

LEGAL SERVICES CORPORATION  
BOARD OF DIRECTORS

BOARD OF DIRECTORS  
OPEN SESSION

Friday, January 28, 2000

10:28 a.m.

Texas V Room  
Hyatt Regency Austin on Town Lake  
206 Barton Springs  
Austin, Texas

BOARD MEMBERS PRESENT:

Douglas S. Eakeley, Chair	Edna Fairbanks-Williams
Hulett H. Askew	F. William McCalpin
LaVeeda Morgan Battle (by tele.)	Maria Luisa Mercado
John T. Broderick, Jr.(by tele.)	Thomas F. Smegal, Jr. John
N. Erlenborn	Ernestine P. Watlington

STAFF AND PUBLIC PRESENT:

John McKay, President  
Victor Fortuno, VP for Legal Affairs, General Counsel &  
Corporation Secretary  
James Hogan, VP for Administration  
David Richardson, Treasurer & Comptroller  
Mauricio Vivero, VP for Govt Relations & Public Affairs  
Edouard Quatrevaux, Inspector General

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

2 CHAIR EAKELEY: Let me call the Board of Directors  
3 Meeting to order. We are still unfortunately waiting LaVeeda  
4 Morgan Battle's call in but that -- yes, I know why -- but  
5 that will happen shortly. Nancy Rogers unfortunately cannot  
6 be with us but we do have John Broderick on the speaker phone  
7 to be joined shortly, hopefully, by LaVeeda.

## 8 APPROVAL OF AGENDA

## 9 M O T I O N

10 Everyone has a copy of the agenda that was  
11 circulated. Are there any changes or corrections to be made  
12 to that agenda and if not, can we have a motion to approve?

13 MR. ERLNBORN: So moved.

14 MS. WATLINGTON: Second.

15 CHAIR EAKELEY: All those in favor of proceeding  
16 with the agenda as circulated?

17 CHORUS: Aye.

18 CHAIR EAKELEY: Opposed? The "ayes" have it, and  
19 agenda item for one -- I have the old agenda here.

20 A PARTICIPANT: There's very few changes, Mr.  
21 Chair. Only in Item 5 were there changes.

1           CHAIR EAKELEY: Next is the approval of the minutes  
2 of the meeting of November 20, 1999. You have the minutes  
3 and the program materials that were circulated. Are there  
4 any corrections or additions?

5                   APPROVAL OF MINUTES OF THE BOARD'S  
6                   MEETING OF NOVEMBER 20, 1999

7                           M O T I O N

8           A PARTICIPANT: I move their approval.

9           MS. WATLINGTON: So moved.

10          MR. ERLNBORN: Second.

11          CHAIR EAKELEY: All those in favor?

12          CHORUS: Aye.

13          CHAIR EAKELEY: Opposed? The "ayes" have it. The  
14 minutes are approved. We also have the minutes of the  
15 executive session of the Board's meeting of November 20,  
16 1999. Again, any corrections or additions? If not?

17                   APPROVAL OF MINUTES OF THE EXECUTIVE SESSION  
18                   OF THE BOARD'S MEETING OF NOVEMBER 20, 1999

19                           M O T I O N

20          MR. SMEGAL: So moved.

21          CHAIR EAKELEY: Motion by Mr. Smegal to approve.

1 Second?

2 MS. WATLINGTON: Second.

3 CHAIR EAKELEY: Ernestine Watlington, thank you.

4 MR. SMEGAL: I do have a slight correction to both  
5 sets of minutes. My middle initial is F, like in Frank.

6 CHAIR EAKELEY: All right, we will attend to that.

7 Victor?

8 M O T I O N

9 CHAIR EAKELEY: All those in favor of approving the  
10 minutes of the executive session?

11 CHORUS: Aye.

12 CHAIR EAKELEY: Approved. The "ayes" have it.

13 CONSIDER AND ADOPT THE PROPOSED

14 STRATEGIC PLAN FOR THE CORPORATION

15 CHAIR EAKELEY: All right, Agenda Item Number 4,  
16 which we expect will occupy most if not all of today's  
17 meeting, is the consideration and adoption of the proposed  
18 strategic plan for the corporation. Now, what the Board has  
19 is a document that has a slight difference in nomenclature.  
20 A cover memo dated today on the subject of LSC Strategic  
21 Directions, and then a memorandum with the same title,

1 Strategic Directions.

2           And I think if you look at the cover memo itself,  
3 it basically outlines what happens next if the Board approves  
4 the strategic directions that are presented in the planning  
5 memo.

6           But the strategic directions, in essence,  
7 constitute the policy directives of the Board that will then  
8 be taken by staff and put into an implementation document  
9 that will come back as a formal full blown strategy plan.

10           But what we are going to do today is consider the  
11 fundamentals of that strategic plan but they're called  
12 strategic directions because the details of the performance  
13 measurements and the implications have not been entirely  
14 spelled out.

15           So this is more than an exercise in discussion.  
16 Hopefully, it has as its objection the adoption of formal  
17 strategies and policies for the corporation by the Board to  
18 be implemented and to actually be approved in the form of a  
19 total planning document by the next Board meeting. Fair  
20 enough?

21           Now, let me just welcome to the discussion Dr. Tom

1 McWeeney, who really has just done an excellent job in moving  
2 this forward and the input and the elicitation of input from  
3 others have been just masterful. And Tom, thanks for all of  
4 your efforts, far beyond the call of duty but certainly  
5 within the gambit of our need.

6 Jim Hogan has done a very nice job coordinating all  
7 of this and Jim, I just thought it would be appropriate for  
8 you to come up and join the table. And Chris Sundseth, as  
9 our internal planner and organisateur, it's just been very  
10 helpful to have your input, too.

11 So I'm just going to start, if I could, and then  
12 ask Tom and John McKay to talk about process for a little  
13 while. And then, we are going to bring it back so that we  
14 can have the Board discussion on the goals and the strategies  
15 and the implications of the strategies.

16 Actually, the last year's chronology of this is  
17 laid out. I just want to add the footnote that you will  
18 recall at our Miami mini-retreat in January of the year 1999,  
19 we discussed the need for prioritizing the role of strategic  
20 planning in the ongoing efforts to the corporation.

21 MS. MERCADO: Wasn't that in February?

1           CHAIR EAKELEY: Oh, you're right, February. Sorry.

2     But it has taken us this long to get to today for a lot of  
3     different reasons, some of which are outlined in the cover  
4     memo. But there's been an enormous amount of input. We've  
5     had a working committee who have met with Tom and the staff.

6

7           The planning document, itself, has gone through a  
8     myriad of iterations. This will not be cast in stone at any  
9     point in time but really, hopefully, as a living, breathing  
10    document that will inform decision making as we move forward  
11    and will be revised as we go through the implementation  
12    process and need feedback from others. But it is a very  
13    important starting point.

14           And the two goals that are proposed as the  
15    strategic direction of the corporation, enhanced access and  
16    enhanced quality and meaningful outcomes of representation,  
17    are goals that we have discussed along the way as part of the  
18    briefing and informal feedback throughout the year. Let me  
19    just stop there -- I was going to stop there and turn it over  
20    to you and Tom, just to set the seam a little bit more for  
21    the Board discussion of the goals.

1           Dr. McWeeney: Thank you, Mr. Chairman. On the  
2 cover memo that you have, and I think it's been distributed,  
3 I hope we have some copies for public observing here. If  
4 not, we'll have some more copies made. On the cover memo  
5 from you and myself to the Board, I just want to draw your  
6 attention to page 2, the last paragraph, which now contains  
7 language regarding our intention to coordinate now pursuant  
8 to GPRA the strategic plan with individual performance, with  
9 performance plans for both the Office of Inspector General  
10 and the management side of LSC. And the follow on under GPRA  
11 then proceeds to individual performance plans.

12           So the intention, then, as you pointed out, is that  
13 we will come back to this. I think you won't expect to have  
14 a completed strategic plan in a sense that all of the  
15 performance measures would be prepared by the next Board  
16 meeting but you will measurably move it forward now that we  
17 have the strategic direction.           And the difference is  
18 the performance measures, as we see them developing in this  
19 process, will include the kinds of performance measures that  
20 currently take place in this recording process and so there's  
21 a great deal of dialogue that will be necessary to perform.

1           The performance measures are actually invoked  
2 into the strategic plan, itself. So there will not be a  
3 final strategic plan at the next Board meeting if you mean  
4 that to include all of the performance measures. They will  
5 be a work in process I think over the coming year.

6           CHAIR EAKELEY: I strategic plan is never final.  
7 You take a five-year timing horizon and you lay out what your  
8 priorities and your strategies are for those five years and  
9 you add to it as you move through time. And I think that to  
10 the extent possible, it would be very helpful to force the  
11 effort as much as we can to have a final plan for approval at  
12 the next Board meeting with the understanding that there will  
13 still be fine tuning and additions, especially in the area of  
14 performance measures and where we have not ventured before.

15           But I would urge, depending upon the extent to  
16 which we can reach a consensus today on the strategic  
17 direction, I would urge that the priority remain putting the  
18 details of the plan in place between now and the next Board  
19 meeting. And if it's not totally possible, then we will talk  
20 about that some more. But I think that the sense of the  
21 Board is let's get this thing in place so that it can inform

1 decisions and actions for the rest of the year and beyond the  
2 year.

3           The other point I wanted to make is just even if  
4 we didn't have GPRA requiring the incorporation of the  
5 strategic plan with annual performance plans, with  
6 performance reviews and the budget, I think the Board would  
7 require it, nonetheless, because it makes sense. All right,  
8 thank you. Back to you.

9           Dr. McWeeney: One matter of courtesy, I would like  
10 to acknowledge several of our recipients are here, mostly in  
11 the person of their executive directors. First, Regina  
12 Rogoff, who is the executive director of Legal Aide of  
13 Central Texas and our host here in Austin. Regina, thank you  
14 for your hospitality. We greatly appreciate that. We look  
15 forward to the open house at 4:00 today in your offices and  
16 we very much look forward to that.

17           Darryl Sutherland with Coastal Bend Legal Services  
18 is also here. Welcome, thank you. Jesse Gaines is here,  
19 welcome. Dwayne Dolton -- Jesse's West Texas Legal Services  
20 in Fort Worth. Dwayne Dolton is here. Dwayne, welcome,  
21 thank you. Brendan Gill with Bear County Legal Services is

1 here. Paul Furrh also is here with East Texas Legal  
2 Services.

3 David Hall is somewhere in the City of Austin but I  
4 don't see him here, but he is with Texas Rural Legal  
5 Assistance and was at our reception last night and I just  
6 wanted you to know that not a recipient of Legal Services,  
7 Randy Chapman, of Texas Legal Services Center, is also here  
8 with us and is present.

9 Did I miss anyone? Oh, and Mike Snyder is here  
10 from Oklahoma, who came down for the Supreme Court hearing  
11 yesterday. Mike, really good to see you. Cheryl and  
12 Jonathan, welcome and thank you. John Alexander, welcome,  
13 thank you.

14 A PARTICIPANT: And you have representatives from  
15 the El Paso Legal Services here today.

16 Dr. McWeeney: Thank you, great turn out with our  
17 programs here. We really appreciate it.

18 CHAIR EAKELEY: Should someone be calling to see  
19 whether LaVeeda is having trouble calling in on the line?  
20 LaVeeda? Hi, we're just starting. John just introduced the  
21 directors from the Texas programs. I had just basically said

1 this was for only strategic directions but it's the formal  
2 adoption of the strategies and policies that will later be  
3 flushed out in the form of details of the strategic plan that  
4 we will hope to consider at the next Board meeting and I  
5 basically just turned over to ask John McKay and Tom McWeeney  
6 to set the scene before the Board takes up the discussion of  
7 the goals and strategies.

8           Dr. McWeeney: Thank you, Mr. Chairman. I would  
9 like to start, if I might, of just giving a little overview  
10 of what I think we've accomplished here and along those  
11 lines, both you and the Board are to be congratulated for  
12 taking on what in the public sector is an incredibly  
13 burdensome and awesome responsibility. That's trying to  
14 provide clear direction, focus for public sector programs,  
15 with the requisite accountability. It's rarely done, it's  
16 very hard to do, and in fact, it's required of a federal law  
17 to be passed to require agencies to do it.

18           And the fact that you are doing it voluntarily is  
19 no small feat and you are all to be commended. Both you,  
20 John McKay, and Legal Services staff, this is truly public  
21 service in the highest tradition.

1           I am also very honored to be part of this. I run a  
2 business called The Center for Strategic Management, and my  
3 job is to try and work with those who believe in public  
4 service and strategic planning to make this process more  
5 meaningful, more credible, more relevant, and less burdensome  
6 than has judicially been the case.

7           And with that as background, I think that what has  
8 been accomplished with this LSC document passes on all  
9 grounds. I would like to just give you an overview of what I  
10 see we have tried to do and what I think we have accomplished  
11 here.

12           I basically say that one of the things you like to  
13 do to start the process in a public service organization  
14 where issues can become very complex and debate can rage  
15 endlessly is to put some criteria in place that's going to  
16 allow you to evaluate how effective the overall effort is.  
17 Because this isn't about a document. This is about causing  
18 something different to happen than what would otherwise  
19 happen.

20           Now, again, many organizations feel that when they  
21 have written the document, they are done. As we've spoken

1 before, the document is the beginning, and we have a very  
2 good beginning here. I generally lay out three criteria.  
3 The document, itself, is the public representation of the  
4 work we've done. It must be very simple, very clear, but  
5 very effective.

6 I think we've done that here by articulating two  
7 goals in an effort to frame the future of LSC. We are  
8 discussing broad goals that deal with the problems of access  
9 which resulted from a lot of staff discussions that indicated  
10 the lack of access or at least, the lack of access  
11 appropriate to today's environment is a concern that the  
12 corporation and the Board should be focusing on.

13 Study improvement of access to legal services is  
14 the primary goal as is the need of the requirement to ensure  
15 the quality of those receiving services. Those goals are  
16 sharp, they're simple, they're clear, and we should be able  
17 to know what they mean and we should be able to know if  
18 progress against them is being made. It therefore passes the  
19 first test of a high level strategic document. We know what  
20 we're trying to do and we're putting in place the things to  
21 make it happen.

1           Second, too, Step Two, which I think is perhaps  
2 even more important is that many organizations fail to see  
3 the necessity of involving the principal in their  
4 organization in this process. It tends to be a staff job.  
5 It tends to be handed off to a consulting firm or somebody to  
6 put together a document. Those efforts are almost always  
7 guaranteed to fail.

8           What was invaluable about this effort is that not  
9 only Mr. McKay, Mr. Hogan, the full group of the LSC staff  
10 participated but the Board has heard briefings about this for  
11 nearly a year. A working group of the Board was put together  
12 to work with, think through, discuss the document and the  
13 thing that has emerged is truly a consensus of all those who  
14 have a stake in its success.

15           That's the second criteria that you can't diminish  
16 and that has happened I think today and this meeting is a  
17 symbol of that. In fact, if I were to say is there one  
18 criteria that is more likely to ensure the success of a  
19 strategic plan, it's that it was prepared of the pencils were  
20 in the hands of those who had a stake in the outcome and  
21 therefore as participating in the involvement of it and

1 putting their thoughts in the process, they worked to see its  
2 implementation.

3           Because where most plans fail is not in the  
4 document, itself, which I oftentimes have referred to as a  
5 nice collection of noble thoughts or a poem, but it's in the  
6 execution of that document. And those who have a stake in  
7 its preparation generally have a stake in its follow through.  
8 So you are to be commended on that front, as well.

9           Finally, plans succeed I think most importantly  
10 when they matter, when the results matter. We call that the  
11 imperatives. We find an awful lot of folks in the government  
12 today who are doing good planning are trying to cause  
13 something to happen for their clients that wouldn't otherwise  
14 happen.

15           The agenda, the responsibilities and mission of  
16 LSC, has an imperative that is among the highest in the  
17 government and the fact that success in this plan doesn't  
18 mean that the people who participated in it can go out and  
19 pat themselves on the back but means there's going to be a  
20 demonstrable, enhanced standard of living for those who need  
21 the services of LSC is an imperative that will allow you to

1 measure your success against.

