are there any questions for Laurie?

17 MR. FUENTES: Mr. Chairman, Tom Fuentes. As a
18 member of the committee there present when the panel
19 was presented by the New Jersey legal aid leadership
20 group, I'd just like to reflect and put on the record
21 that in my service on this board, that was one of the
22 most informative and insightful and practical and

1 professional board presentations to a committee that I
2 had had the pleasure of attending and listening to.

3 And I'm very grateful for their insights. I
4 thought that it was very special. Thank you.

5 CHAIRMAN STRICKLAND: I agree with you. I
6 thought it was an outstanding report. And I should
7 note for the record in that connection that we express
8 our appreciation to all those who were involved in
9 organize that presentation for us and for their
10 hospitality while we've been in the Camden area, and
11 also in Philadelphia. But our real visit here this
12 time was to the New Jersey programs. We just happen to
13 be staying in Philadelphia.

14 Helaine, did you want to add something to
15 that?

16 MS. BARNETT: I will. Thank you for those
17 very gracious comments, and I will make sure that the
18 transcript of this meeting, this portion of it, gets
19 shared with the executive directors and with De Miller.
20 Thank you so much.

21 CHAIRMAN STRICKLAND: All right.

22 MR. GARTEN: I think there also should be

1 acknowledgment about the remarks of the chief justice.
2 I thought that it was one of the best presentations
3 from any of the main speakers that we have listened to
4 during the last six and a half years.

5 CHAIRMAN STRICKLAND: That's a point well
6 taken. I wonder, Helaine, if we might ask you to
7 prepare a letter -- you can sign it, of course -- just
8 expressing our appreciation for his thoughtful remarks
9 and taking the time to attend our meeting.

10 MS. BARNETT: I will be delighted to do so.

11 CHAIRMAN STRICKLAND: All right. The next
12 item is to consider and act on the report of the
13 finance committee. I'll call on Chairman Mike McKay.

14 MR. MCKAY: Thank you, Mr. Chairman. We had a
15 very productive and informative meeting. We addressed
16 the continuing operating budget, hearing from
17 Mr. Richardson, Mr. Jeffress, and our inspector general
18 on that report, the reallocations and so forth. There
19 was a considerable detail that was discussed. And we
20 received a memo -- I think the entire board received
21 the memo as well -- identifying those items.

22 //

M O T I O N

1
2 MR. McKAY: So we have before us a resolution
3 that the committee is recommending to the board. It's
4 Resolution 2009-008, which sets forth and has attached
5 a revised consolidated operating budget for fiscal year
6 2009. And I move the adoption of that resolution.

7 MR. FUENTES: Second the motion.

8 CHAIRMAN STRICKLAND: All right. It's been
9 moved and seconded. Is there any discussion on the
10 motion?

11 (No response.)

12 CHAIRMAN STRICKLAND: Hearing none, let's
13 proceed to a vote. All those in favor, please say aye.

14 (A chorus of ayes.)

15 CHAIRMAN STRICKLAND: Opposed, nay.

16 (No response.)

17 CHAIRMAN STRICKLAND: The ayes have it and the
18 resolution is adopted.

19 MR. McKAY: Thank you, Mr. Chairman. We went
20 into closed session and considered a staff report on
21 classification of LSC consultants. We also heard from
22 counsel. Of course, that was in closed session so I

1 will not give a report on that.

2 There was no action. We do anticipate at
3 least a joint finance and audit committee meeting to
4 continue consideration of that issue within the next
5 three to five weeks, sooner rather than later. And we
6 will come up with a recommendation for the entire
7 board.

8 I think we're anticipating recommending to
9 you, Mr. Chairman, that the board meet immediately
10 after that joint committee meeting to consider our
11 joint recommendation. That's what came out of the
12 closed session.

13 We returned to an open session and considered
14 a resolution which we are now recommending to the
15 board. It is Resolution No. 2009-013. It has been
16 handed out to everybody. It has been characterized
17 accurately as a technical adjustment to our 403(b)
18 plan.

19 We are a sponsor of a tax-deferred annuity
20 plan, and it provides 403(b) accounts that only cover
21 certain employees at LSC. And this resolution, if the
22 board were to adopt it, would authorize management to

1 prepare and execute amendments to the 403(b) plan and
2 the TDA plan that would essentially combine the two
3 plan documents; or to prepare and to execute a
4 restatement of the TDA plan in accordance with
5 applicable IRS -- or, excuse me -- Internal Revenue
6 Code provisions. This is all a product of advice we
7 received from counsel.

8 M O T I O N

9 MR. McKAY: The committee approved this
10 resolution, or recommends the adoption of this
11 resolution to the full board, and I make that motion
12 now, that the resolution 2009-011 (sic) be adopted.

13 MR. GARTEN: Second.

14 CHAIRMAN STRICKLAND: Any discussion on the
15 motion?

16 (No response.)

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

19 (A chorus of ayes.)

20 CHAIRMAN STRICKLAND: Opposed, nay.

21 (No response.)

22 CHAIRMAN STRICKLAND: The ayes have it and the

1 resolution is adopted.

2 MR. McKAY: Thank you. We then heard from
3 Mr. Constance. He gave us a very informative report on
4 the fiscal year 2010 appropriation process.