2           So on those three counts, simplicity, the fact that  
3 it was done by those and worked on by those who have a stake  
4 in its success, and that it deals with truly important  
5 matters, you have taken a dramatic step forward in this  
6 document in ensuring that the right things are in place and  
7 for that, you are to be congratulated.

8           A couple points I would also like to make is that I  
9 agree that what we have done here today is in that effort of  
10 trying to take the first step in causing the plan to be  
11 implemented, which is in effect, to separate the executive  
12 approach, executive perspective of what we are calling  
13 strategic direction from the part of the plan that comes  
14 forward, the detailed implementation plan.

15           It's really important in order to give direction,  
16 proper direction, to those who are going to fine tune the  
17 plan with budget dollars, with performance measures, with  
18 strategies, to have them focus on something that clearly has  
19 been given the policies direction of a board of directors or  
20 an executive office.

21           And the fact that we have been able to go this far

1 and identify clear objectives, clear outcomes, and strategies  
2 -- and I'll talk about that in a second -- to meet those  
3 outcomes, if approved today, will give clear direction to LSC  
4 for the remainder of the process in terms of what the  
5 detailed measures, the detailed budgets, and the detailed  
6 implementation actions must add up to. And that's a major  
7 step.

8           So I totally applaud the notion of getting the  
9 direction approved separately so that we can be much more  
10 meaningful and focused in the development of the step-by-step  
11 things that have to follow.

12           And again, when I say this is not about a document,  
13 it's nice to have the document. But you can't appreciate  
14 what's happened here without realizing that the development  
15 of a strategic plan that's effective -- I use the word as  
16 more of a journey than a document -- since last January when  
17 we started, and as Mr. McKay indicated in the memorandum --  
18 we laid out the step-by-step almost monthly events.

19           An effort to do this right has caused people to  
20 think through, to debate, to discuss, to argue, to become  
21 frustrated, to solve problems only to find those problems

1 raised again in a different format. It's a journey that  
2 people go through when coming to grips with critical issues  
3 and what I saw policy imperatives. And so what has  
4 happened to both the Board, the working group, and the staff  
5 is they have a document that reflects at best, a  
6 representation of what went on but in reality, an  
7 understanding has begun to creep into the entire organization  
8 about the direction.

9 And a consensus has begun to form about the kinds  
10 of changes that have to happen and a set of understanding  
11 with new imperatives are taking place and it's that  
12 collective understanding that this document produces, I would  
13 submit, that is far more important than the document, itself.

14 This is a mere symbol and I urge that we keep that  
15 in mind. It's the thinking of the organization that moves us  
16 forward that becomes critical. I also think that's happening  
17 very well. And I guess the final point I would like to make  
18 in terms of opening comments is that it is important to  
19 emphasize what you said.

20 When we talk about a living plan, what we mean is  
21 that a plan is relevant only to the extent that it addresses

1 the realities of the environment, to the extent things  
2 change. It makes no sense for anybody to have a plan that  
3 you agreed to that doesn't reflect the changing environment.

4 So the need for a periodic review, update, assessment of  
5 where we are is what planning is all about.

6 Think of any battle plan, think of any plan done by  
7 a football coach at a big game. You don't stick to a plan  
8 when it becomes clear that situations have changed. Your  
9 quarterback has hurt his arm, the enemy has positioned  
10 himself where you didn't think, something new has happened.

11 For a plan to work, we are talking about having an  
12 ongoing assessment, not only of the environment, but things  
13 that may happen to change the environment and change  
14 circumstances that might make our plan less than relevant.  
15 That I think is an appropriate role of a board of directors  
16 to oversee that that kind of periodic review, reassessment,  
17 validation and readjustment of a planning process takes  
18 place.

19 I believe that we have, over the past year, put all  
20 the mechanisms in place at the policy level to secure that  
21 happening and the task now, as you say, is to debate that,

1 discuss that, and approve that, and move on, to begin putting  
2 in place the very serious structural things that are going to  
3 cause this to happen.

4 CHAIR EAKELEY: Thank you. Before I ask John McKay  
5 to take us through the present situation assessment of the  
6 document and then turn it back to the Board, I wondered  
7 whether any of the members of the working group want to say a  
8 few introductory remarks? Bucky, Ernestine, LaVeeda, John  
9 Broderick?

10 JUDGE BRODERICK: This is John Broderick speaking.  
11 Can you hear me?

12 CHAIR EAKELEY: Yes.

13 JUDGE BRODERICK: I first of all wanted to  
14 congratulate those who have put in all this hard work. I  
15 think this document is critical, quite frankly. I think it's  
16 timeliness could not be more appropriate and I'm hopeful that  
17 at the end of the day, we find broadened support for it,  
18 given the nature of the Congressional attitudes and what I  
19 consider to be the tenuous nature of our funding.

20 I think it's a long term mission that is apolitical  
21 and will get broad support. So I'm optimistic that it's the

1 right direction. I hope we get broadened support here.

2 CHAIR EAKELEY: Thank you, John. Bucky, did you  
3 want to say something?

4 MR. ASKEW: Yes, I agree with what Tom said about  
5 the importance of the inclusion of everybody in this process  
6 and the extent of which the folks working on this went to  
7 seek us out, have our input, include us in this.

8 Tom came and spent half a day in Atlanta and I know  
9 he went to Birmingham to meet with LaVeeda, which I think was  
10 very important to us in terms of buying into becoming a part  
11 of this process, but hopefully was important to the product  
12 that ultimately came out of this.

13 And in retrospect, I think that was a very  
14 important part of this. It's not something that grew up and  
15 was presented to us, take it or leave it sort of thing, but  
16 we were intimately involved in the development of it which I  
17 think does make it a better product and a better process.

18 CHAIR EAKELEY: LaVeeda, did you want to add  
19 anything?

20 MS. BATTLE: No, I'm fine. Thank you.

21 CHAIR EAKELEY: Did any of the Board members want

1 to say anything? Ernestine?

2 MS. WATLINGTON: I want to thank the staff and  
3 everyone and Dr. Sweeney for listening and I really  
4 appreciate that part where they -- having them to take a  
5 leading role in these efforts of the programs that are  
6 together. So I appreciate you listening to what I am saying  
7 when I try to advocate the clients because they are a crucial  
8 part of what all we do.

9 Dr. McWeeney: Okay, let me make a point. It's  
10 that I think it's important to note -- and I said earlier, I  
11 would just like to emphasize it -- the involvement of the  
12 Board, the visits, were not a show piece, were not to get --  
13 I mean, it was nice that we did involve you and that you  
14 participated but the critical piece of it is that by engaging  
15 in that involvement, you now have joint ownership in it and  
16 therefore, you have an equal responsibility to implement it.

17

18 And that's what makes this thing strong is that  
19 organizations are as strong as their component parts. And if  
20 the Board is committed because they participated in this,  
21 what I'm looking at is how likely is it to be implemented?

1 This was a critical piece of ensuring implementation.

2 And so it's nice that we did these nice things but  
3 it's also important to note that we now have a structure of  
4 people committed to it. I would like to make sure that  
5 that's remembered as we go through this process.

6 CHAIR EAKELEY: Okay, John, you want to --

7 MR. MCKAY: Yes, thank you, Mr. Chairman. I would  
8 like to add to Dr. McWeeney's last comment by saying as you  
9 look now at this final document, I actually became the final  
10 editor of this in the last couple of weeks and it literally  
11 was being typed on my computer so that we could pull the last  
12 comments in it. I've seen the different iterations  
13 and I hope the Board members see, because every one of you  
14 has in some way impacted this document directly. Ernestine,  
15 pointing out that there was a change with regard to direct  
16 client involvement made after yesterday's working group  
17 meeting and then there were some other changes.

18 I think that we have, as Tom says, a stronger  
19 document and really a stronger product -- it isn't the  
20 document -- because of your involvement. And I fully support  
21 the language that has been added here. And you know that in

1 some of our dialogue, I and others have sort of challenged  
2 each other.

3 Tom has understated what's gone on in the  
4 preparation of this document. As I look out on some of our  
5 staff who have been involved, Ted Farris, Mike Genz, Randy  
6 Ewells, who's soon to join us as our new vice president,  
7 David Delatour, Bart Thomas, W.R. Cardona, Bob Bross, John  
8 Harding, Harcio Bevaro, we have had some donny brooks over  
9 this material and it's reflective of the need to move towards  
10 a new vision and to consider some issues that are  
11 controversial within the legal services community.

12 And there are different choices, different paths,  
13 and I think we, together, all of us in this process have had  
14 the courage to choose a path. And some are going to look at  
15 this and say, "I don't agree." And that's okay.

16 If we did nothing, we might not have people say  
17 they would disagree with us but they would be unhappy with  
18 us. And I think our charge is to take on the task that's  
19 worthy of us, that's worthy of the taxpayer investment and  
20 the program and I think we're there.

21 So let me just say in terms of the structure of

1 this document, the introductory pages are an effort to set  
2 out simply and shortly and in short form what the major  
3 challenges are facing this organization and its mission.  
4 There are other challenges. It's not meant to be all-  
5 inclusive. We could have and should have, if we were doing  
6 that, a much, much longer document. But to set forward what  
7 the challenges are and what we think our shortcomings have  
8 been in trying to reach them.

9           And so it is an attempt to be honest and self-  
10 critical of the organization, of ourselves, and of the  
11 history of the organization in order to establish a predicate  
12 for the goals that are listed here. Doug, do you want to  
13 talk about the goals or do you want me to just --

14           CHAIR EAKELEY: I want to talk about the goals but  
15 I thought it might be helpful if you just set the scene by  
16 discussing the present situation a little bit. And then we  
17 will move into the discussion similar to the one we had with  
18 the working group yesterday about strategies. I encourage  
19 you to participate, as well.

20           MR. MCKAY: Thank you. In the present situation,  
21 we are outlining the obvious, that we are in a political

1 process that while we are charged to promote the interests of  
2 individual clients through our recipients, we operate in a  
3 political world. Our appropriations are subject to very  
4 political consideration and we need to acknowledge that and  
5 be understanding of the political environment.

6 First and foremost, and I think there isn't  
7 disagreement in the legal services community, we are grossly  
8 under funded. We are under funded at the federal level, we  
9 are under funded at the state and local level, and we are  
10 under funded from those who might contribute in the private  
11 sector.

12 And when you look at the first bold statement on  
13 page 1, it indicates two things. One, we really don't have  
14 today a sufficient statement of unmet legal need, which is  
15 hurtful to our ability to move forward on the next point,  
16 which is lack of funding. And so that's set forth very  
17 clearly as one of the tough real political issues that we  
18 face.

19 Secondly, very self-critically, we say LSC has not  
20 asserted the leadership role required to steward nationwide  
21 effort. And the bullets that are listed there indicate some

1 of the specific issues that we think we face, including I  
2 think an inability to articulate in a statistical fashion  
3 what the outcomes of our services are in all respects.

4 We also indicate that we think there is a need for  
5 a new and additional leadership in legal services, both at  
6 the field level and the national level, that we need  
7 additional training, and that we need to engage I think in  
8 greater dialogue with our clients to understand what their  
9 diverse needs are.

10 We have a program that in many ways was designed  
11 and looks the way it did when it was set up 25 years ago and  
12 that may not be sufficient. And I think that's pretty much  
13 it. I'm not going to read all of the bullet points. But  
14 it's really a call to ourselves to improve and to be  
15 responsive to the needs of our clients and the first step  
16 will be to engage the clients in dialogue and to assess what  
17 the unmet legal need is that's out there.

18 And I don't want to imply, and I hope the document  
19 doesn't imply, that there's anything other than overwhelming  
20 need out there. All of us know that through our experience  
21 and we know it anecdotally and the many folks in this room

1 who provide legal services directly don't need a study to  
2 tell them that we have unmet legal needs. Unfortunately, the  
3 political environment dictates that we have exactly that.

4 Strategic direction, which is listed here, I just  
5 want to comment on this and what I think is the underpinning.

6 It's clear to me and I believe that our Board in its  
7 decision-making over the last five years and its support of  
8 some of the activities of LSC staff and many of our fellow  
9 travelers in the provision of civil access to justice for  
10 poor people is that we have to have in the federal component  
11 for legal services a nonpartisan agency which is directed  
12 toward the provision of the legal services for poor people,  
13 and that we are not owned by a political party, that we are  
14 not subject to the unilateral support of any particular  
15 interest group, but that in fact we have an important role in  
16 the civil justice system in America.

17 And what we are saying in this plan is that the  
18 organization, the management, and most importantly, the  
19 vision of legal services should always be that way, and that  
20 we as stewards of that must make sure that we do nothing to  
21 detract from it, that we remove ourselves as much as we can

1 from direct political environments and focus on the clients  
2 and focus on the overwhelming need and provide the resources  
3 that we can to address them.

4           And this is an important change because it says  
5 that as we develop the work that we do, as we look at the  
6 scope of the work that's provided, and as we try to track  
7 resources, we do that in a way that we have support of many  
8 in society, including the different political parties,  
9 including folks who will say, "Yes, this is a vision that  
10 makes sense." And it can't be crafted for one group or  
11 another.

12           So the effort here is to establish a vision which  
13 is a permanent and professional vision for legal services in  
14 federal funding.

15           CHAIR EAKELEY: Okay, now, the way this is  
16 structured, we start with the two strategic goals and listed  
17 under each strategic goal are anticipated outcomes. Those  
18 are what the goals are intended to accomplish and those goals  
19 will inform the decisions on what the performance  
20 measurements will be, ultimately.

21           But the outcomes to the -- we know we are

1 approaching the goals when we achieve some of these other  
2 ones. The next level of the planning direction are LSC  
3 strategies and there are three programmatic strategies  
4 spelled out and then itemized, to a certain extent, with  
5 bullets.

6           And then under that, you will see near term  
7 implications. And the implications, as I understand them,  
8 are essentially the early behavioral organizational and  
9 operational changes that will be required in order to  
10 implement the strategies, in order to reach the outcomes that  
11 will accomplish the goals.

12           So it sort of goes from goals to strategies, goals,  
13 strategies, implications, but it's the implications that the  
14 folks who are working day in and day out in the Legal  
15 Services Corporation and hopefully in the field will have to  
16 be looking at and what we will have to be evaluating as this  
17 progresses.

18           And what I would like to do is basically walk  
19 through the document, goals, strategies, and implications now  
20 and I thought I would start the discussion with the goals and  
21 I was going to turn it over to Bucky to deal with it, walk

1 through the strategies. And we will just take it goal and  
2 outcome by outcome.

3 MR. ERLNBORN: Mr. Chair, since you wanted to  
4 start with strategic goals, there's an issue I would like to  
5 raise. In the preface, beginning on page 2, titled "LSC  
6 Strategic Direction," which seems to be a preface to the  
7 goals and strategies.

8 And the question I have is the sentence beginning  
9 in the last line of page 2, "LSC will encourage and support  
10 the establishment of comprehensive and integrated state-based  
11 civil legal services delivery systems." And the sentence  
12 goes on but I would like to have the definition of that  
13 phrase, "State-based civil legal services."

14 What is the connotation? How would you expand on  
15 that to make it clear what it is we're talking about? Does  
16 that mean one program, one grant, for the state? Does it  
17 mean many programs that are working in a coordinated fashion?

18 It's difficult to tell from that phrase just what is  
19 intended.

20 CHAIR EAKELEY: I think what is intended -- and I  
21 will ask John to expand or correct what I'm about to say but

1 what is intended is that we continue through the state  
2 planning initiative to recognize the state as the basic unit  
3 of planning for resource development and allocation and  
4 evaluate issues of access and quality of service provision  
5 within the context of that state planning process.

6 But I don't think anyone intends to suggest that  
7 this plan anticipates or requires consolidation of programs  
8 or anything beyond the state planning initiative that may  
9 suggest that or better coordination. Bucky?

10 MR. ASKEW: Yes, I think Mr. Erlenborn raises a  
11 very good point and it's something that Ernestine and I, I  
12 think mentioned on the conference call. This is probably  
13 referring to strategy number one about state planning.

14 But using the term "state-based" is something new  
15 that we haven't used through our program letters or in other  
16 ways and it may send an unintended signal innocently that we  
17 don't intend. And I think if we rather use the language  
18 we've been using all along for the last couple of years about  
19 state planning as opposed to putting a new word in, "state-  
20 based," might avoid that perception problem.

21 MR. ERLNBORN: The problem I see, though, we

1 direct your attention to the delivery systems part of that  
2 phrase. The state-based legal services delivery systems.  
3 Now, I thought the delivery system was the individual  
4 grantees or the recipients of the funds from the LSC and they  
5 don't go on a state-by-state basis.

6 Am I wrong in thinking that it could be interpreted  
7 when you say state-based legal services delivery system that  
8 that sounds like more than state planning.

9 CHAIR EAKELEY: John, you want to comment?

10 MR. MCKAY: Yes, let me just say, I think that our  
11 feedback letters to states on state plans have started  
12 picking up this language and in order to be fully understood,  
13 you have to be a little bit more familiar with, I think, with  
14 our 98.1 program letter and also the state feedback letters.

15 I think anyone operating in the environment who are  
16 actually engaged in state planning understand what we're  
17 talking about. We are talking about a comprehensive and  
18 integrated state delivery systems means the whole of the  
19 delivery system. It includes LSC recipients within the  
20 state. It includes non-LSC recipients. It includes courts.  
21 It includes other social service providers.

1           And the major difference here is that planning like  
2 that was not occurring in a lot of places prior to our state  
3 planning initiative. And what we are trying to do is set  
4 forward -- we're really putting in this plan, we're putting  
5 the state planning initiative, which is a strategic endeavor,  
6 in the context of the entire vision of the corporation.

7           So where it's a little bit of a shorthand, the  
8 state-based is kind of a newer term that we've been using of  
9 late. I think the actual author may be Randi Ewells, who's  
10 here, and it was a way to state the unit of planning, which  
11 in most cases, is the state or territorial, the District of  
12 Columbia.

13           But I don't think any of our state planners who are  
14 working with Randi or Bob Gross or Mr. Schneider is under the  
15 impression -- I think we are long past the point of people  
16 thinking this is code for one program. We are very clearly  
17 on record of saying that is not our objective but we are  
18 after a comprehensive integrated systems.

19           Our programs must work much closely together and  
20 they must work with other providers in order to have a  
21 successful endeavor.

1           MR. ERLNBORN: I still think that this gives the  
2 wrong impression then, the way you've described it because  
3 you are describing state-based planning. This is talking  
4 about state-based delivery.

5           MR. MCKAY: That's right. That's what we mean and  
6 that's what we're doing.

7           CHAIR EAKELEY: Ultimately, that is the objective  
8 of the planning process, as I understand it, to treat all the  
9 participants in the process as part of a delivery system and  
10 charge all of them to address access problems state wide,  
11 resource development and allocation state wide, and provision  
12 state wide, and the legal services grantees can't do a lot of  
13 things but they can quickly participate in the process that  
14 contributes to a systemic access.

15          MR. MCKAY: It is sort of shocking way of  
16 jargonning but I just have to assure that you that those who  
17 are working directly -- we're talking about a fairly small  
18 universe of people who are actually engaged in the state  
19 planning efforts. You know, Randi can comment if she wishes  
20 or Bob Gross, but I think that our planners and our  
21 recipients do know what we're saying here.

1           CHAIR EAKELEY: ut this is the Board direction so  
2 it's important that the Board understand and adopt the words  
3 as their own and we have two elements, one was state-based,  
4 standing on its own. The other, prolific system and what is  
5 systemic about what we're aspiring to.

6           MR. ERLNBORN: All right, I'm just hoping that the  
7 final version of this will make it clear to those who may not  
8 know the jargon. Even if I had my own appendix with  
9 definitions -- or directing people to the Congressional  
10 record, the Board record.

11          MR. MCKAY: We will work on it.

12          CHAIR EAKELEY: Does everyone in the audience have  
13 a copy of what we're working on because it's not going to be  
14 terribly productive -- I mean, it won't be as meaningful for  
15 you, it will still be productive for us. Yes, Maria?

16          MS. MERCADO: I think that even though he said it  
17 in an offhanded way, it would be helpful to sort of have a  
18 glossary of definitions. Using new terminology that we  
19 assumed everyone understands, including the Board, that it  
20 might be helpful to have that glossary of new terminology  
21 that we're coming up with.

1           MR. MCKAY: Let me take a look at this and see if  
2 we can fix the language. I hope with this document, which is  
3 only nine pages, that we not have a glossary. But let me  
4 take a closer look at it.

5           CHAIR EAKELEY: But there's a couple of key  
6 concepts here, this one in particular, that needs --

7           MS. MERCADO: Because I interpret it the same way  
8 that John interprets it.

9           CHAIR EAKELEY: Bucky?

10          MR. ASKEW: If we're through with that one I wanted  
11 to step back even one step back because we went through  
12 John's statement of the current state of affairs and then we  
13 got right to goals. And I thought it was important under  
14 number 2 at the top of page 2, that LSC has not asserted the  
15 leadership role.

16                 I think that's a very important part of this. If  
17 we're not honest about where we are, our plan will not be as  
18 realistic as it should be. That's very self-critical  
19 statements in there. I think we need to think about those  
20 carefully and make sure that we not only agree with them but  
21 that's what we want to say here and if it is, it's a very

1 important part of this document, I think.

2 MS. MERCADO: If you look at the second bullet,  
3 we've already been hit with that bullet.

4 MR. ASKEW: Exactly, and -- all I'm encouraging is  
5 that we take a second, read those, make sure that they are  
6 exactly what we intend to say and then move on because if  
7 it's not where we are, then we need to change that before we  
8 get much further along in this process.

9 CHAIR EAKELEY: LaVeeda and John, did you hear  
10 Bucky? We're addressing "needs to?"

11 MS. BATTLE: Yes, I did. And if I can make a  
12 comment? One concern that I had about how to say what we  
13 mean is as you look at the plan -- and unfortunately, John, I  
14 tried to pull it up on the computer but I'm computer  
15 illiterate. I can only get the documents that I had  
16 yesterday so I don't know what we're talking about.

17 CHAIR EAKELEY: It's essentially the same, LaVeeda.

18 MS. BATTLE: I'm sorry?

19 CHAIR EAKELEY: It's essentially the same.

20 MS. BATTLE: Yes, yes. So I'm fine with that. But  
21 you know, for example, the first statement about the need for

1 a needs assessment, there is one way to state that by saying  
2 there has not been a needs assessment done so we adequately  
3 now cannot determine the need. My concern was a way to state  
4 it any way that it places the strategic plan in an action  
5 mode rather than just simply being self-critical.

6 CHAIR EAKELEY: Such as like the corporation has --

7 MS. BATTLE: Well, for example, under number two,  
8 "LSC has not developed the means to effectively describe or  
9 quantify the practical outcome of legal services funding in  
10 the lives of poor people." I don't know if that's in the  
11 final draft?

12 CHAIR EAKELEY: Yes, that's there.

13 MS. BATTLE: "This limits LSC's ability to be  
14 effective as it might be in fostering a stronger national  
15 commitment." You know, I might say, "LSC will foster a  
16 stronger national commitment to provide federal funds by  
17 developing an effective methodology for quantifying the  
18 practical outcomes of federal legal services."

19 CHAIR EAKELEY: But I think the purpose of this  
20 section is to describe the problem that we hope will be  
21 solved by the plan and it is of necessity critical and it's

1 the status quo that we seek to change by adopting a plan that  
2 will be implemented.

3 So I think it's fair to say that we don't have, for  
4 example, performance measures that enable us to report to the  
5 Congress the enhanced access and the enhanced outcomes that  
6 come from a promise of enhanced federal funding.

7 So I don't think we're going to take too much of a  
8 rap -- I mean, I think if you don't start with a self-  
9 assessment that is honest, we're going to lose some of the  
10 drive that goes into the plan, itself, and the determination  
11 to change. Bucky?

12 MR. ASKEW: Yes, and I think the strategies and the  
13 implications state what LaVeeda's saying. This is now what  
14 we're going to do to correct the problem that we've  
15 identified on page 2 or move in the direction of correcting  
16 the problem that we've identified.

17 CHAIR EAKELEY: I mean, I think we can change the  
18 language in that first bullet in Item 1. Instead of saying  
19 there's not a currently up-to-date reliable study, to say  
20 something like there's an absence of recent studies that  
21 provide a reliable basis for evaluating the emerging and

1 changing needs or something like that would be helpful.

2 MS. MERCADO: Doug, when you are saying the  
3 reliable study, do you mean a study made by anyone or do you  
4 mean a study made by LSC?

5 CHAIR EAKELEY: I think that this is a general  
6 statement.

7 MS. MERCADO: Just a general statement? Because  
8 one of the things that was real evident yesterday at the  
9 Supreme Court hearings is the fact that there have been  
10 countless of studies done already and to throw more money  
11 into another study is really a misuse of poor people's  
12 funding that we all recognize that we're not meeting it on  
13 access and that we need to provide more access but the only  
14 way to do that is to get more funds, and in doing that, how  
15 effectively to use those funds.

16 So the question is whether or not we even want to  
17 invest in that or can we garner some of the information from  
18 some of the current studies that are out there.

19 CHAIR EAKELEY: I don't think there are -- I'm not  
20 aware of any. I don't know of too many current studies that  
21 are the kind of needs assessment that we are contemplating

1 and that we are seeking funding for from the Congress this  
2 year.

3 MS. MERCADO: That's what I'm asking, whether it  
4 would be a different kind of a needs assessment?

5 MR. SUNDSETH: The critical difference, too, is I  
6 think a comprehensive national study versus certain state  
7 studies that have been done perhaps with disparate  
8 methodologies and so on and might be difficult to compare and  
9 draw a nationwide picture. And the last one I think that we  
10 are aware of was the ABA study that used 1992 data.

11 And we are heading into a new census now and I  
12 think there probably are some pretty good empirical reasons  
13 to support a new comprehensive study. Dr. McWeeney might  
14 know more about that than I do.

15 MS. MERCADO: You would do that for the census,  
16 right? Otherwise, you are using the same data that was used  
17 in '92.

18 MR. SUNDSETH: Well, the money that's being  
19 requested for a needs assessment is actually in the 2001  
20 budget request so it would be pretty far down the stream  
21 before we even get authority to fund that.

1           CHAIR EAKELEY: John McKay and Bill McCalpin?

2           MR. MCKAY: Yes, one additional point is I thought  
3 it was very interesting at the oversight hearing on the CSR  
4 issue conducted by the House Subcommittee on Judiciary, it  
5 moved immeasurably and I thought in a very positive way to a  
6 discussion about unmet needs. And I took that as something  
7 of a call to be responsive to interested members of Congress  
8 to be able to, in our own auspices, respond to what the unmet  
9 need is.

10           And I think the agency responsible for delivering  
11 legal services should, on its own, be able to say, "Here's  
12 our assessment of the need," and not rely on others. And I  
13 think frankly, everyone will agree the ABA study is now  
14 somewhat dated.

15           MS. MERCADO: Right, and because it is, what I'm  
16 asking is whether you are going to use the 2000 census  
17 information to make a more accurate study for the needs  
18 assessment for legal services because the poverty population  
19 and the kinds of poverty populations that you have now are  
20 very different than what they were ten years ago.

21           MR. MCKAY: Right, and I think the answer to that

1 is yes. By the time we get on line, we ought to start  
2 receiving the 2000 census data which I think starts to become  
3 available in 2002.

4 MR. MCCALPIN: Unfortunately, I didn't see any of  
5 these materials until yesterday and then there was the change  
6 to today so I'm not as familiar with this as I would like to  
7 be. But let me ask this, is there a strategic -- what do you  
8 call it -- is there a strategy which addresses this needs  
9 study? Is there something in the strategies which says we're  
10 going to do that?

11 MR. MCKAY: Yes.

12 CHAIR EAKELEY: It's certainly implicit in resource  
13 development and delivery --

14 MS. MERCADO: Is it under "Outcome Measurements?"

15 DR. MCWEENEY: It's in a couple of places, Mr.  
16 Chairman. It starts from the perspective of state planning  
17 as the prism to begin to identify the specific needs in the  
18 variety of states. One of the major steps forward here is  
19 that there's an assumption that the needs in Alabama are  
20 different than the needs in New York and even California.

21 The state planning initiative itself provides the

1 framework to begin to think through needs as articulated  
2 through a state planning approach. It's also in the back  
3 piece, when we talk about accountability and outcomes and  
4 evaluations. And it isn't explicitly stated as a needs  
5 assessment but it's talking about the role of LSC to  
6 strengthen its ability to be aware of the full range of  
7 programmatic issues.

8           So there may not be an explicit needs assessment.  
9 That's something that would be tasked as part of the ongoing.

10       But identifying the needs by state and identifying the  
11 ability to meet those needs through the accountability was  
12 the effort to get there.

13           MR. MCKAY: More directly, Bill, it's in our FY  
14 2001 budget request.

15           MR. MCCALPIN: Well, it seems to me that if this is  
16 one of the problems, we ought to have a specific strategy to  
17 address it. Now, Dr. McWeeney, if I understood what you said,  
18 the implication is that you need a needs study on the state-  
19 by-state basis rather than on the national basis.

20           And let me say, I have been involved in two  
21 national need studies and one state-based need study. I also

1 know that there are at least two different ways of going  
2 about this. One is to inquire of samples of the population  
3 whether it may be, what they perceive their needs to be.  
4 Another is really indicated by the first paragraph on page --  
5 what is 2 but labeled 3 -- of the cover memo. "Assessment of  
6 the current issues limiting the effectiveness of legal  
7 services."

8 I have seen both kinds of needs studies. One  
9 addressing issues and policies, statutes and the rest, that  
10 effect legal need, another inquiring directly of potential  
11 client community what their needs may be. And I don't know  
12 one, from looking at this, whether we intend to do  
13 specifically either of those. It's not spelled out in the  
14 strategies here. And secondly, if we do, how we propose to  
15 go about it.

16 CHAIR EAKELEY: Well, I think it needs to be  
17 spelled out and I think that we can't decide the issue here  
18 but my sense of it is that there is a need, generally, for  
19 needs assessments and that will inform decision-making in a  
20 variety of ways. And also, perhaps, inform how we approach  
21 the Congress and other potential funders.

1           But I think the point is well taken and I think  
2 we've got to work in here somehow. John Erlenborn, you  
3 wanted to comment, also?

4           MR. ERLNBORN: Yes, Mr. Chairman. Referring to  
5 the subcommittee meeting that John referenced, we did get  
6 into a discussion about the unmet needs so it was rather  
7 surprising to me that a witness from the Heritage Foundation  
8 said that we were woefully underestimating, or the estimates  
9 that had been made, not by us, were woefully understating the  
10 need.

11           And she said, she gave the figure -- I don't recall  
12 what it was, but she said that there was a much larger  
13 perception of those in need who were not getting legal  
14 services than the numbers that we have been using from other  
15 studies, which I thought was rather interesting. The  
16 Heritage Foundation is not one of the stronger supporters of  
17 Legal Services Corporation.

18           Let me sound a cautionary note. If we go to  
19 Congress and say we want the money and we are going to design  
20 the study and we are going to, I hope, not do it ourselves  
21 but probably by contract, at least in the fact that we are

1 designing the study, it becomes suspect.

2           We could design the study and what we need, I  
3 think, is a study that is not done by anyone who made profit  
4 by the outcome of the study. I question the basic idea of  
5 going to the Congress and asking money for the LSC to do this  
6 study. If it's done by the ABA, if it's done by the Census  
7 Bureau -- I mean, I don't know where it should be done but I  
8 rather doubt that it would be money well spent for us to do a  
9 study which will be immediately suspect by all of those who  
10 are not the closest of friends to the LSC.

11           CHAIR EAKELEY: Well, actually, I think that John  
12 sounded that questionnaire note as we were discussing what  
13 should go into the budget. The idea is to fund an  
14 independent non-partisan entity to conduct a needs assessment  
15 that will insulate us from precisely those type of  
16 criticisms.

17           MR. MCCALPIN: The second ABA legal needs study was  
18 done by contract with as I recall people from Temple  
19 University in Philadelphia.