5 We then considered and acted on Resolution
6 2009-010. It is in our board book after page 69. It
7 is a temporary operating budget which can be, I think,
8 fairly summarized as taking the lowest number that's on
9 the Hill now and operating at that level until we get
10 an appropriation from Congress. You'll find those
11 numbers set forth in the resolution.

12 M O T I O N

13 MR. McKAY: And I move the adoption of that
14 resolution now.

15 MR. FUENTES: Second.

16 CHAIRMAN STRICKLAND: Any discussion on the
17 motion?

18 (No response.)

19 CHAIRMAN STRICKLAND: Hearing none, let's
20 proceed to a vote. All those in favor, please say aye.

21 (A chorus of ayes.)

22 CHAIRMAN STRICKLAND: Opposed, nay.

1 (No response.)

2 CHAIRMAN STRICKLAND: The ayes have it and the
3 resolution is adopted.

4 MR. McKAY: Thank you, Mr. Chairman.

5 Finally, on September 21st, the finance
6 committee met and considered a budget request number to
7 submit to Congress. We came up with a number, and
8 Mr. Constance and others have worked with that number
9 since then.

10 Nevertheless, the board needs to approve that
11 number or come up with another number. Accordingly, I
12 have in front of me -- I'm going to hand out a
13 resolution, proposed resolution. In spite of the
14 number below it, the true number should be Resolution
15 No. 2009-011. The last three digits again are 011, not
16 008.

17 To summarize, we are asking that the board
18 adopt a budget request to Congress in the amount of
19 \$516,550,000 for fiscal year 2011. And it's broken
20 out, as you can see, at the bottom of the resolution.
21 For the record, that's 484,900,000 for basic field,
22 6.8 million for TIG, one million for the Herb Garten

1 LRAP program, 19.5 million for MGO, and 4,350,000 for
2 the OIG.

3 M O T I O N

4 MR. McKAY: I move the adoption of this
5 resolution.

6 MR. GARTEN: Second.

7 MR. MEITES: A question.

8 CHAIRMAN STRICKLAND: All right.

9 MR. MEITES: Just to make sure that there's no
10 doubt, the fiscal year 2011 begins on July 1, 2010. Is
11 that correct?

12 MR. GARTEN: No.

13 MR. MEITES: It is not correct? It begins on
14 July 1, 2011?

15 MR. McKAY: October 1.

16 MR. MEITES: I would have gotten to that
17 eventually.

18 (Laughter.)

19 MS. MIKVA: What year?

20 MR. MEITES: Yes. October 1, 2010.

21 MR. McKAY: Ten.

22 MR. MEITES: Right. And until then, we are

1 operating under our current budget?

2 MR. McKAY: We're operating under a -- on an
3 interim. Yes, continuing operating budget, I think
4 that's the --

5 MR. MEITES: Okay. Thank you.

6 CHAIRMAN STRICKLAND: All right. Any further
7 questions on that motion?

8 MR. FUENTES: I have a comment, Mr. Chairman.

9 CHAIRMAN STRICKLAND: Yes, sir.

10 MR. FUENTES: It's my intention to vote no on
11 this. I will repeat my concern for this procedure,
12 which I think has become common practice at this board,
13 to overreach in terms of realistic numbers that we send
14 to the Hill. I think we should deal in realities. I
15 do not think this is realistic. And I will vote no.
16 Thank you.

17 CHAIRMAN STRICKLAND: Any further discussion
18 on the motion?

19 (No response.)

20 CHAIRMAN STRICKLAND: All those in favor of
21 the motion, please say aye.

22 (A chorus of ayes.)

1 CHAIRMAN STRICKLAND: Opposed, nay.

2 MR. FUENTES: Nay.

3 CHAIRMAN STRICKLAND: All right. The motion
4 is adopted.

5 MR. McKAY: And that's the end of our report.
6 Thank you, Mr. Chairman.

7 CHAIRMAN STRICKLAND: Thank you, Mike.

8 We'll now move to the next item on the agenda,
9 that is, consider and act on the report of the
10 operations and regulations committee.

11 MR. MEITES: Thank you, Mr. Chairman.

12 The operations and regulations committee
13 considered a wide range of topics at its meeting. It
14 began by considering a proposal to act on proposed
15 revisions to the LSC employee handbook.

16 However, because these revisions involved
17 temporary employees, which is the subject of an ongoing
18 consideration by the finance and audit committee
19 regarding our 403(c) (sic) plan, we decided to defer
20 further consideration.

21 We then had a brief discussion on the board of
22 directors role in collective bargaining. We do not yet

1 have, as we understand it, labor counsel retained to
2 advise the board on its role. And so again, we
3 deferred this until there is counsel to meet with us,
4 presumably in closed session, to lay out the
5 alternatives.

6 Next item is a report from staff on the wisdom
7 of requiring grantees' governing bodies to establish
8 audit committees. We found that there was a wide
9 variety of practices among -- we were told there is a
10 wide variety of practices among our grantees. Somewhat
11 over 50 percent have either an audit committee or a
12 finance and audit committee.

13 Management, however, recommended that, while
14 we recommend this as a best practice, it not be
15 required by resolution. There was some feeling on the
16 committee's part that in fact there is not a
17 particularly strong case against requiring audit
18 committees, and several committee members remarked on
19 how useful they had found the audit committee that our
20 board has established.

21 In order to get a wider view both from the
22 field and other interested parties, we directed the

1 staff to prepare for the next board meeting a draft
2 resolution -- regulation, and to invite public comment.
3 We would hope that either through a negotiated
4 rulemaking procedure or other roundtable procedure,
5 that a consensus can be reached between management and
6 our grantees as to the advisability of this.

7 If not, if that is not possible, the board
8 will have to act on it. But in either case, the
9 committee felt that more input from the field and other
10 interested parties would be very helpful.

11 The next item we considered was the report of
12 the inspector general on IPA survey results. They're
13 actually fascinating. This is a survey undertaken at
14 our request of the independent accountants who are now
15 employed by our grantees. And the question is asked:
16 Did they have the capability, and what would they
17 estimate it would cost, to include in their audits an
18 appraisal of internal controls?

19 Interestingly, the report -- we were told that
20 approximately half of our independent auditors now have
21 that capability, or at least have experience with it,
22 though the sense we got is the others could be brought

1 up to speed if it was required. We also received
2 figures on what it would cost, and it would in summary
3 fashion increase the cost of the audits to the grantees
4 by just about a third.

5 In light of a number of other developments,
6 including -- which are not our committee's work or the
7 board's work, independently the Office of the Inspector
8 General has suspended its directive that the IPAs
9 consider internal controls.

10 Part of that is in several of the
11 authorization bills pending, the requirement of our
12 authorizing legislation would be changed to drop that
13 requirement. And until, I think, the situation clears,
14 the inspector general on his own -- and it is his
15 decision, at least at this time -- determined that the
16 expense and the time and the training involved would
17 not be a prudent expenditure of our grantee and, of
18 course, the IG to oversee the IPAs' efforts in this
19 area.

20 We had a brief report on the status of the GAO
21 review. You've heard about that from other committees.
22 I think the salient point is that in the testimony

1 presented to the hearing on September 27th by Susan
2 Ragland, the director of financial management and
3 assurance at GAO, she summarized in a series of tables
4 the steps that have been taken to implement the GAO's
5 recommendations regarding -- in its two
6 2007 -- resulting from the two inquiries in 2007.

7 The table 1 is governance practices of the
8 board. Table 2 is management practice, directed to LSC
9 management. And table 3 is grant management
10 recommendations to management and the board.

11 And we were told by Mr. Constance that
12 although Ms. Ragland reported that a number of these
13 were only partially implemented, in fact, with one
14 exception which I'll get to in a minute, they in fact
15 all have been fully implemented. It is simply a matter
16 of the reporting from staff to GAO being completed.

17 The one item that has not been completed, we
18 were told, is requiring that -- I'm sorry, amending the
19 charter of the performance committee to add to its
20 tasks an overview of compensation. And I'll get to
21 that in a moment.

22 We were told by Mr. Constance that the

1 hearing -- Ms. Ragland's report to the hearing was
2 perhaps even more upbeat even than her written
3 testimony. She is quoted as saying, "This is a good
4 foundation. There has been considerable improvement,"
5 all of which we, of course, were very pleased to hear.

6 Mr. Constance also reported briefly on the
7 newest round -- that is, 2009 -- inquiries received
8 from the GAO in response to an inquiry by a senator,
9 and that GAO investigation is still -- is at the
10 beginning. Management has provided documents that were
11 requested, and there is expected to be more rounds of
12 document requests and production.

13 So for the time being, ops and regs is really
14 in no position to comment more fully on the current
15 investigation, although we or our successors of course
16 should stay in touch with what's happening.

17 The next item was to consider and act on the
18 inspector general's proposal for a modified LSC logo.
19 And we have a resolution that we'd like to present to
20 the board which -- Vic, what's the number of that?

21 MR. SCHANZ: It would be 2009-009.

22 MR. MEITES: 009. The reason for the need for

1 a resolution was not aesthetic grounds, as I feared it
2 would be, but whether it was consistent with the
3 existing LSC logo. We did an in-depth comparison and
4 decided that it wasn't. We leave it to the board to
5 make its own determination. But the committee
6 unanimously recommended that the board adopt
7 Resolution 2009-009, which in fact would find that the
8 proposed logo is consistent with the overall LSC
9 presentation.

10 M O T I O N

11 MR. MEITES: And I so move.

12 MR. FUENTES: Second.

13 CHAIRMAN STRICKLAND: Any discussion on the
14 motion?

15 MR. FUENTES: Mr. Chairman, I hope this will
16 be remembered as the Meites new logo.

17 MR. MEITES: Sir, I decline.

18 (Laughter.)

19 CHAIRMAN STRICKLAND: Tom, by the way, I think
20 that just for the correction of the record, you were
21 talking about when that testimony was given. I think
22 it was on October 27th, and I think you said

1 September 27th.

2 MR. MEITES: Yes. I was just reading from the
3 front of it. I stand corrected. Thank you.

4 CHAIRMAN STRICKLAND: All right. Let's
5 proceed, then, to a vote on the motion to adopt
6 Resolution 2009-009. All those in favor of the motion,
7 please say aye.

8 (A chorus of ayes.)

9 CHAIRMAN STRICKLAND: Opposed, nay.

10 (No response.)

11 CHAIRMAN STRICKLAND: The ayes have it and
12 that resolution is adopted.

13 MR. MEITES: The next and last item
14 of -- action item we encountered was a proposal to
15 amend 45 CFR Part 1622 to remove from that regulation
16 the requirement that either all councils and
17 non-executive committees or just the performance
18 review -- governance and performance review committee
19 be removed; that it would have the effect of excluding
20 either all committees other than the executive
21 committee or just the performance review committee from
22 the Sunshine Act requirements.