20           CHAIR EAKELEY: I mean, but that is the concept,  
21 though.

1 MR. ERLNBORN: But would it be in our budget?

2 CHAIR EAKELEY: Yes.

3 MR. ERLNBORN: I think that's a problem.

4 MR. MCKAY: Well, it may be but we have  
5 investigated for well over a year. I think Jim Hogan, I'm  
6 looking -- the possibility of having another governmental  
7 agency pick it up and do it has not been an interest. We  
8 made some exploration into the Department of Justice.

9 I think for purposes here, what we are saying is  
10 that it is an important predicate to engaging Congress in a  
11 dialogue about whether we are meeting our statutory  
12 objectives is we have to somehow obtain a better  
13 understanding of what the unmet need is and that we've all  
14 felt like we're a little shorthanded when we engage in  
15 dialogue with our ultimate appropriators, the Congress,  
16 without being in a position to point to numbers or some  
17 statistics or data that everyone agrees are accurate.

18 Now, we're going to have to do the best we can to  
19 try and be in the strongest position possible but as a goal,  
20 we ought to have reliable legal needs information at all  
21 times I think in order to support our appropriations

1 requests. I don't know exactly how we're going to get there  
2 but this discussion I think is the right discussion to have.

3 Do we or do we not need to be in a position to describe the  
4 unmet legal needs?

5 MR. ERLLENBORN: I don't question the goal. I think  
6 we've all agreed on that. It's just the question of how can  
7 it best be performed so that the results of the study will be  
8 accepted?

9 CHAIR EAKELEY: But I think this is an example of  
10 using a plan in operation. We recognize that the goals of  
11 increased access and enhanced quality and outcome or  
12 appropriate and one important -- I don't know if it's a  
13 strategy or an implication is -- the needs assessment and  
14 performance measurements -- then we drive the process to the  
15 point of coming back and working with here are the options.

16 DR. MCWEENEY: Yes, I was going to say that  
17 underscores why we've divided this into let's improve on the  
18 policy intent of the document to be followed by the detailed  
19 implementation because we would be going all over the map  
20 trying to guess what's the most effective implementation.

21 At this point in the document, though, I just

1 wanted to direct your attention. We are describing -- we are  
2 not talking about goals and what was expected. We are  
3 setting up the problem and the problem is the bold print,  
4 that LSC has not asserted the leadership role required to  
5 cause this to happen. And these things are examples of  
6 things that haven't happened.

7           Now, they're not saying LSC's supposed to do it or  
8 should be criticized or even talk about what LSC's going to  
9 do but it's an acknowledgment that the rest of the plan is to  
10 address a problem which means this important thing is not  
11 done. LSC has a leadership role here. There's an  
12 expectation that a stronger LSC will somehow cause,  
13 encourage, make this happen.

14           So right here, we're talking -- this is a very  
15 important point, this point, too, because a lot of the plan  
16 is dependant on noting that many of the things that you want  
17 to have happen or implemented are going to require a stronger  
18 and more assertive LSC in a variety of fronts, including  
19 finding the right combination of environmental things to  
20 cause a meaningful needs assessment to have happen.

21           So this we shouldn't be here talking about is it a

1 good goal or a bad goal or what are we going to do? This is  
2 an acknowledgment that this in fact is the proper way to  
3 state the problem. LSC has not caused a valid needs  
4 assessment to happen either by lobbying for it, complaining  
5 about it, funding it, or whatever.

6 We are not to why right now but we are just stating  
7 a fact. There's no needs assessment. As a national leader,  
8 we should have a role of seeing that one takes place. And  
9 that's this dialogue right here.

10 MR. ERLNBORN: I don't think anyone would disagree  
11 with that and I was not addressing myself to the major plan.

12 I was addressing myself to the means of implementing our  
13 goal and that is in the budget we're sending to Congress,  
14 asking for money for LSC, apparently, to conduct a study.  
15 And that's what I question.

16 MR. MCKAY: Congress, in the GPRA, has encouraged  
17 agencies in the statute to actually fund detailed evaluations  
18 of their program to inform and then open a policy. So while  
19 the VA, for example, I understand got over \$1 billion this  
20 year to understand the unmet needs of veterans, the Education  
21 Department is doing similar funding.

1           So it's very consistent with the intention of GPRA  
2 because the program evaluation piece of this is a statutory  
3 requirement. Program evaluation means how well you are doing  
4 against the problem. So the logical implication is money is  
5 going to those organizations that say we need money to  
6 understand the problem.

7           You are raising a different issue, a political  
8 issue, which needs to be taken into account but it's what  
9 they are doing right now is consistent with what other  
10 government agencies are doing.

11           MR. ERLENBORN: I don't think that the Education  
12 Department or the VA has the strong opponents that the LSC  
13 has.

14           CHAIR EAKELEY: I do think we can design a study  
15 that distances the corporation from the results which makes  
16 it more credible.

17           MR. ERLENBORN: Well, I don't think we should spend  
18 too much time on this. I think we should be aware that we  
19 will immediately be suspect or the results of the study will  
20 be suspect if we are going to conduct it.

21           CHAIR EAKELEY: Okay, are we ready to move on to

1 strategic goals? Hearing no dissents, we'll hear both goals  
2 together and then come back to the first goal and open it up  
3 for discussion.

4           These are the two goals. They are in simple  
5 sentences. Goal Number 1, "By 2004, LSC will dramatically  
6 increase the provision of legal services to eligible  
7 persons." A question was asked in our committee discussion  
8 yesterday, what do we mean by dramatically? We mean by a lot  
9 in relation to the unmet legal needs that are there now.

10           Goal Number 2, "By 2004, LSC will ensure that  
11 eligible clients are receiving appropriate and high-quality  
12 legal assistance." And those are the two goals that we  
13 propose.

14           The anticipated outcomes that are under them in the  
15 bullets, increase numbers of clients, expand the relevancy of  
16 the delivery system to the most pressing needs of low-income  
17 clients, increased perception among low-income individuals  
18 that they have recourse, increased public perception of the  
19 legal justice system as successful in providing equal  
20 justice, and expansion of public and private resources  
21 dedicated to meeting the civil legal needs of eligible low-

1 income clients are what are articulated here to be outcomes  
2 that will embody achieving this goal.

3           And hopefully also provide means for measuring how  
4 and to the extent to which we are advancing the organization  
5 towards that goal. Thomas? On the second goal which is  
6 qualitative and outcome oriented, expanded range and  
7 improvement in the quality of services provided by legal  
8 services programs is something that is new to the  
9 corporation, to a large extent.

10           Greater consistencies in the quality of legal  
11 services programs. Again, it's not something that has been  
12 articulated as an objective appropriation. And three,  
13 outcome measurements indicate that legal services  
14 representation yields significant beneficial results for low-  
15 income clients. That's the outcome part of it. Bill?

16           MR. MCCALPIN: I haven't previously been acquainted  
17 with or given much thought to this concept of measuring  
18 outcomes. I guess I don't understand what's involved, how  
19 it's involved. As I looked at this, when you think about  
20 outcomes and legal services, you think of win-and-loss  
21 record.

1           Now, obviously, that doesn't apply to the great  
2 majority of the services that are provided by our clients. I  
3 think not more than 15 percent of the services, as I recall,  
4 are involved in administrative or judicial matters. If you  
5 think in terms of information, education programs about legal  
6 rights or even pro se programs, or a brief service and  
7 advice, you wonder how are you ever going to measure whether  
8 the person took the advice and whether the advice was  
9 appropriate and successful.

10           Similarly, in pro se matters, are you going to find  
11 out whether the individual who got the pro se instruction was  
12 able to go to court and successfully pursue the matter. I  
13 just don't have much understanding of how you measure  
14 outcomes in the kinds of services that we provide.

15           CHAIR EAKELEY: I don't think we know everything  
16 there is not know about this area. I think this is an  
17 aspirational goal that comes with an expectation that the  
18 more we study it, the more we will be capable of creating  
19 outcome measurements. And the reason for doing so -- and  
20 then, for example, did the legal services provided to the  
21 individual make a difference to that individual in resolving

1 the problem that was confronted to him or her? Did it  
2 alleviate a burden?

3 Even if it did not yield a win or a loss, was there  
4 an outcome that the client deems satisfactory. These are I  
5 think questions that are important to be asking ourselves,  
6 important for our grantees to be asking of their clients, and  
7 I think it's important for us to be attempting to find the  
8 measurements that tell us not only how many people are we  
9 serving but how well.

10 MR. MCCALPIN: From who's perspective will we be  
11 deciding this? The client or the provider?

12 CHAIR EAKELEY: I think that is part of -- that  
13 will be part of the process of developing those measurements.

14 MR. MCCALPIN: Well, I'm a little concerned about  
15 committing to something that we have so little knowledge  
16 about.

17 CHAIR EAKELEY: Tom?

18 MR. MCKAY: I'd like to just try to answer your  
19 question this way. This section was an attempt to --  
20 developing performance measures is a multi-year effort  
21 because as you get in, you look, evaluate, you've hit it or

1 you've missed it. And only experience can really indicate  
2 whether you've gotten in a good measure or not.

3           What we've tried to do in this document is what I  
4 think the law has required. The first range of GPRA  
5 submissions to say is to state the broad goal, access and  
6 quality, and then to include in there what we call surrogate  
7 measures or things that we think are going to comprise being  
8 the goal.

9           The way this is structured in this first cut with  
10 goal number one, if we can look at this bullets, increased  
11 numbers, expanded relevancy, increased perception among  
12 users, increased public perception, and expansion of public  
13 and private resources, and collectively assess that we have  
14 done better on those points, we are entitled to say  
15 therefore, we have increased access.

16           They are measures that suggest if we do those  
17 things, the implication is we have increased access. On the  
18 second goal, the same thing. If we can do these three  
19 things, we can assume. And it's an arguably valid  
20 assumption. It's in fact the public policy on this is clear.  
21

1           This is the organization's assertion of why it  
2 believes it's meeting its goal to be fodder for the policy  
3 process which is going to say I agree or disagree. And you  
4 are supposed to encourage stakeholders at that point to come  
5 back and say there's a better measure or we disagree or we  
6 have data that contradicts your assertion.

7           But the first cut of a strategic plan is to state a  
8 goal and identify how you think you're going to capture that  
9 goal and throw it open for public debate.

10           Now, a second important piece, what we've done here  
11 in recognition that I believe on the access side, these are  
12 fairly easy to do quantifiable things. Grantees can  
13 participate, the corporation can participate. You can get  
14 data to suggest your expanding access.

15           The quality one, of course, is the hardest. And  
16 I've been doing this since GPRA was enacted in 1994 and the  
17 only way I know to get to what really is quality is to get on  
18 the ground with the recipients of services and the program  
19 folks and develop it over time. That's why in this plan  
20 itself, we've encouraged the development of pilot performance  
21 programs around the country to begin looking and assessing

1 and better understanding what quality means.

2           You are not alone here, with the government saying  
3 what does quality service mean but it is being resolved by  
4 taking a very close look at the local basis on pilot program.

5       And so we are hoping to initiate a series of pilots this  
6 year in which we can collectively begin to draw a better  
7 picture of quality.

8           And all we are saying in this plan right now is in  
9 fact that we are committing ourselves to a process which is  
10 going to yield significant beneficial results for low-income  
11 clients. Why else would we be here if we weren't going to do  
12 that? So that's a no-brainer.

13           What it looks like is going to have to wait for the  
14 development of pilots to say this is what quality is in  
15 Alabama, this is what quality is in New York, this is what  
16 quality is in Mississippi. That's the process that we've  
17 engaged in. Nothing more or less.

18           CHAIR EAKELEY: Maria Luisa?

19           MS. MERCADO: Yes, I think we had this discussion  
20 before when we were having the strategic planning in Denver.

21       And the key thing that I keep coming back to is that in

1 looking at those goals, if because of the lack of funding you  
2 have -- I mean, if you're only serving one in ten poor people  
3 that we ought to be serving, then the fact that you might  
4 expand the numbers because now you're doing brief service  
5 because we really can help you with your custody fight,  
6 ma'am, but we can tell you that maybe you can go to a women's  
7 shelter or you can go to a public meeting, maybe, and they  
8 may or may not take you.

9           So you may have more contacts and thereby you might  
10 qualify it as more access. But quality-wise, to that client,  
11 that is not quality legal services. Quality meant that she  
12 needed an advocate to represent her to fight for that child,  
13 which that legal services program, because it now has a  
14 fourth of the lawyers than it had before but ten times more  
15 clients than it can possibly service, then aren't those  
16 factors going to be skewed as far as saying that we are  
17 providing more quality legal services when in effect, you are  
18 doing sort of a minimal --

19           CHAIR EAKELEY: But Maria Luisa, I think we are  
20 trying to measure both. Look at the --

21           MS. MERCADO: I'm just trying to see how you are

1 going to address the --

2 CHAIR EAKELEY: I don't think the intention is the  
3 juxtapose, necessarily, but look at the second and third goal  
4 that's under the first goal, anticipated outcomes. We are  
5 not planning to play a numbers game and look at just numbers  
6 of the clients receiving legal services but we are going to  
7 look to see whether the legal services they have received are  
8 relevant to their most pressing needs, to the clients  
9 themselves in taking the lead role in the effort. And  
10 secondly, increase perception among the client community that  
11 they have recourse if they face serious or dangerous  
12 circumstances.

13 MS. MERCADO: I understand that.

14 CHAIR EAKELEY: So it's both in terms of the  
15 improved access and improved quality. We are looking to do  
16 more of both. Meaningful access and the qualitative and  
17 effective --

18 DR. MCWEENEY: All I can say is you're saying how  
19 do you balance the two. And every organization has that  
20 problem and that's why this is an ongoing process. In law  
21 enforcement, where I do an awful lot of work with, you can

1 increase the numbers of arrests, though arresting the wrong  
2 people. We've got numbers but the wrong people. Not quality  
3 investigations.

4           That's why this annual review, annual assessment,  
5 annual reporting is to what extent are we consistent with  
6 this or have we skewed our numbers to meet an access  
7 requirement and hurting quality? That's what a living plan  
8 means.

9           It's a critical, ongoing self-evaluation. Are we  
10 doing what was intended or have we jumped on the numbers game  
11 at the expense of quality. You should have that meeting  
12 yearly and ask yourselves that question and you can adjust  
13 it, you tweak it on an annual basis. Too much quality, not  
14 enough access, and vice versa.

15           Should be an annual process that the corporation  
16 goes through and make relevant adjustments. So there is no  
17 formula other than you folks assessing whether or not we're  
18 going too far in one direction over the other.

19           MS. MERCADO: Well, because I think that we're  
20 talking about the client having some input and doing some of  
21 the evaluation. It's a performance plan for us, so to speak,

1 and the services we provide. If that client said you know,  
2 what I need is someone to go to court with me, not a  
3 telephone brief service counseling to do that. So then we  
4 fail in that goal for that client.

5 DR. MCWEENEY: Sure, and I'm saying if that starts  
6 happening, that should surface.

7 MR. MCKAY: We've made two important choices here,  
8 at least. Let me just say what the two of them are and I  
9 think it's reflected throughout the plan. The first one is  
10 that we are committed to promoting delivery of services in a  
11 way which is a full range delivery of services.

12 We are clearly saying in this plan that we are not  
13 attempting to serve more people because someone was at one  
14 end of the phone and someone else was at the other end of the  
15 phone, or that they happen to download something from a web  
16 site. That may be very useful. That may cause a good  
17 outcome for that particular client. But we are saying in  
18 this plan that we are seeking the ability to deliver legal  
19 services to the full range.

20 The question of outcomes and how we look at  
21 outcomes is a big issue in the legal services community and

1 if we came close to throwing things at each other in the  
2 development of this strategic -- the document that you have,  
3 this is probably the issue.

4           And some in the legal services community say you  
5 measure this by showing how many people you provided service  
6 to. In other words, it's procedural justice. We've engaged  
7 program directors and others to do this direct delivery in  
8 this process. I'm quoting a budget director now who said,  
9 "No, LSC, you should be engaged in procedural justice. All  
10 you should be concerned about is whether poor people are  
11 getting access to justice and inquire no further."

12           But we are saying in this strategic direction is  
13 that our inquiry does not end there, that we need to look at  
14 outcomes for clients as a measure of quality. That doesn't  
15 mean that if a client goes to court and loses, that you got a  
16 bad outcome. That's not what we are talking about. A just  
17 outcome in that case might be that the claimant lost and we  
18 are not making that judgment.

19           What we're saying is that over time, we should be  
20 able to show them we are causing some improvement from having  
21 received this service. That's what we are saying and that we

1 have to develop measures that can accomplish that. And many  
2 of our programs have been dealing with this for years. They  
3 have developed -- some programs are quite outcome-related in  
4 terms of how they do their own performance measurement. But  
5 we haven't chosen that yet at the corporation.

6 MR. ASKEW: Yes, it's hard for us to stay on task  
7 here because we're jumping from goals to strategies to  
8 implications and back and forth, which is natural. And we do  
9 have under our strategies and the implications a development  
10 of these pilot projects to try and start the process of  
11 measuring this in the near term implications.

12 I would imagine this is the debate that goes on in  
13 every branch office, in every legal services program, and  
14 every state planning effort. Everybody is debating this  
15 issue and we should be debating this issue and we should  
16 settle where we are on these issues.

17 And I think when we get to the strategies and  
18 implications, we can talk about how we are going to do that.

19 But the real issue now is are these the two appropriate  
20 goals for us to move forward into developing strategies or  
21 are there additional goals or have we misstated these?

1                   And I would say yes, they are the two appropriate  
2 goals for us and then it becomes a question of what are the  
3 strategic ways of implementing them.

4                   CHAIR EAKELEY:   John?

5                   MR. ERLLENBORN:  There's a statement in the covering  
6 memo, page 2, actually number 3 at the top.  I just wanted to  
7 emphasize, number 6, "Written performance measures as part of  
8 the strategic plan will contain the elements of measurement  
9 and assessment formerly collected in the LSC's case service  
10 reports."

11                   I just wanted to say that most everyone that I've  
12 talked to since we've got this controversy about CSRs has  
13 said that they are not necessarily the best measurement, that  
14 maybe we're not asking the right questions.

15                   I just want to point out that this seems to endorse  
16 the current CSR data and I just don't think we ought to do  
17 that.

18                   CHAIR EAKELEY:  Yes, my name is on this memo but  
19 that's not what I intended.

20                   MR. MCKAY:  And I wrote it and that's not what it  
21 means.

1           CHAIR EAKELEY: It also doesn't mean we're going to  
2 replace CSR by the next Board meeting though that would be a  
3 wonderful outcome.

4           MR. MCKAY: And that's why I caveated your earlier  
5 statement and told you performance measures would be a much  
6 longer project, in part, because we have to figure out how  
7 we're going to measure outcomes. That's only part of it.

8           We have to put in proper perspective what a closed  
9 case means. We've gotten the rope out and hung ourselves  
10 around the neck by gauging our quality, gauging our success  
11 in the number of closed cases. And this is meant in fact to  
12 say the opposite, John, and it was poorly written by yours  
13 truly, but we will get that fixed.

14          CHAIR EAKELEY: Are we ready to move on to a  
15 discussion of the strategies? If so, I'll turn the gavel  
16 over to Bucky.

17          MR. ASKEW: Thank you. I'm starting on page 4 with  
18 strategies. There are three strategies listed here and  
19 originally, we were going to take these one at a time but I  
20 think it's better if we look at all three of them in context,  
21 make sure that they are the right three, and then we will go

1 through each one.

2           The fact that they are listed in an order implies  
3 some priority, possibly, but the fact is, they are all three  
4 interdependent upon each other and quite relevant to each  
5 other and so they should be discussed ultimately as a group  
6 rather than individually.

7           The first one we've already talked a good bit about  
8 is state planning and that is described in the strategy as  
9 the way I think we've been describing it now since 98.1 was  
10 issued. And I think our community is well aware of what we  
11 mean by that but it is a very important strategy to the way  
12 we are going to implement our goals.

13           Secondly is the greatly expanded use of  
14 technologies by programs to improve access and client service  
15 delivery. So it's using technology to implement the two  
16 goals that we have identified as our primary goals.

17           And thirdly is ensuring quality and accountability  
18 through programmatic oversight, which is a very important  
19 strategy for us, both in terms of fiduciary responsibility as  
20 a corporation and our grant-making process but also our  
21 ability to ensure to the Congress that the funds are being

1 used appropriately and the way that they were intended to be  
2 used.

3           So with those three as a package, we need to I  
4 think decide are those the three most important strategies or  
5 the three strategies for us to move forward on in terms of  
6 accomplishing our two goals. And then underneath each of  
7 these are what we have already started identifying and  
8 talking about in terms of implications for the corporation.  
9 And at the bottom of each are near term implications, which  
10 is the thing that we are going to work on first.

11           And I think we need to pay some attention to each  
12 of those because that's our direction to ourselves and to our  
13 staff about what all this means and what we are going to be  
14 doing and judging ourselves against over the next period of  
15 time.

16           So with that, let me put the issue of the first  
17 strategies of state planning on the table for any discussion  
18 from any Board member or anyone else about the  
19 appropriateness of that and the implications listed under it.

20 Bill?

21           MR. MCCALPIN: Let me ask, the second last bullet

1 under number 3, and I think funding is critical to the number  
2 3 one of programmatic oversight. Have we included in our  
3 budget request currently before the Congress money to do  
4 this?

5 CHAIR EAKELEY: This is the developing new  
6 information systems?

7 MR. ASKEW: No, no. LSC will seek additional funds  
8 to increase the presence of LSC staff in the field. So I  
9 guess his question is have we amended the management or does  
10 the management administration budget request in our \$340  
11 million include that money to do that?

12 CHAIR EAKELEY: I think there is some in that.

13 MR. HOGAN: Yes, there is a request, Mr. Chairman,  
14 in this year's 2001 budget request, there is a request for an  
15 enhancement.

16 MS. MERCADO: I mean, it's only for like a few  
17 minimal positions. It's not like a whole lot --

18 MR. MCCALPIN: If we're going to start sending  
19 people out as we used to do, we need more staff or more  
20 money. And I was just asking have we included that in the  
21 budget request?

1 CHAIR EAKELEY: Yes. David Richardson, standing?

2 MR. RICHARDSON: I can speak to that. We did  
3 include an additional amount in the budget for \$1.54 million  
4 that includes ten additional staff members. It also includes  
5 consulting money because we would not be able to hire enough  
6 staff to do all the travel but use consulting, and additional  
7 travel money to help supplement all the different activities  
8 involved.

9 CHAIR EAKELEY: Thank you, David.

10 MR. ASKEW: It's incremental, also, I would assume.  
11 A year-by-year build up.

12 CHAIR EAKELEY: John? Maria?

13 MS. MERCADO: Yes. on page 5, essentially, in the  
14 middle of the page where I guess it's sort of an introductory  
15 sentence.

16 MS. FAIRBANKS: You're mumbling.

17 MS. MERCADO: I know. "Developing the financial  
18 and programmatic capabilities to reach more clients within  
19 the state with a wider range of services than ever before."  
20 Are we solely limiting it to funding within the state as  
21 opposed to including national funding, as well?

1           CHAIR EAKELEY: No, I actually raised that question  
2 before, also. I think that the -- clearly not. The state  
3 planning initiative focuses on maximizing resources and  
4 matching that with needs within a state. But the fundamental  
5 premise of this plan is that we will set in operation a  
6 process that will maximize our chances for maximizing our  
7 funding at the federal level and that we would not be  
8 exerting or demonstrating the leadership that we are  
9 admitting to without that as being our primary objective.

10           And these are means to a more efficient way we plan  
11 and coordinate and deliver and better quality we deliver and  
12 the enhanced outcomes that come from that, the better able we  
13 will be to name the case to the Congress that this deserves  
14 more funding.

15           MS. MERCADO: But it ought to be in black and white  
16 in this document because I don't think it actually anywhere  
17 stands out --

18           MR. ASKEW: It could be misread. Just a draft in  
19 question. Should that be a bulleted item as opposed to be  
20 set out as a new paragraph?

21           CHAIR EAKELEY: I think so. It's just a slip.

1           MR. ASKEW: So it's just another one of the things  
2 under successful implementation of state planning.

3           MR. MCKAY: We'll fix that.

4           MR. ASKEW: I think -- oh, I'm sorry, John  
5 Erlenborn?

6           MR. ERLNBORN: Yes, just a quick question. At the  
7 top of that page, the second line, picking up in the middle  
8 of the sentence says, "the State Planning Initiative has  
9 evolved through ongoing engagement by Corporation staff with  
10 national and state legal services planners."

11           The question is who are the national and state  
12 legal service planners?

13           MR. MCKAY: Well, that's meant to pick up American  
14 Bar Association, Center for Law and Strategic Policy,  
15 National Legal Aide of Denver Association. There may be  
16 other nationally. The state planners are those individuals  
17 who have been called together either by our programs as a  
18 result of the call in 98.1 or were already in existence under  
19 the auspices of Supreme Courts toward other planning groups.

20           And I think it's fair to say that in most states,  
21 there is now something that people have identified as state

1 legal services planners, not just in response to our  
2 initiative but to others. So that is what that means. I  
3 mean, we could pick up the phone in Texas and talk to people  
4 who are closely involved in that process as we can in almost  
5 every state.

6 MR. ERLNBORN: Okay, thank you.

7 MR. ASKEW: I think that perhaps we should take  
8 note that this strategy institutionalizes what's been going  
9 on at the corporation since 1996 in terms of the importance  
10 of state planning, the reliance we're putting on it, the  
11 request we're making in the field to engage in this. This is  
12 it in black and white and we should make sure that we all  
13 understand that because I think it is a very important part  
14 of our plans for the future.

15 John, let me ask you this, under the near term  
16 implications, the first one says, "Broad agreement by the  
17 civil justice community, including the courts." That phrase  
18 jumped out at me. Is there an implication that the courts  
19 haven't been as involved in this as we would like them to be  
20 and therefore, we identified them separately because we would  
21 like to see more on that scale?

1           MR. MCKAY: That's there in large part from  
2 guidance from Judge Broderick. But we are finding mostly in  
3 our technology initiatives that the courts are hugely  
4 interested in the very same things we are. How do the doors  
5 to the court house get open to people who don't have the  
6 means?

7           Courts are struggling with this and what we are  
8 finding in state planning is that in too many places, the  
9 questions are being asked in completely separate  
10 environments. Our interests are the same, we are finding,  
11 and while we called generally in state planning for outreach  
12 to interested stakeholders, we feel that Judge Broderick's  
13 comments were very well taken, that we needed to specifically  
14 identify the courts as being part of the solution to the  
15 access problem.

16           Their clerks of courts, administrators are all  
17 struggling with this. Many of our programs have established  
18 very productive liaisons directly with courts and we're  
19 saying here that we need to in many ways start with courts  
20 when we look at interested stakeholders. And I think that's  
21 especially in technology but in a lot of other ways, the

1 courts will become more and more important as we look to  
2 actually open the access doors to poor people.

3 Courts is one, technology is one, another is in the  
4 state planning process itself. Many of our most successful  
5 states' in-state planning have moved forward under the  
6 auspices of the supreme court of that state and so both in  
7 state planning and technology and we would like to see the  
8 discussion of our state planning initiative and that's  
9 closer, better and stronger liaisons with courts.

10 CHAIR EAKELEY: I meant to say the court's saying  
11 we are rationing justice -- there is an unmet need for legal  
12 services. But that can have an enormous impact on  
13 encouraging state legislators and hopefully Congress to come  
14 forward with further researchers, as well, not that we engage  
15 the courts as fund raisers but that credibility that comes  
16 with a court-led initiative that lends its promoter to the  
17 assessment of the state's inadequate resources -- it's very  
18 significant.

19 It came up in our hearing yesterday with a Texas  
20 Supreme Court.

21 MR. ASKEW: I might mention as an aside that the

1 ABA SCLAID is holding conferences. I just happen to be  
2 involved in one that's going to be in the South, in planning  
3 that, and they're on resource development and some other  
4 issues. And they are asking -- they are trying to find  
5 judges who can come forward to speak on the issue of what  
6 lower courts can do to be supportive, at least on the issue  
7 of resource development, if not more broadly.

8 CHAIR EAKELEY: I hope Earl Johnson's in on this.

9 MR. ASKEW: If we stick to strategy number one, are  
10 there any other questions or comments on the implications or  
11 near term implications under that particular strategy? I  
12 might say the very last bullet under near term implications,  
13 when I read that, "LSC's grant making and regulatory  
14 authority," what it meant to me is we're now going to make  
15 sure that our competition and grant making processes now  
16 mirror the goals of the corporation, that they are consistent  
17 with each other.

18 They don't stand alone, that they are supportive,  
19 that our grant making process is supportive of the goals we  
20 are attempting to accomplish.

21 MR. MCKAY: Yes, it ends up being even more

1 explicit since they are very explicit in this document.  
2 We're saying what Bob Gross has said in documents that have  
3 gone out in the form of program letters and otherwise that we  
4 have brought the grant making authority of LSC into the state  
5 planning arena.

6           And we are saying in some places that we will award  
7 grants consistent with the broad perimeters of pursuing  
8 comprehensive integrated systems. So we will redraw service  
9 lines if we need to do that. We're just putting it out there  
10 for all to see and it is in fact what we've been doing but  
11 now we're saying it.

12           MR. ASKEW: Great, anything else on that one? The  
13 second one, the "Greatly expanded use of technology by  
14 programs to improve access and client service delivery," any  
15 comment or reaction to that? Mr. McCalpin, are our guru,  
16 does this satisfy you?

17           MR. MCCALPIN: I plead ignorance.

18           MR. ASKEW: He pleads ignorance on technology,  
19 which I think we all do but he wanted to put it on the  
20 record, anyway.

21           MS. MERCADO: This piece, though, we discussed

1 before as to how you were going to provide technology,  
2 accessibility to poor people. I mean, are we saying we're  
3 going to get them computers in each of their homes? Are we  
4 saying we're going to set up in public libraries and court  
5 houses for them to have access to this computerized  
6 information and then in the process teach them how to use it  
7 so they can utilize this information?

8 DR. MCWEENEY: We were talking about that for quite  
9 a while and that's one reason why I say this is an evolving  
10 document. The only answer I can give you is what we've said  
11 before. It's that this is a five-year plan. And if you were  
12 to think back five years ago, and look at the state of  
13 technology, and look where we've come in five years.

14 I can only say that the future will probably double  
15 that speed and there is the implication everywhere that there  
16 will be -- that computer access, access to the internet will  
17 be commonplace. If you listen to the President last night,  
18 he's talking about 1,000 community centers that are going to  
19 provide access to the internet and technology to anybody who  
20 needs it as a part of a national goal.

21 And that I think is the direction you have to look

1 at this. It's not going to happen today, tomorrow, or the  
2 next day, rapidly increasing. But this commits us to -- at  
3 least, it does what planning is suppose to do.

4 What's the future direction of society and how can  
5 we leverage that direction to our purposes and by all  
6 indications, the speed of access, the availability of access  
7 is going to be everywhere in five years and this is just  
8 saying that we are going to ride that wave to make this  
9 program accessible.

10 MS. MERCADO: Well, for example, that example that  
11 you just gave about 1,000 community centers with computer  
12 accessibility, then part of the partnering, if you will, in  
13 the integrated system is to be able to partner with whoever's  
14 going to be getting that money to provide access to our legal  
15 services client community.

16 DR. MCWEENEY: Absolutely. That's part of the  
17 annual build up of this. As this becomes available, the  
18 annual program plan we're talking about which gives this a  
19 lot of focus on an annual basis is going to take these broad  
20 perimeters you are committing yourselves to and saying with  
21 what we now know about what's developing, how can we tweak,

1 move, adjust the LSC program to take maximum advantage of it.

2           So this is an assumption that's going to take place  
3 but the actual laying out what it looks like has got to await  
4 the development of events from a lot of sources. But I don't  
5 think anybody doubts that the technology will be available in  
6 five years. And we are just committing ourselves to moving  
7 in that direction.

8           MR. MCKAY: And Maria, I think it's a call to us to  
9 get up in the faces of people who design these systems and  
10 say, "When you set up this public access system in the  
11 library, it should have easily understood links to the legal  
12 services programs. When you set it up in the court houses,  
13 it should be directly tied to a legal aide program with  
14 someone at the other end who can help."