1 There had been considerable discussion at a
2 prior board meeting whether in fact the performance
3 review committee -- I'm sorry -- when it is considering
4 evaluations of the president and the inspector general.
5 There had been considerable discussion at our most
6 recent meeting about whether, given the way that the
7 performance review committee conducts its evaluations
8 and the interplay between that evaluation and the
9 board's consideration, amounts to a separate decision
10 by the board or whether, as a matter of de facto, the
11 performance review committee's actions is "the only
12 decision that's made."

13 The consensus of our committee was that it's
14 hard to talk about a decision; when you are talking
15 about a performance evaluation other than termination
16 or promotion or change in salary, there isn't a
17 decision as that word is usually meant.

18 So we asked the IG and the general counsel to
19 sit down and see if they could formulate some
20 guidelines of what kind of action -- what the board
21 would have to do for its consideration of a performance
22 review evaluation to be a separate and distinct step

1 from the work that is done by the performance review
2 committee.

3 Typically, the problem or the issue is that
4 the performance review committee conducts its
5 evaluation and reports that evaluation to the board.
6 The board typically has not said, all right, bring the
7 scoundrel in and we'll do our own evaluation. It says,
8 all right, that's your evaluation, and we will vote to
9 accept it after a discussion.

10 But it's fuzzy. It is not a decision like the
11 votes we conduct, like the votes we have today in
12 adopting resolutions. So we've asked the IG and Vic's
13 office to see if they could formulate some guidelines
14 or some guidance of the interplay between the board and
15 the performance review committee that would allow us,
16 in good faith, to exempt at least some of the work of
17 the governance and performance review committee from
18 the Sunshine Act, and consistent with the Act and the
19 spirit of the Act, that the decision, the actual
20 decision, and the discussion of the actual decision be
21 made publicly.

22 So that's the task we've set them to. They're

1 all good lawyers, and that's what lawyers are supposed
2 to do. So that's where we're at on this.

3 MS. MIKVA: Mr. Chairman, I have a question.

4 CHAIRMAN STRICKLAND: Yes?

5 MS. MIKVA: So that would be without adopting
6 any further resolutions?

7 MR. MEITES: No, no. Once they -- if they're
8 able to come up with some protocol or some guidance
9 that we felt was sufficiently clear, I believe our
10 committee would then recommend the resolution to the
11 board for adoption, along with a protocol or guidance.

12 That completes my report on the operations and
13 regulations committee.

14 MS. SINGLETON: Mr. Chairman?

15 CHAIRMAN STRICKLAND: Yes, Sarah? Go ahead.

16 MS. SINGLETON: I have a comment on one aspect
17 of that report, and it deals with the decision to defer
18 discussion of collective bargaining and the board's
19 role in that.

20 I believe that the board should have a role in
21 what counsel is chosen to represent management in the
22 collective bargaining process. I believe that there

1 are management law firms that are viewed or generally
2 reputed to be aggressively anti-union. There are
3 management law firms that are viewed as being more
4 reasonable on the subject of both collective bargaining
5 and other matters dealing with unionization.

6 I think it would be appropriate for the board
7 to be solicited as to whether or not they have
8 knowledge of or an opinion about what counsel should be
9 retained. So I do not agree with the decision to defer
10 that discussion until after labor counsel is picked.
11 At that point, I believe it is too late.

12 MR. MEITES: Sarah, how would you propose that
13 is done? That the names of the firms being considered
14 be circulated amongst the board members? That we be
15 polled on our views? That we be asked to submit
16 comments to management? What mechanism do you see
17 being used?

18 MS. SINGLETON: I think that what you just
19 suggested -- in other words, that the firms that are
20 being considered, that the name of the firms, the
21 partners that are being considered -- or maybe they're
22 not partners -- the lawyers being considered and their

1 firm websites should be circulated to board members.

2 Board members could provide feedback to
3 whoever is in charge of making the hiring decision.
4 And if they have suggestions for other counsel to
5 consider, then they could also give that information to
6 who is making the hiring decision.

7 I do think it is a strategic or a policy
8 decision for the board to decide what kind of attitude
9 does it want to have towards the union, and then to
10 hire accordingly. And that policy decision is
11 something that should be discussed by the board so
12 that -- you know, I have my own opinions. Maybe
13 everybody on the board disagrees with me. So if there
14 is a policy issue, we should hash it out in my opinion.

15 MR. MEITES: I understand the first two-thirds
16 of what you're suggesting, names being circulated and
17 comments being solicited. But are you also suggesting
18 that it be a board decision of which firm is ultimately
19 chosen? Or that we -- for example, alternatives, is we
20 funnel all our comments to Frank and Frank in
21 consultation with Charles or Vic, or whoever makes the
22 decision, makes the decision jointly? Or that after

1 they get our input, it's a management function and
2 management decides who to hire?

3 MS. SINGLETON: Well, I believe that probably
4 it would be management's decision to make ultimately.
5 But if they in fact choose someone who has a reputation
6 one way or the other, that the board should comment on
7 that.

8 MR. MEITES: Well, how about this? How about
9 turning what you've said into a resolution to the
10 effect that the names be circulated to the board and
11 the board, individual members, be invited to comment;
12 we direct the comments to the chair, and the chair
13 conveys those comments, and to the extent appropriate,
14 participates in the selection process?

15 MS. SINGLETON: Is there any reason why the
16 comments shouldn't be directed both to the chair and to
17 the president?

18 MR. MEITES: That's fine. I didn't mean -- I
19 assume they would go to the chair and management as
20 well. And also, I suppose, we'd want to see each
21 other's comments so that we could follow up if we
22 wanted to.

1 Is that an appropriate resolution?

2 M O T I O N

3 MS. SINGLETON: I would so move.

4 MR. MEITES: All right. Is

5 there -- Mr. Chair?

6 CHAIRMAN STRICKLAND: Is there a second to

7 Sarah's motion?

8 MS. CHILES: Second.

9 CHAIRMAN STRICKLAND: All right. Charles

10 Jeffress, I see you at the microphone. Do you have

11 some comments?

12 MR. JEFFRESS: Thank you, Mr. Chairman. At

13 the closed session of the finance committee, it was

14 requested that during the litigation report this

15 afternoon we have a report on the Corporation's

16 retention of counsel both during the union election and

17 on the potential for retaining counsel during the

18 collective bargaining agreement -- collective

19 bargaining process that's upcoming.

20 We're prepared to share some information that

21 Ms. Singleton and Mr. Meites just discussed at that

22 closed meeting this afternoon. So I would -- and you

1 may get enough information at that point that you might
2 want to take a different action.

3 So I would just offer to you the opportunity
4 in a few minutes to hear more about this issue, if
5 you'd like.

6 MR. MEITES: Sarah?

7 MS. SINGLETON: I would prefer to go ahead
8 with the motion. I'm still in favor of the motion. We
9 can get the information in the closed session, but we
10 can't take any action in the closed session. And if
11 people feel as though they have enough information,
12 then when names are circulated they can do nothing.

13 I personally believe I right at the moment do
14 not have enough information. I want to do a little bit
15 more investigation into the firms that are -- or firm
16 that's being considered. And I will -- so I would like
17 to continue with the motion.

18 CHAIRMAN STRICKLAND: All right. Was there a
19 second to that motion? Yes. All right. Seconded by
20 Jonann Chiles. And comments on the motion? Herb, and
21 then Tom.

22 MR. GARTEN: Well, after we are in closed

1 session, we come back to open session. Can we vote on
2 it at that point?

3 CHAIRMAN STRICKLAND: I would think we could.

4 MR. GARTEN: Sarah, do you object to deferring
5 until then?

6 MS. SINGLETON: I don't object to tabling it
7 till after that.

8 MR. GARTEN: Okay. Fine.

9 CHAIRMAN STRICKLAND: All right. Let's hold
10 it for the resumption of the open session.

11 Tom Fuentes.

12 MR. FUENTES: Well, I can ask the question now
13 or then. I would like to have my memory refreshed as
14 to what is policy on the hiring of lawyers in general
15 by this Corporation. I don't want to get into a
16 pattern here of micromanaging by the board of a
17 selection. It seems to me we hire all kinds of lawyers
18 for all kinds of things in this Corporation, and I
19 would like to be consistent.

20 Maybe some of us feel strongly philosophically
21 about other issues. And is it the role of the board
22 to, in essence, micromanage the selection process? So

1 I think it's a bigger picture than just the point that
2 Sarah raises. While I respect her particular interest
3 in this area, I'd like to have it brought to our
4 attention what we do in all other hiring of lawyers
5 activity.

6 CHAIRMAN STRICKLAND: Let's hear from our
7 general counsel, Mr. Fortuno.

8 MR. FORTUNO: Up until recently, at least, the
9 general counsel, in consultation with management, would
10 make the selection, would review options available,
11 consider whether firms could do the work pro bono at a
12 reduced rate, the level of expertise, past experience
13 with firms, and considering all the relevant factors,
14 go ahead and make a selection, but would of course
15 consult management to ensure that it wasn't something
16 with what management had -- to which management had an
17 objection.

18 MS. SINGLETON: Well, may I ask a question,
19 Mr. Chairman?

20 CHAIRMAN STRICKLAND: Go ahead, Sarah.

21 MS. SINGLETON: Vic?

22 MR. FORTUNO: Yes?

1 MS. SINGLETON: I don't believe that practice
2 was followed in this instance.

3 MR. FORTUNO: No.

4 MS. SINGLETON: And I also know there have
5 been times in the past where board members have been
6 solicited for possible law firms that could represent
7 LSC, particularly, I seem to recollect, with regard to
8 cases involving the restrictions. In other words, when
9 we have politically sensitive issues, board members
10 have been consulted, is my recollection.

11 MR. FORTUNO: Yes.

12 MS. SINGLETON: But maybe you could address
13 both of those.

14 MR. FORTUNO: With high profile cases that are
15 particularly sensitive or cases that it appears will be
16 very expensive and for which we would need pro bono
17 counsel, we oftentimes do go to board members and ask
18 whether they know of anyone, have contacts, because in
19 some instances it helps to have the board member
20 participate in the solicitation to see about getting
21 counsel to assist us pro bono.

22 So that's absolutely right. We've done that

1 in the past. And you're right in this case; that
2 practice wasn't followed. Board members, to my
3 knowledge, weren't consulted, and the normal selection
4 by the general counsel, this didn't follow that normal
5 pattern.