15           Because if that's the way that people are going to  
16 access the courts, we have to be there to advocate for the  
17 availability and understanding of clients to use it, our  
18 clients.

19           CHAIR EAKELEY: We're also exclusively calling out  
20 computerized and web-based self-help programs as part of --

21           MR. ASKEW: I think it also goes beyond just the

1 public funding issue that there is more and more attention  
2 being paid to the digital divide and you read more about it  
3 every day in the fear that poor people are going to be left  
4 behind with technology and that even some corporate entities  
5 are becoming more sensitive to the need to find ways to have  
6 greater access by people who maybe can't afford the hardware  
7 or don't have the training.

8           And there are some pretty innovative programs being  
9 developed that I've read about where, not publicly funded but  
10 privately funded efforts are being made to it to educate  
11 students, obviously, but even beyond that, make hardware  
12 available. And I think that's something the corporation may  
13 look at, eventually.

14           Is there a way that we could partner with some of  
15 these private entities to make the hardware available or make  
16 the training or access available nationally in some way as  
17 opposed to each individual program attempting to do that.

18           And I think there are real opportunities out there  
19 because corporate America hopefully is becoming more  
20 sensitive to this problem and would be anxious to try and do  
21 something like that.

1           MR. MCKAY: This has some additional real meaning  
2 to the Board and to our programs in that we now have under  
3 Mike Genz's leadership \$4.25 million to give out. Our RFP  
4 will be out, I believe -- Mike, what are we shooting for?  
5 The 1st of March? The 1st of March, an RFP will be issued  
6 allowing our programs to compete for \$4.25 million in  
7 technology funds.

8           These are not going to be distributed on a pro rata  
9 basis. They are going to be distributed through a series of  
10 grants, several major grants, quite a few smaller grants.  
11 Some are especially directed toward rural poverty  
12 populations. And we are looking for innovation from the  
13 field.

14           But it's interesting to me, I participated in a  
15 conference call with other funders, including SAURIS and the  
16 courts last week with Mike and Glen Roddenauer from our  
17 staff, and these issues promoting the direct grants to  
18 programs, web sites that are accessible to clients, not just  
19 informational advocates but for clients. Really exciting new  
20 ideas.

21           And I think our programs are going to be thrilled

1 with the fact that there's a new pot of funds out there that  
2 they can compete for. There will be several major grants  
3 given in technology. We hope this will jump start this  
4 discussion.

5 MR. ASKEW: Good. Well, as one Board member, I can  
6 say that our visit to Seattle had a real impact on me in  
7 terms of looking at the future and what programs, some are  
8 already doing and many will be doing soon in terms of  
9 delivery of services using the internet and the new  
10 technology.

11 And I agree with you, I think this is a critically  
12 important role for us and one where we can provide some  
13 leadership in terms of developing resources or making  
14 information available to our grantees. It can be most  
15 helpful.

16 In that regard, I noticed the reference at the very  
17 end, "State Technology Planning Manual." Can you tell me  
18 just a little bit about that or what the plans are for that?

19 No?

20 MS. MERCADO: Mike, in the planning menu that you  
21 are looking at, are you going to be looking at particular

1 target populations? For example, like in the South West,  
2 where you have a large Spanish-speaking population and maybe  
3 on the West Coast, where you might have a Chinese, Japanese,  
4 or whatever, poverty populations to do that kind of  
5 integrating? In Florida, they already have it as far as that  
6 black and white print.

7           You know, the Spanish, the Haitian, the French,  
8 that they have in their materials and I just wondered, as we  
9 are doing a nationally integrated system, in looking at the  
10 particular pockets of clients that you might have, where that  
11 may be a particular issue.

12           MR. ERLNBORN: I would like to put a question for  
13 John. In making these technology grants, is there any way  
14 that we might achieve funding by negotiating with national  
15 manufacturers? I was just wondering if there was anything we  
16 could do that might help to get the technology to our  
17 recipients?

18           MR. MCKAY: I think we're all trying to do better  
19 in terms of how we acquire the hardware that's necessary to  
20 make some of these things work. The American Bar  
21 Association's litigation section has the program for

1 secondhand computers, which have been I think tremendously  
2 useful to our programs and the programs who have utilized it  
3 have been very, very happy with it.

4           These grants are pro se projects based on  
5 technology and that's the language that went in on the  
6 Appropriations Committee. And so we are really not talking  
7 about the grants being in direct support of the hardware  
8 aspect of it. We expect that the programs that are going to  
9 be submitting applications for these grants will have the  
10 basic capability from a hardware standpoint.

11           We think what we're really going to be seeing is  
12 the development of new softwares but really more creating the  
13 structure necessary to get at some of the unmet need that's  
14 out there. And that's what I think we are looking at most  
15 directly. Mike, do you want to add something to that?

16           MR. ASKEW: John, let me mention one thing. Your  
17 mention of SAURIS raised a question to me and I'm sorry I  
18 didn't think about it before. But we are not the only  
19 players in this game. There are other entities out there  
20 that are looking at some of these same technology issues and  
21 the future delivery issues.           And I think we should make

1 sure that we identify the need to coordinate and influence  
2 those efforts to the extent we possibly can because of our  
3 particular role.

4           And I don't know if you all thought about that, it  
5 wasn't in here, but technology is an issue that's getting a  
6 lot of attention from a lot of different sources and we need  
7 to be engaged outside, just on a direct relationship with our  
8 field programs.

9           MR. MCKAY: We have direct contents with most  
10 funders and I believe that the sort of loose planning group  
11 that's done in place was commenced through Catherine Samuels  
12 of SAURIS. And I sit on -- I participate directly on it.  
13 Mike Genz has participated directly. Glenn Roddenauer, on  
14 our staff, directly. And as I said, I attended a meeting  
15 last week of that group and these are the funders of legal  
16 services. And the idea is to do exactly what you just  
17 mentioned and that's to coordinate.

18           This is also a follow-on to the technology summit  
19 with LSC co-sponsored last October, a year ago. October of  
20 '98, in which the need to have some permanent communications  
21 links regarding technology was very clearly made and we have

1 followed up on that. I think you would be pleased with the  
2 level of communication that's going on between not just the  
3 funders but others who are providers.

4 I would like to commend Mike and Glenn Roddenauer,  
5 who did a great job in making sure that we don't get behind  
6 the curve there.

7 MR. ASKEW: Is there anything else on the  
8 technology strategy? If not, Mr. Chairman, may I make a  
9 motion that we adjourn the meeting?

10 MS. MERCADO: Recess.

11 MR. ASKEW: Recess the meeting, recess for lunch.  
12 The third strategy I think is a particularly important one  
13 and deserves conversation. Maybe we will do better on a full  
14 stomach and not rush through it before lunch.

15 CHAIR EAKELEY: All right, why don't we recess  
16 until 1:00, sharp. LaVeeda and John, could we impose upon  
17 you to -- do we call you or do you call us? They call us.  
18 So LaVeeda and John, could you call us back at 1:00, please?

19 MS. BATTLE: That's fine. Could I just simply get  
20 the number there at the hotel and the room? 477-1234. Thank  
21 you, and what is the area code, 512? Thank you. Texas Room

1 V.

2 CHAIR EAKELEY: The room is called Texas.

3 MS. BATTLE: I knew you were in Texas. Okay, thank  
4 you.

5 (A luncheon recess was taken.)

## 1 A F T E R N O O N S E S S I O N

2 CHAIR EAKELEY: Can we come to order, please?

3 Okay, we are on the third section. Bucky? Okay, Bucky,  
4 we're on Item 3.5 MR. ASKEW: All right, Item 3 starts at the bottom  
6 of page 3 is "Ensuring quality and accountability through  
7 programmatic oversight." There are a lot of implications  
8 listed under this one and I think it's a very important one  
9 so we need to pay particular attention to it.10 I think it identifies some new activities for us,  
11 at least, new in terms of what we have been doing in the last  
12 few years. Undertaking regular visits to programs is a  
13 bullet under the first paragraph to ensure consistent program  
14 quality and compliance. And then developing a new  
15 information system, which is something we've already talked  
16 about today, is a very important initiative for us.17 And then under the near term implications, the  
18 second bullet which is the "Undertake a series of program  
19 evaluation performance pilot projects" is a very important  
20 near implication and addresses some of the concerns that  
21 Maria Luisa and others were raising this morning about

1 performance standards and how are we going to measure quality  
2 and how can we make sure that quality is not being sacrificed  
3 for quantity. Those sorts of things.

4           The other thing that is of particular interest to  
5 me that I raised yesterday is on the last page in the middle,  
6 "The provision of training and assistance is a key component  
7 for on-site visits." I raised the issue yesterday about  
8 training, particularly in the leadership development context  
9 where we identify early on that leadership in our broad  
10 community needs some work and is there a role for the Legal  
11 Services Corporation there in getting back into some  
12 training, particularly for leadership development, not  
13 substantive law training. So that's something I think will  
14 be looked at over time.

15           MS. MERCADO: You're not saying in lieu of, you're  
16 saying in addition to?

17           MR. ASKEW: In addition to. I think that field is  
18 pretty empty right now and has been for many years and  
19 there's a real need there to develop new leaders, support the  
20 leaders who are out there, provide some skills or management  
21 or leadership training, actually, for people in our

1 community, for whom a lot of responsibilities are now resting  
2 with state planning and other things that we are asking a lot  
3 more of these days.

4           And perhaps we should try to find a way to support  
5 them in that effort through some events that could be  
6 characterized as training. Something that used to happen ten  
7 years ago and hasn't happened in a long time. Bob Gross was  
8 a recipient of -- participant in one of those things.

9           MR. MCKAY: Can I ask you one question, Bucky?  
10 Were you also -- do you exclude from that analysis training  
11 of local boards? And I asked that question because I have  
12 had a number of programs either through executive directors  
13 or local program board members who have asked whether there  
14 might be additional training for local board members on their  
15 responsibilities. And it may go together with other states.

16 I'm sorry, Ernestine's earlier comment about client  
17 training.

18           MR. ASKEW: Right, no, I don't exclude that.

19           MS. WATLINGTON: That used to be a part of --  
20 mandated from the Corporation that you had to have yearly  
21 Board training.

1           MR. ASKEW: That's right. As Ernestine knows,  
2 there used to be a huge amount of training paid for by the  
3 Corporation, done by the training, supported by the  
4 Corporation. With the budget cut backs in the early '80s,  
5 that was one of the first things that went and it was  
6 originally outsourced to others to do it with some funding  
7 from us, and then it ultimately just died away.

8           I think it's an ambitious goal to get back into  
9 that business but at least on a limited basis in terms of  
10 some leadership training, perhaps some client development  
11 training, and some Board training would be the way to get  
12 into it.

13           I would never propose that we get back into the  
14 whole issue of substantive law training or paralegal training  
15 or even new staff attorney training that we used to do. I  
16 think that's way beyond our means to do.

17           But on a narrower basis, focusing on the leaders in  
18 our community and trying to find some way at the Board level,  
19 at the client level, and at the program director level to  
20 support.

21           MS. MERCADO: But to deal with the quality of legal

1 services that we are providing the client community, how do  
2 we propose to get quality of the attorneys and the staff that  
3 service the client community if we don't provide the  
4 training? Or are we saying that that's just something  
5 they're going to have to do on their own somewhere?

6 MR. MCKAY: If I could just take a quick shot at  
7 that. In our state planning initiative, we have emphasized  
8 training as part of the comprehensive integrated state  
9 system, that somewhere in that planning process there has to  
10 be a commitment to training advocates. And it's one of our  
11 seven elements of our 98.1 program. And I know it has  
12 received quite a bit of emphasis as our program counsel have  
13 worked directly with state planners.

14 And I think that's the distinction here. If Board  
15 members wanted to discuss that here, the question of whether  
16 national training substantively should go forward. Bucky, I  
17 think that the way you summarized that a moment ago was  
18 broader than what we have currently in the plan and I would  
19 like to try and draft something to pick up the sense of what  
20 you described. But you pulled out substantive training and I  
21 think if you want to continue --

1           MR. ASKEW: Well, that's just my view. I'm not  
2 sure there's a consensus from everybody that that should be  
3 in there.

4           MR. MCKAY: I feel a consensus on the last point  
5 you made, unless someone has an objection, and I would  
6 include some language.

7           BY MR. RUSSELL:

8           Q     The language on that, I would just -- the vision of  
9 training and assistance to grantees, director, staff, and  
10 clients --

11          MR. MCKAY: Well, I have a feeling that we're not  
12 quite talking about on-site visits here. I think that  
13 Bucky's talking about maybe a more comprehensive training  
14 involving leadership. Before I write this up, I would like  
15 to talk to Randi Ewells and to Bob Gross and to Mike Gentz,  
16 and see what they might be thinking, as well.

17          CHAIR EAKELEY: I don't think that we are at a  
18 point, either politically or organizationally, to debate  
19 whether the corporation ought to engage in substantive legal  
20 training or in effect, take on some of the substance-related  
21 work that used to be done by the national support centers and

1 regional training centers.

2           And so I think it's an important issue that we need  
3 to consider as we go forward but I wouldn't include that -- I  
4 would propose that we leave the plan the way it is, which is  
5 silent on the subject.

6           MR. ASKEW: Well, I would agree with that and in  
7 fact, there is some of that training going on. I mean,  
8 that's not an ignored topic. There is a substantive law  
9 training event sponsored by NLADA every summer. We don't  
10 need to get into that. We shouldn't get into it, first of  
11 all, but it's not like it's being unaddressed.

12           The other things I was mentioning I think are  
13 unaddressed. And the real issue to me is whether we should  
14 do that or we should look to others to do it over the short  
15 term.

16           MR. MCKAY: We have made a powerful call in state  
17 planning for substantive training of advocates within state  
18 systems. And I will draft some language on this part.

19           MS. MERCADO: And I think that you can say that and  
20 keep part of the integrated state planning which you are  
21 doing with these various entities not solely -- to provide

1 legal services to clients.

2 CHAIR EAKELEY: John, I don't know whether you saw  
3 that on the last page, we have added a bullet on seeking  
4 Congressional re-authorization, pursuant to our discussion  
5 yesterday. John McKay, could you explain what the third  
6 bullet from the bottom on technological applications for  
7 identifying and correcting certain regulatory compliance  
8 problems?

9 MR. MCKAY: I think that we are alluding to case  
10 management systems and the software associated with that.  
11 One of the things we discovered in our CSR issue is that our  
12 programs are using many, many different kinds of case  
13 management systems and software and that some of the  
14 compliance problems that we have been picking up as we've  
15 addressed the CSR issue through the IG audits and the GAO  
16 audits and our own compliance and enforcement is fairly  
17 routine errors that come across as compliance errors and that  
18 we think could be addressed by better case management  
19 software. And what we are saying is we ought to be  
20 engaged with the field in trying to come to some solutions.  
21 And I think some of our folks are very much believing that

1 it's not a question of even negligence. It's a question of  
2 some conflicting softwares that are out there that can solve  
3 these problems. It ought to come up on the screen to ask  
4 some of the questions about client financial eligibility that  
5 are left out of the current systems.

6 And I think they are inadvertent but that we ought  
7 to help take the lead to bring these various issues together  
8 and help our programs by getting them valuable technological  
9 tools.

10 MR. ASKEW: Now that Doug has pointed it out, I see  
11 a potential misunderstanding of what that says. Perhaps we  
12 could word it a little differently. I mean, it could be read  
13 to imply that there are regulatory compliance problems out  
14 there now that we are having trouble addressing and that  
15 technology is a way to address that.

16 What you are really saying is there are conflicts  
17 in software and we need to work on a way to resolve some of  
18 those conflicts, if I'm hearing you correctly.

19 MR. MCKAY: Well, the way you said it the first  
20 time was accurate and it is true that some of the CSR issues,  
21 in our review, we picked up a number of compliance issues

1 which really were regulatory, particularly around the  
2 eligibility issue, as the bullet points out.

3           So it was meant to be broad and it was meant to say  
4 "Take responsibility, LSC." Of course, some of the  
5 compliance problems that are out there, we need to help  
6 provide some leadership here and provide some solutions.