6 Is that responsive to your question?

7 MS. SINGLETON: Yes, it is.

8 CHAIRMAN STRICKLAND: Anything else, Tom?

9 MR. MEITES: No. Let's defer this till after
10 we have the closed session, and take it up then.

11 CHAIRMAN STRICKLAND: Okay. May I ask that in
12 the discussion that is going to be held between the
13 general counsel and the IG relative to the governance
14 and performance review committee, that they also add to
15 their discussion the work of any of our search
16 committees?

17 MR. MEITES: No. That didn't come up.

18 CHAIRMAN STRICKLAND: I'm asking if you
19 can -- would you consider at this point asking them to
20 add that to their discussion?

21 MR. MEITES: Yes. Sure. That's a very good
22 idea. So if you'd just consider the request we made

1 broadened to not only evaluations, but also search
2 committees, which is not covered by the present
3 resolution. But you can give us some help in trying to
4 formulate a protocol for that that would be consistent
5 with Sunshine.

6 MR. FORTUNO: Sure.

7 CHAIRMAN STRICKLAND: Thank you. Anything
8 else from your committee, Mr. Meites?

9 MR. MEITES: No. That completes my report.
10 Thank you.

11 CHAIRMAN STRICKLAND: Thank you, sir.

12 All right. The next is consider and act on
13 the report of the audit committee. Chairman Herb
14 Garten.

15 MR. GARTEN: All right. The audit committee
16 met yesterday. I'm pleased that we had 100 percent
17 attendance of the three-person committee, Jonann
18 Chiles, Tom Meites, and myself.

19 The chair, in accordance with the provisions
20 of the charter of the committee, was involved with the
21 inspector general's office in connection with the
22 selection of the independent auditor for the

1 Corporation itself for the current fiscal year.

2 The inspector general's office prepared
3 invitations to bid. We reviewed them. For future
4 reference for future boards, there are some suggested
5 changes which should be taken into consideration at
6 that time based, of course, upon the facts and
7 circumstances at that time to include any invitation to
8 bid.

9 Nonetheless, a sufficient number of responses
10 was received, including one from our past auditing
11 firm, and a meeting was held, which I was present in
12 person, on September 10th when we interviewed the
13 successful firm, Thompson, Cobb, Bazilio & Associates,
14 Washington, D.C. And we met with four or the
15 individuals who would be responsible for the audit.

16 Timetables were discussed. The terms of the
17 agreement hiring them was discussed and agreed to.
18 And a final letter was received confirming the
19 arrangements, of which was signed by Jeff Schanz,
20 inspector general, Helaine Barnett, president, and
21 myself as chair of the audit committee.

22 We had excellent cooperation between the

1 Office of the Inspector General and the committee.

2 And I was pleased that we were able to work this out.

3 I think that the change of the independent auditor to
4 a new firm was appropriate. We had been with the
5 previous firm for approximately six years, and good
6 practice would dictate that a change be made after a
7 certain number of years.

8 We were informed yesterday that they're at
9 work and on schedule, and we're looking forward to a
10 good relationship with them.

11 The meeting then went into closed session to
12 discuss the classification of the LSC consultants. And
13 we had a good meeting. We had a report from our
14 counsel. Lots of questions and discussion ensued. I
15 was pleased that Mike McKay, chair of the finance
16 committee, was present and had the opportunity to
17 review certain memorandums that were supplied to us
18 in confidence.

19 And we then proceeded to decide to make a
20 report to the entire board in closed session, which we
21 intend to do. There's nothing, Mr. Chair, that
22 requires any action on the part of this committee

1 (sic). And that concludes my report.

2 CHAIRMAN STRICKLAND: Any questions for Herb?

3 (No response.)

4 CHAIRMAN STRICKLAND: All right. Hearing
5 none, let's move to the next item on the agenda, which
6 is consider and act on the report of the governance and
7 performance review committee. I believe Tom Meites
8 acted as chair.

9 MR. MEITES: Thank you. I will make the
10 report for the committee.

11 The first item, substantive item, was consider
12 and act on the performance review of the inspector
13 general. Our committee was unanimous in believing that
14 we should schedule a special meeting of our committee
15 to conduct this performance review.

16 We are going to -- the IG's office is going to
17 circulate some dates. And I hope we can hold this and
18 be able to report to the board on the outcome of our
19 review by the special board meeting in November.

20 To facilitate that, the IG is going to submit
21 to us materials, actually, he's already prepared. We
22 believe it's important that we do this now because

1 we're familiar with the work of the IG, and we'd like
2 to have a baseline to leave for our successor board.

3 The next item was distribution of forms and
4 instructions for individual and board self-assessment
5 for 2009. We discussed the existing forms. It was the
6 sense of our committee that the responses would perhaps
7 be more candid if names be deleted, particularly on the
8 self-assessment side. And so when you receive your
9 self-assessment, do not put your name unless you want
10 to. If everyone puts their name in except me, that
11 will undercut the reason.

12 (Laughter.)

13 MR. MEITES: And so at least one other person
14 please leave your name off.

15 We also discussed whether, since the
16 individual self-assessment essentially is a measurement
17 of self to locate areas where you need improvement,
18 since we are all leaving the board, that was not seen
19 as something that would be useful for that purpose.
20 But we also felt that it would be useful for the
21 incoming board members to see how absolutely excellent
22 we are now at our jobs, and establish ourselves as the

1 mark by which they should measure themselves in the
2 future. So you're supposed to fill out both forms, but
3 be candid.