7           MS. MERCADO: But it wouldn't necessarily be an  
8 error just to the client eligibility issue. I mean, it would  
9 be in any kind of data or information that you are gathering,  
10 right?

11           MR. MCKAY: Well, the compliance problems typically  
12 were around eligibility and so were just setting that forward  
13 --

14           DR. MCWEENEY: And if you are dramatically  
15 increasing access through a tremendous range of different  
16 kinds of services, the question is the kinds of problems you  
17 have now, unless you address the technology the way to deal  
18 with problems of eligibility, citizenship and the like and  
19 it's broad-based tripling and quadrupling the number of  
20 people are only going to get worse.

21           So this is an effort to, at the same time you are

1 increasing access, to take a careful look at the technologies  
2 associated with this so that as we do broaden access, we are  
3 not tripling our problems with compliance and regulatory  
4 issues.

5           So it's the beginning of a piece of work that has  
6 to be done to figure out how we can do this without making  
7 the compliance problems more intense.

8           MR. ASKEW: I would tend to state that in a  
9 positive way rather than an implication of a negative  
10 comment. That we will work on improving technological  
11 applications so that regulatory compliance -- to assist in  
12 regulatory compliance, or something like that.

13           CHAIR EAKELEY: Or regulatory compliance will be  
14 facilitated. And on the subject, moving up two bullets,  
15 there's another new bullet in terms of what the working group  
16 has seen that came out of our discussion yesterday. I just  
17 want to explain a little bit what that means.

18           I don't think we need a language change but when we  
19 say, "LSC will review the competitive grant making process,  
20 the performance standards applicable to LSC grantees and  
21 LSC's statutory and regulatory compliance requirements," what

1 we are talking about is reviewing them, make sure that we do  
2 not impose regulatory overburden on the grantees in the  
3 process of our oversight and that what we require of grantees  
4 is no more, no less than what we require to do our job, and  
5 that we will engage in an ongoing basis of review so that we  
6 don't get in the way of providing greater access and higher  
7 quality and better oversight.

8 MR. MCKAY: Well, it does mean a couple of other  
9 things, including a review of some restrictions impacts. We  
10 are on the record and we have informed the Congress we expect  
11 to study the impact of some of the restrictions and we will  
12 report to the Congress.

13 But I didn't want anyone to be misled by what we  
14 are looking at here. This does include a burdens analysis.

15 It also includes I think a look of what Tom just  
16 mentioned, what Dr. McWeeney mentioned, which is as we  
17 broaden the access through some technological applications,  
18 brief advice and referral, we've got to look at some of the  
19 current regulatory requirements there -- we may have to take  
20 a look at some of the eligibility documentation requirements  
21 in order to facilitate that kind of service.

1           And we would expect to be in a dialogue with the  
2 Congress about that. But I think we have to ask the question  
3 whether or not we have a regulatory system that prevents the  
4 kind of access that we are trying to accomplish in other  
5 parts of the plan.

6           So we are saying we've got to review our  
7 regulations from the standpoint of whether they meet the  
8 needs that they were originally designed to meet and whether  
9 they may, as we have articulated them, as this Board has  
10 articulated them in part, through regulations, whether that  
11 places unnecessary burden on program and perhaps we ought to  
12 analyze that from a burdens analysis.

13           DR. MCWEENEY: I might add, as part of GPRA, the  
14 Congress and GAO have been very clear on this matter. They  
15 expect as part of the annual assessment and review, the  
16 organization to do an assessment of the laws and regulations  
17 and policy that may be impacting on performance.

18           It's actually that GAO has done an awful lot of  
19 work on this issue and it's a very serious point in which  
20 they are placing on the organization the burden to say --  
21 everybody is faced with conflicting laws and laws that are

1 inappropriate to a changing environment and they are  
2 expecting the front end of this process to say what of the  
3 existing laws are impacting on performance with a reasonable  
4 analysis. And I think this is the point that we are making.

5 MR. MCKAY: I would like to ask Board members  
6 whether that takes too much description, whether we ought to  
7 set that out differently or more clearly?

8 MR. ASKEW: I know Tom has a comment but let me  
9 read you a little language and see if this helps the  
10 discussion we just had. At the end of that bullet where it  
11 says, "Regulatory compliance requirements" -- for efficiency,  
12 duplication, and possible impact on the delivery of high  
13 quality appropriate legal services. Because what we  
14 would be looking at are these three processes, are they  
15 efficient, are there ways we can make them more efficient?  
16 Are they duplicative in any way -- unnecessarily duplicative  
17 of each other, and what is their impact on the delivery of  
18 high quality and appropriate legal services? And that  
19 doesn't state it in a positive or negative when you just say  
20 "impact on." Tom?

21 MR. SMEGAL: Well, I was going to the one you

1 skipped over, had been to before, the provision of training.

2 Are we opening ourselves up for criticism? We've got a  
3 competitive grant-making process and now we're going to load  
4 the deck by training those who are the incumbents, making it  
5 more difficult for someone else to come in and compete in  
6 that grant-making process. Are we not subjecting ourselves  
7 to some criticism if we should do that?

8 CHAIR EAKELEY: Our basic grant period is a three-  
9 year grant and we would hope to have some interaction with  
10 the grantee during that period that would yield greater  
11 access-type quality. And as a practical matter, we don't  
12 have that many grant areas that are subject to competition  
13 that often. And within that context, providing training  
14 which would be available to new grantees, as well --

15 MR. SMEGAL: But not before they make their grant  
16 application?

17 CHAIR EAKELEY: Not before they make their grant  
18 application. I think we do assist applicants in the grant  
19 application process but anything we do to help grantees  
20 improve the delivery of legal services to their clients could  
21 in effect be characterized I guess as creating a more

1 entrenched grantee. But we aspire to have grantees who are  
2 there in place doing well.

3 MR. MCKAY: Well, and I think there's a way to look  
4 at training -- I think that's a well-taken observation, Tom.

5 One of the things we are trying to accomplish is a capacity  
6 within programs to be compliant, for example, and some of the  
7 obligations we place on them are a little mysterious.

8 I think that if you look at it from the standpoint  
9 of compliance and accountability, the training of executive  
10 directors and board members and others is a good idea and I  
11 think we specifically pulled out substantive law training.

12 MR. ASKEW: I think Tom raises a good point,  
13 though, which is that whatever we say in this -- and I'm  
14 looking back at page 2 which says, "LSC funding and  
15 operations are constantly scrutinized by small influential  
16 special interest groups." This is going to be scrutinized by  
17 a small -- and to the extent we imply anything that can be  
18 distorted to make us look like we're doing something that we  
19 shouldn't be doing, we need to be very careful about that.

20 The training idea is a very appropriate one,  
21 something that needs to be done. We just need to make sure

1 that if there's an attempt to distort it to something it's  
2 not going to be, that we can explain that. And I think we  
3 can.

4 CHAIR EAKELEY: Do you think that bullet should be  
5 in there? The one you just quoted from?

6 MR. ASKEW: Yes, I personally do. I mean, it's the  
7 truth. Is that the one you are talking about, Doug?

8 CHAIR EAKELEY: I was back on the training bullet  
9 on the last page. It was those two sentences that I didn't  
10 think we needed exposed.

11 MR. ASKEW: You may be right about that. They are  
12 repetitive.

13 CHAIR EAKELEY: I mean, that last bullet repeats  
14 what was said on the first critique, to a certain extent.

15 MR. MCKAY: Well, what was here is we critique and  
16 then we respond. In fact, I wrote down Bill McCalpin's  
17 comment on we need an action item, in a way, on legal needs  
18 study. This is the response to the lack of training and we  
19 probably need a bullet that says this is what we are going to  
20 undertake.

21 MR. SMEGAL: But following up on what Bucky just

1 said, the last bullet on page 2, under subsection 2, the  
2 caption being, "LSC has not asserted the leadership role  
3 required to steward a nationwide effort." That fourth bullet  
4 has nothing to do with that.

5           The fact that there's a bunch of special interest  
6 groups are nipping at our heels isn't the result of that  
7 black letter head note. They're there for other reasons than  
8 the fact that we do or do not steward a nationwide  
9 leadership. They aren't criticizing us for not being  
10 nationwide. They are criticizing us for being here.

11           So I'm following up on what John said in response  
12 to Bucky. I don't know that we need that bullet point on  
13 page 2.

14           CHAIR EAKELEY: The reason they have a  
15 disproportionate impact goes back to the second bullet on  
16 page 1. A lot of people question federal laws. And  
17 actually, it's circular.

18           MR. MCKAY: I would like to say for the record, we  
19 welcome scrutiny from any taxpayer.

20           MR. SMEGAL: Oh, I'm not suggesting we shouldn't  
21 have that. I'm just suggesting it doesn't have to be a

1 bullet point like 2.

2 DR. MCWEENEY: You know, the value judgment there  
3 is the groups who are opposed to the LSC mission. I'm not  
4 sure what that adds to it and people who can say we are not  
5 opposed to the mission, we are just opposed to how they are  
6 implementing the mission. If you put a period after groups  
7 and eliminated that clause, that would take some of the sting  
8 out of it.

9 MR. SMEGAL: But it doesn't follow, Tom.

10 DR. MCWEENEY: You're right.

11 MR. SMEGAL: I mean it doesn't follow that it is  
12 because we don't assert a leadership role. It's because they  
13 are there and they are doing that. Apples and oranges.

14 MR. ASKEW: Perhaps it should be in the narrative  
15 rather than the bullet. I mean, it's just an acknowledgement  
16 that there is this problem out there. It's not because of  
17 our failure of leadership. It's just a factor that we have  
18 to deal with.

19 CHAIR EAKELEY: May I suggest an alternative? If  
20 you took the first sentence of that last bullet and moved it  
21 and added that to the second bullet on page 1, it fits the

1 plug.

2 MR. MCCALPIN: Let me suggest that the lack of  
3 fundamental understanding of the role of the Legal Services  
4 Corporation is broadly shared by the public, not just by  
5 influential members of the Congress. It's the whole public.  
6 People in the states, people in the Congress, the public  
7 across the country doesn't understand it.

8 I think that too many in Congress question the  
9 federal role in ensuring access to justice. People all over  
10 the country question that. And the next one, "Not all state  
11 and local government invest adequate funds," it's because the  
12 people in the states don't understand what it is we're about  
13 and do.

14 MR. MCKAY: I would agree with that, with both of  
15 those statements. I think the question for our plan is  
16 whether there is something we can do about it. And I  
17 question whether -- on the point that Tom Smegal raised --  
18 whether there is anything we can do or should be doing about  
19 small influential groups nipping at our heels. And I would  
20 suggest that we take it out.

21 But I think that the larger question of the

1 Congress not being informed, or some in Congress not being  
2 informed, that's something we can -- we can do something  
3 about that and we should do something about that.

4 CHAIR EAKELEY: I agree to take out that last  
5 bullet on page 2 but add something that meet's Bill's point  
6 that the lack of Congressional knowledge is reflective of a  
7 broader problem, this is that the public at large really  
8 doesn't appreciate either the significance of access to  
9 justice of the mission of the Corporation.

10 MR. MCCALPIN: And we can do something about that  
11 in terms of an education program.

12 MR. MCKAY: Well, I would sort of resist that last  
13 part and let me just make a quick case for that. I think it  
14 remains to be seen what the public perception of legal  
15 services is today and how deep the knowledge is regarding the  
16 role of legal services is in justice issues.

17 You know, we do have polls that seem to indicate  
18 that a large number of people favor funding for legal  
19 services. And I don't know how far you go beneath those Lou  
20 Harris numbers to find the people who are or not educated in  
21 someone else's value judgment world.

1           In the other side of it, I've been up on the Hill  
2 as much as anybody and members of Congress are busy with a  
3 huge number of issues and --

4           A PARTICIPANT: Excuse me, Ms. Battle's joining  
5 conference.

6           MR. MCKAY: Welcome, LaVeeda.

7           CHAIR EAKELEY: Hi, LaVeeda, sorry.

8           MS. BATTLE: Okay.

9           MR. MCKAY: At some point in time, you find some  
10 members who are highly engaged and some who are not and that  
11 may be reflective of what the general public feels.

12           MS. BATTLE: I'm sorry, some people I can hear and  
13 some I can't, depending on I guess whether they are close to  
14 the mikes or not.

15           MR. MCKAY: Okay, can you hear me, LaVeeda?

16           MS. BATTLE: Yes, I can hear you now.

17           MR. MCKAY: Okay, and I would just not want -- I  
18 would be in favor of striking the reference to the special  
19 interest groups but I don't know that we are ready yet, I  
20 know that there are some right now doing focus groups on what  
21 the knowledge of the public is.           We've talked to a lot

1 of members of Congress. Some are very informed. Some  
2 apparently aren't very, very well informed. But I don't know  
3 that we are ready to outline that as a specific concern with  
4 which we can have an impact.

5 CHAIR EAKELEY: I mean, we do address the impact in  
6 terms of outcomes when we say that one of the ways in which  
7 we will measure our success in achieving access will be  
8 greater client recognition of the availability of the system  
9 and greater public recognition that is a system of justice.  
10 That's in the outcomes.

11 MR. MCCALPIN: "Increased public perception of the  
12 legal justice system as successful in providing equal  
13 justice."

14 MS. MERCADO: I actually have a question as to the  
15 whole bullet on page 1 of the strategic directions. I mean,  
16 the actual handling of it.

17 MR. MCKAY: What page, I'm sorry?

18 MS. MERCADO: Page 1.

19 CHAIR EAKELEY: Could I make this -- could we  
20 finish the discussion on -- what I would propose doing is  
21 finishing the discussion on this last segment of the report

1 and then just go back through and see whether we have any  
2 other drafting changes.

3 MS. MERCADO: Okay, well, my comment was going to  
4 go to the comment that he was just talking about. He was  
5 just talking about because your heading deals with it and I  
6 don't think that they're -- maybe I'm misreading it but in  
7 saying that "Insufficient resources have been put forth to  
8 fully understand the access problem and to build financial  
9 support at all levels to effectively address it," it seems  
10 that the understand and the address are the focal points in  
11 this title right here, which isn't really -- which I'm  
12 assuming you are talking about, whether it's educating or  
13 doing a study or whatever, that it seems to imply.

14 And if I am misreading that -- because it doesn't seem  
15 like it's dealing with what some of those bullets are dealing  
16 with. I mean, that title doesn't go with what some of these  
17 bullets are doing. At least, it doesn't to me because it  
18 seems to be talking -- "to fully understand" is not to fully  
19 provide legal services. It's to understand the access  
20 problem, not to provide access.

21 MR. MCKAY: Well, "to understand the access

1 problem" was meant to open the door to the bullet that talks  
2 about up-to-date legal needs stuff.

3 MS. MERCADO: Well, that's what I'm asking.

4 MR. MCKAY: That's what we meant by including the  
5 phrase, "understand the access problem." "To build financial  
6 support" relates to the other three bullets, which include  
7 federal, state, and private short fall in contribution to  
8 legal services.

9 MS. MERCADO: But to address it, are we addressing  
10 the understanding of the access problem? That's what I have  
11 problems with because it seems that the financial support is  
12 not actually to provide legal services but it is to do a  
13 study of the delivery of legal services.

14 MR. MCCALPIN: May I ask a question? What is there  
15 in the strategies which you have described which would commit  
16 us to seeking increased federal funding?

17 MR. MCKAY: Well, the next to last bullets I guess  
18 could be read to limit that only to seeking additional  
19 management administration funds under strategy 3.

20 MR. MCCALPIN: It's an implication, not the  
21 strategy. The strategy is "ensuring quality and

1 accountability through programmatic oversight."

2 MR. MCKAY: My view on that is it really is an  
3 outcome of increasing access that we will receive greater  
4 investment.

5 MR. MCCALPIN: Well, what's the strategy? Of the  
6 three strategies we've got here, state planning, technology,  
7 and programmatic oversight, which of those three strategies  
8 meets to federal funding?

9 MR. MCKAY: All of them. And the concept that we  
10 are trying to promote here is by becoming more relevant in  
11 terms of the service that we provide and the outcomes that we  
12 accomplish, we will win greater investment in this program.  
13 And that's why in the very first goal, the last outcome  
14 bullet on page 3 says, "An anticipated outcome of increasing  
15 access is expansion of public and private resources."