4 And I got a note from John Constance which I
5 will read you: "Please complete evaluation
6 forms" -- anonymously or not -- "and return to John
7 Constance by mail no later than," NLT, "December 15th."
8 There's absolutely no reason why we all can't complete
9 those forms before we leave today, but that's of course
10 hoping for too much. So John has given us six weeks to
11 do something that would take five minutes. I leave
12 that unsaid. Questions directed to John.

13 The other point, we thought, is that if
14 there's any question you answer or we answer with a
15 score lower than 3, it would be helpful to John and to
16 the people reading this if you could give some
17 explanation.

18 The next item is a report by Vic and John as
19 to the preparations for orientation for the new board
20 members. They reported that Laurie was going to be the
21 first person run through it, but because the new board
22 members may be imminent, it was decided to defer it.

1 There was some consideration on our panel that
2 there's a lot of material here; make sure it's
3 prioritized. And the second suggestion from our
4 committee was that there should be a board member or
5 members, existing board members, at the orientation to
6 explain how we have chosen to organize ourselves, and
7 also to tell the new board members -- give some idea of
8 what we saw our function is in terms of policy,
9 enforcement, and other matters we're interested in.

10 The last item is the only action item, which I
11 think is 2009-012. Is that where we're at, Vic? Is
12 the next resolution 2009-012?

13 MR. FORTUNO: I don't know. Charles is
14 keeping track of those.

15 MR. MEITES: All right. While they're finding
16 it, this is a consider and act, an amendment to the
17 charter of the governance and performance review
18 committee to add responsibility for oversight of our
19 compensation plan and the compensation plan of the
20 officers of the Corporation. This is a recommendation
21 from the GAO, and we were told earlier this is the only
22 recommendation that has not been fully implemented.

1 The committee considered the proposed
2 amendment and assured itself that this does not require
3 the committee or the board to inquire into individual
4 salaries of anyone other than officers, but rather to
5 review the various ranges of salaries of other
6 employees in the Corporation. The committee believes
7 that that was both work that was appropriate and within
8 its abilities.

9 M O T I O N

10 MR. MEITES: And so I move adoption of that
11 resolution, which is -- Charles? What number is the --

12 MR. FORTUNO: It appears to be 2009-012.

13 MR. MEITES: 2009-012.

14 CHAIRMAN STRICKLAND: All right. Is there a
15 second to that motion?

16 MS. CHILES: Second.

17 CHAIRMAN STRICKLAND: All right. Moved and
18 seconded. Is there any discussion of the motion?

19 (No response.)

20 CHAIRMAN STRICKLAND: All those in favor,
21 please say aye.

22 (A chorus of ayes.)

1 CHAIRMAN STRICKLAND: Opposed, nay.

2 (No response.)

3 CHAIRMAN STRICKLAND: The ayes have it and the
4 resolution is adopted.

5 MR. MEITES: And Mr. Chairman, that completes
6 my report.

7 CHAIRMAN STRICKLAND: All right. Thank you
8 very much.

9 I will now call on Chair Laurie Mikva,
10 consider and act on the report of the search committee
11 to recommend an interim president.

12 MS. MIKVA: All right. Don't blink or you'll
13 miss this one.

14 The committee did meet. Sarah
15 Strickland -- Sarah Singleton, Frank Strickland,
16 myself, our two advisory members, Bob Stein and Deidre
17 Ware, and Mike McKay was there. We decided this was
18 really a decision, to the extent at all possible,
19 should be made by the successive board.

20 And so we deferred doing anything in hoping
21 that at least some of the members of the successive
22 board will be confirmed and sworn in. And if nothing

1 happens, we will reconvene by telephone in about 30
2 days.

3 CHAIRMAN STRICKLAND: Thank you very much.

4 The next item is a staff report on strategic
5 directions progress. Is that the PowerPoint that we've
6 been looking forward to?

7 MR. JEFFRESS: Yes. It is the PowerPoint.

8 MR. MEITES: Mr. Chair, before we start, I
9 have a comment and suggestion. Mr. Jeffress gave this
10 report a year ago, and it was at almost exactly the
11 same time in the meeting. It was almost the same
12 desire for a hasty exit. And it was a great report.
13 It was. I didn't look at it. I read it.

14 And he has prepared -- I've read this one.
15 It's really a terrific report. It's absolutely full of
16 fascinating insights. For example, the turnover rate
17 of our grantee staff has gone down. I'd like to find
18 out about that.

19 But there's no way in the world that at a
20 quarter to 2:00, an hour PowerPoint and a two-hour
21 discussion is possible. Also, I think that we're old
22 hands, but the new board would really profit from an

1 overview of our strategic plan and what we've
2 accomplished to give them a background to make up their
3 own strategic plan.

4 M O T I O N

5 MR. MEITES: So I would suggest that you
6 consider asking Mr. Jeffress to take his toys home and
7 wait for another three months and to give it to the new
8 board.

9 MR. FUENTES: Second the motion.

10 CHAIRMAN STRICKLAND: Mr. Jeffress, do you
11 have any objection to that procedure?

12 MR. JEFFRESS: I'd be delighted, Mr. Chairman.

13 CHAIRMAN STRICKLAND: All right. You put that
14 in the form of a motion?

15 MR. MEITES: Yes, sir.

16 CHAIRMAN STRICKLAND: And it's been seconded.
17 Is there any discussion on the motion?

18 (No response.)

19 CHAIRMAN STRICKLAND: All those in favor,
20 please say aye.

21 (A chorus of ayes.)

22 CHAIRMAN STRICKLAND: Opposed, nay.

1 (No response.)

2 CHAIRMAN STRICKLAND: The ayes have it and the
3 motion is adopted.

4 We are now at the point on the agenda for
5 public comment. Is there any public comment? Hearing
6 none, we will now --

7 MR. FUENTES: Hold on.

8 CHAIRMAN STRICKLAND: Sorry. Don Saunders of
9 NLADA, we welcome you to the presenting table.

10 MR. FUENTES: It wouldn't be the same without.

11 MR. SAUNDERS: Well, and certainly there'll be
12 no two-hour PowerPoint, Mr. Chairman. Don Saunders
13 from the NLADA.

14 I just want to take one minute on, I know, a
15 crowded agenda to offer the thanks and congratulations
16 of NLADA, its thousands of member programs, and
17 advocates across the country. All of you have served
18 with great distinction. The field really appreciates
19 the thousands of hours of commitment that each and
20 every one of you have made, the strong statement of
21 support for increased funding at the federal level.

22 And I think on behalf of Linda and I, who have

1 faithfully followed you to every corner of the United
2 States, we would thank you for your courtesies to us,
3 for not always agreeing with us but always listening to
4 us, treating us with courtesy and respect.

5 So we wish you all the best. One last act
6 might be to join us in Denver in a few weeks at the
7 NLADA convention. We would love to see you there. But
8 again, on behalf of my colleagues at NLADA, I just want
9 to give you sincere congratulations and thanks.

10 CHAIRMAN STRICKLAND: Thank you very much,
11 Don. Appreciate your kind words.

12 All right. Any other public comment?

13 (No response.)

14 CHAIRMAN STRICKLAND: We now need to consider
15 and act on whether to authorize an executive session of
16 the board to address items listed under the closed
17 session portion of our agenda. Is there a motion to
18 that affect?

19 M O T I O N

20 MR. FUENTES: Move approval of the closed
21 session.

22 MR. McKAY: Second.

1 CHAIRMAN STRICKLAND: Any discussion?

2 (No response.)

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

5 (A chorus of ayes.)

6 CHAIRMAN STRICKLAND: Opposed, nay.

7 (No response.)

8 CHAIRMAN STRICKLAND: The ayes have it and we
9 will now move into closed session.

10 (Whereupon, from 1:47 p.m. until 2:43 p.m.,
11 the board adjourned to closed session.)

12 CHAIRMAN STRICKLAND: All right, Sarah. Are
13 you ready to make your motion?

14 MS. SINGLETON: Yes, Mr. Chairman. Is the
15 court reporter there?

16 CHAIRMAN STRICKLAND: Yes. He's ready.

17 M O T I O N

18 MS. SINGLETON: All right. Mr. Chairman, I
19 move that management circulate to board members the
20 information about law firms they are considering hiring
21 to deal with the collective bargaining agreement; and
22 that it give the board the opportunity to present

1 comments on those firms, if the board member has any,
2 to the chair of the board and to the president of the
3 Corporation and to the general counsel of the
4 Corporation; and that those comments be taken into
5 consideration at the time the hiring decision is made.

6 CHAIRMAN STRICKLAND: Is there a second?

7 MR. McKAY: Second. And Mr. Chairman, may I
8 pose a question?

9 CHAIRMAN STRICKLAND: Please.

10 MR. McKAY: Sarah, do I understand your
11 motion, which I have just seconded, to explicitly
12 include our general counsel?

13 MS. SINGLETON: Yes. That's why I added him.
14 That's what I took your comments to be indicating.

15 MR. McKAY: Yes. Very good. Thank you.

16 CHAIRMAN STRICKLAND: All right. Any
17 discussion -- was there a second to that?

18 MR. McKAY: There was.

19 CHAIRMAN STRICKLAND: Sorry. Any further
20 discussion on Sarah's motion?

21 (No response.)

22 CHAIRMAN STRICKLAND: All those in favor of

1 the motion, please say aye.

2 (A chorus of ayes.)

3 CHAIRMAN STRICKLAND: Opposed, nay.

4 (No response.)

5 CHAIRMAN STRICKLAND: The ayes have it and the
6 motion is adopted. Is there any other business to come
7 before the meeting?

8 (No response.)

9 CHAIRMAN STRICKLAND: If not, I'd entertain a
10 motion to adjourn.

11 M O T I O N

12 MR. McKAY: Move to adjourn.

13 CHAIRMAN STRICKLAND: Is there a second?

14 MS. PHILLIPS-JACKSON: Second.

15 CHAIRMAN STRICKLAND: All in favor, aye.

16 (A chorus of ayes.)

17 CHAIRMAN STRICKLAND: Opposed, nay.

18 (No response.)

19 CHAIRMAN STRICKLAND: We're adjourned. Thank
20 you very much, ladies and gentlemen.

21 (Whereupon, at 2:45 p.m., the board meeting
22 was adjourned.) * * * * *