16 MR. MCCALPIN: I would regard that public as  
17 referring to state funds under state planning.

18 MR. MCKAY: No, it's not. It's under goal one for  
19 that very reason, Bill. We want it right up front that what  
20 we are saying is if we are successful in strategic planning,  
21 and we measurably move the success of this program by serving

1 more clients with higher quality services and affecting their  
2 lives in better and stronger ways, government will invest in  
3 this program in far greater ways, including the federal  
4 government.

5           And that's why a strategy -- if we were to set a  
6 strategy out to achieve greater funding, what would we write?

7       We could say we're going to hire a really good government  
8 relations vice president, we already have that. We're going  
9 to come up with political strategies. It's a more basic  
10 equation, I think. We're saying we have a stronger program,  
11 invest in us.

12           DR. MCWEENEY: Can I make a point here that in  
13 terms of how we proceed on this with the GPRA is once you get  
14 the approval of these statements of policy, the next step is  
15 to do the detailed program plan which is going to take this  
16 down another notch.

17           And you can envision a budget, I believe,  
18 performance budget coming out of this process which would be  
19 couched around these three strategies. And for each  
20 strategy, the budget now is based on performance.

21           What are we doing in strategy 1, 2, and 3 with the

1 resources we have and then make an assessment to what extent  
2 will added resources provide something else. So there will  
3 be resources associated with state planning which could  
4 easily be we need more people to enhance the level of  
5 capabilities of those in the states.

6 We need more resources to do technology and  
7 finally, we need more resources to do our oversight  
8 responsibilities. But that comes after the basic policy is  
9 approved. So we are looking very quickly at coming in with  
10 the performance budget which ties precisely to the  
11 strategies. You can't really do that until you are clear on  
12 what the policy's going to be.

13 And again, the next step becomes to what extent do  
14 resources constrain each of these strategies and that's how  
15 you build the performance budget.

16 CHAIR EAKELEY: Bill, would you feel more  
17 comfortable if we at least said on the anticipated outcomes  
18 of expansion at all levels of public and private resources?  
19 I mean, I had the same question. I had to look for it and  
20 then John and I talked about it and I was satisfied.

21 But several of us had the same question of where is

1 our commitment to expand federal resources which is one of  
2 our primary charges. And I think the explanation is sound  
3 but I think by making this a little bit more explicit that  
4 this is an intended outcome might be helpful.

5 MR. MCCALPIN: Well, I guess that I'm a little more  
6 direct than this. I think this is kind of a pie in the sky  
7 hope, it seems to me, that if you get all these things done,  
8 increased federal funding will follow. It seems to me that  
9 that's too atoning.

10 CHAIR EAKELEY: I think it's a strategy for  
11 achieving increased federal funding. I mean, you look at --  
12 you do a needs assessment, you evaluate the systems that are  
13 currently in place, you enhance state planning so that you  
14 have an integrated comprehensive delivery system or systems  
15 within states, you attempt to measure increased relevant  
16 access by larger numbers of people and higher quality,  
17 greater outcomes.

18 And as you do that, you come back to the funding  
19 sources and say, "This is what we are doing and this is why  
20 we are worthy of a greater investment." I think that is the  
21 best way to strategically advance the funding issue.

1 DR. MCWEENEY: And also, keep in mind that this is  
2 not a stand alone document. The law you are complying with  
3 requires a planning document to be tied to a budget document  
4 to be tied to an evaluation document. You can't separate  
5 them. This drives the budget. So the budget is going to be  
6 framed this way down the road and the resources are going to  
7 be played out over two or three or four years.

8 So for strategy 1, the resources you anticipate  
9 needing this year, next year, and three years down the road  
10 will be made explicit. These aren't stand alone processes.  
11 The budget will look just like this with dollars on it.

12 But you don't want to do a plan based on resources.  
13 That would be rejected immediately by those that oversee it  
14 in terms of some kind of game you are playing. This is a  
15 statement of intentions and once approved, we are going to  
16 play out the resource implications. It really is a two-step  
17 process.

18 MR. MCCALPIN: I guess I'd live with this.

19 CHAIR EAKELEY: Good.

20 MR. ASKEW: Sounds like a vote of confidence to me.  
21 Are we through? Do you want to finish the third strategy

1 and then go back?

2 CHAIR EAKELEY: Yes.

3 MR. ASKEW: Are there any other comments or  
4 suggestions on the third and last of the three strategies?

5 CHAIR EAKELEY: Okay, Victor prepared a resolution  
6 approving the strategic directions as attached and that's the  
7 way the resolution reads. I don't think we are ready to  
8 agree on the final wording of the document.

9 What I would like to do is to walk through the  
10 document one more time, see whether we have picked up the  
11 language changes that we want to work in, suggest to John  
12 McKay that we work them in overnight and then come back and  
13 go -- what?

14 MR. MCKAY: I think I have them from individuals  
15 and I think if anyone has additional on language -- maybe I'm  
16 misunderstanding what you want to do. I had hoped that you  
17 would go through one more time and see whether there were  
18 substantive issues that you wanted to raise because I think  
19 I've got all of --

20 CHAIR EAKELEY: Okay, I want to do is make sure  
21 that you have everyone's editorial suggestions, as well, so

1 that the revised document that comes out tomorrow will be  
2 ready for approval as written. Because we don't have the  
3 time to take another day to negotiate language or we can if  
4 people insist but I hope we will be able to avoid that.

5 So let's just walk through the document one more  
6 time. Does anyone else have any substantive comments or  
7 editorial changes on page 1 that we haven't discussed?

8 MR. SMEGAL: Yes, the first line, "to help the  
9 ensure," I think the word "that" has to go before all that.

10 CHAIR EAKELEY: I accept that on behalf of  
11 President McKay. Okay, how about page 2?

12 MR. MCCALPIN: Let me ask you a question on page 1.  
13 The second last bullet, does it suggest that some state and  
14 local governments do invest adequate funds?

15 MR. MCKAY: Yes.

16 MR. MCCALPIN: Do we believe that?

17 MR. MCKAY: Yes. I think that today by reasonable  
18 standards, the State of New Jersey, for example, as adequate  
19 investment in state funding.

20 MR. MCCALPIN: You want that on the record?

21 CHAIR EAKELEY: No.

1           MR. ASKEW: Strike that. I know what you're trying  
2 to say.

3           MR. MCKAY: All right, I've been at this too long  
4 because I have no idea what you are talking about.

5           CHAIR EAKELEY: I think that maybe -- I mean, "not  
6 all state and local governments" is letting state and local  
7 government off the hook pretty immensely here. I think that  
8 most state and local governments fail to invest adequate  
9 funds.

10          MR. MCKAY: You people are more radical than I am  
11 because I wrote that line and I thought that would garner  
12 more opposition.

13          MR. ASKEW: Is that a shock to you?

14          MR. MCKAY: Yes, it is.

15          MR. MCCALPIN: Why don't you just say "some."

16          CHAIR EAKELEY: How about "many?"

17          MR. MCCALPIN: Some state and local governments do  
18 not invest adequate funds.

19          CHAIR EAKELEY: I would say many. I think that's  
20 the accurate statement.

21          MR. ERLNBORN: Well, Mr. Chairman, I will support

1 that amendment but let me say I also want to compliment John  
2 as a grammarian because all too often, the kind of statement  
3 you drafted here would read "all states and local governments  
4 do not invest in funds."

5 MR. MCKAY: No, we can't have that at all.

6 MR. ERLNBORN: I congratulate you as a grammarian.

7 MR. MCCALPIN: I wonder, does the vice chairman  
8 congratulate the number of split infinitives in the document?

9 MR. ERLNBORN: I said he was the grammarian.

10 MR. MCKAY: The grammatical text that refer to  
11 split infinitives describe what a split infinitive is and it  
12 goes on in fine print for a long, long time. And there's one  
13 commentary, it says there are two classes of grammarians who  
14 look at split infinitives. Those who wish to understand the  
15 above, which is a very detailed multiple paragraph  
16 description, and those who simply ignore it. And I am part  
17 of the latter. I'm afraid it's painfully obvious when you  
18 look through this document.

19 CHAIR EAKELEY: Yes, Tom?

20 MR. SMEGAL: Paragraph 2 of the last sentence which  
21 is the last three times, are there now recent government

1 reform initiatives that are encouraging class actions? Is  
2 that what this is saying?

3 CHAIR EAKELEY: Say that again, Tom?

4 MR. SMEGAL: Well, what I'm reading here is all  
5 government -- it says, "Recent government reform initiatives  
6 have suggested that all government programs must shift from  
7 emphasizing volume of activity to emphasizing those  
8 activities that lead to significant outcomes and impact for  
9 the person served," i.e., class actions?

10 DR. MCWEENEY: No, that wasn't specifically meant  
11 to deal with a legal services issue at all. What that was  
12 meant to say is rather than presenting your data as a roll up  
13 of a lot of numbers in any field, how many grants, how many  
14 served, how many arrests, how many convictions, you start  
15 being specific about what you are trying to accomplish and  
16 find measures that specifically relate to that.

17 So it was a generic statement of what government is  
18 trying to do. Get away from mass reporting of data to a more  
19 focused reporting of important data.

20 CHAIR EAKELEY: Anything else on page 1? How about  
21 page 2?

1           MR. SMEGAL: Can we do away with the last bullet  
2 under 2?

3           MR. MCKAY: I think so, yes.

4           CHAIR EAKELEY: Page 3, with had discussed John  
5 Erlenborn's question at the top of the page and Randi Ewells  
6 has suggested that we take out the word "state-based" on the  
7 very first line. And after the words "delivery systems" in  
8 the second line, add "coordinated statewide." So that the  
9 sentence would read, "LSC will encourage and support the  
10 establishment of comprehensive and integrated civil legal  
11 services delivery systems coordinated statewide to provide  
12 all eligible low-income persons for legal assistance  
13 appropriate to their critical legal needs."

14   M O T I O N

15           MR. ERLENBORN: I move the adoption of the  
16 amendment.

17           MR. ASKEW: Second.

18           CHAIR EAKELEY: Okay, I would add "at all levels"  
19 after the word "expansion" on the last bullet on anticipated  
20 outcomes, just because more than one of us had the question  
21 of being a little bit more explicit.

1 MR. SMEGAL: Where were you going to do that?

2 MR. MCKAY: The last bullet, Tom, of the first  
3 goal.

4 CHAIR EAKELEY: John's going to try some other more  
5 specific language. Anything else on page 3?

6 MR. SMEGAL: I had a side bar with John earlier on  
7 the third bullet of subsection 2, which seems to  
8 grammatically --

9 MR. MCKAY: Yes, and I will fix that. It is not  
10 consistent with the other outcomes which say increased,  
11 expanded. We can fix that. And I have Tom's language.

12 CHAIR EAKELEY: Page 4? No, no changes to discuss.  
13 Page 5?

14 MR. ERLNBORN: Page 4. I'm trying to see if this  
15 is similar to what was on the top of page 3. This is under  
16 strategies, paragraph 1, first bullet. "LSC seeks to  
17 facilitate the creation and maintenance for comprehensive  
18 integrated coordinated statewide legal services delivery  
19 systems."

20 CHAIR EAKELEY: Yes, "seeks to facilitate the  
21 creation," and that ought to be consistent with the change in

1 language we had before.

2 MR. ERLNBORN: I think it's understood that it  
3 should be language that comports with the change we've made  
4 on 3.

5 CHAIR EAKELEY: All right, page 5.

6 MS. MERCADO: We're dealing with the top part of  
7 the paragraph, the "state legal services planners?"

8 CHAIR EAKELEY: My recollection was John Erlenborn  
9 had a question that John McKay explained.

10 MS. MERCADO: On the top of page 5.

11 CHAIR EAKELEY: And my impression was that we were  
12 just going to leave it the way it was with the explanation  
13 noted.

14 MR. ASKEW: Make that one thing a bullet, too.

15 CHAIR EAKELEY: Yes, the developing, it's going to  
16 be a bullet.

17 MR. MCKAY: There's one more I would like to  
18 consider and see if any Board members have any input. Under  
19 near term implications on page 5 where we -- the first one  
20 says, "Broad agreement by the civil justice community,  
21 including the courts."

1           I think we ought to consider including somewhere in  
2 these near term implications IOLTA funders who are very much  
3 involved in what we are doing in state planning. And I think  
4 we ought to have some call here to reflect what we are doing  
5 which is working more and more closely with state IOLTA  
6 funders.

7           We have some mention of state and local bar  
8 associations but I think we ought to be explicit and I would  
9 like your permission to include that, probably in the first  
10 bullet but somewhere in the near term implications.

11           CHAIR EAKELEY: Only if you put a comma after the  
12 word "community."

13           MR. MCKAY: Done.

14           MR. ASKEW: I consider them to be a part of the  
15 civil justice community so singling them out may not --

16           MR. MCKAY: Well, you are right and I appreciate  
17 that. And if there's other input, I would like to hear it,  
18 too. I was suggesting to include it, Bucky, because one  
19 thing in our experience we are finding as we look hard at the  
20 structure of legal services delivery systems, IOLTA plays  
21 such a key role as the major funder in the state, other than

1 LSC, that we ought to -- I would feel more comfortable  
2 including it and I'm looking to Bob and to Randi and Mike as  
3 to whether they agree. But it just hasn't come up yet in any  
4 of our discussions.

5 MR. ASKEW: I don't object to that. It's really  
6 just a matter of finding the right place to put it under the  
7 implications, I think.

8 MR. MCKAY: Yes, can I play with it a little bit  
9 and then I'll show it to you, Bucky, when we are done.

10 MS. MERCADO: So it would be IOLTA providers?

11 MR. MCKAY: I don't know what the exact words are.  
12 Maybe Doreen Dodson would help me get some language that  
13 makes some sense.

14 MR. ASKEW: One think when I went through this,  
15 John, I forgot to mention that we added a bullet yesterday  
16 about special needs populations.

17 MR. MCKAY: Yes, that's in here.

18 MR. ASKEW: It's in here now but it wasn't in the  
19 original draft. I just wanted to bring attention to that.  
20 But we refer to this as Indian country. Is that now the term  
21 of art that we are using as opposed to --

1 MR. MCKAY: Yes, it is.

2 MS. MERCADO: It is?

3 MR. MCKAY: All of our recipient programs refer to  
4 themselves as legal services programs operating in Indian  
5 country. And it's a reflective of what our grantees are  
6 doing.

7 JUDGE BRODERICK: Mr. Chairman?

8 CHAIR EAKELEY: Justice Broderick?

9 JUDGE BRODERICK: I wonder if I can interrupt just  
10 for a second only to tell you that I've been interrupted on  
11 this end and I need to get off this call for about 15  
12 minutes. And I don't know whether that will take you to the  
13 end of your session or not?

14 CHAIR EAKELEY: It will not take us to the end of  
15 the session. We are scheduled to break at 4:00, your time,  
16 but I think we will really extend it a little bit further  
17 because we have a whole hour before we are due over at  
18 Central Texas Legal Services.

19 JUDGE BRODERICK: I don't want to interrupt you.  
20 I'm going to get off this call. I will call back the central  
21 operator. I should be back on within about 15 minutes.

1 Thank you.

2 CHAIR EAKELEY: And LaVeeda, we started late again.

3 MS. BATTLE: That's fine.

4 CHAIR EAKELEY: Okay, we're on page 5. Any other  
5 comments on 5? I don't think we had anything on page 6.

6 Does anyone have anything to add on 6?

7 MR. ASKEW: No.

8 CHAIR EAKELEY: 7? And then, 8, we had --

9 MR. SUNDSETH: Excuse me, Mr. Chairman, were you  
10 going to mention -- didn't John say earlier this morning that  
11 in that third bullet on page 7, you wanted to specifically  
12 reference case management software or no?

13 MS. MERCADO: No, that was in a different bullet.

14 CHAIR EAKELEY: Not on page 7.

15 MS. MERCADO: It was on page 8, the third bullet  
16 from the bottom.

17 MR. MCKAY: There's one additional rewrite, though,  
18 back on page 6. We're going to try either in the narrative  
19 or in the near term implications but probably in the  
20 narrative some discussion about the need to enhance,  
21 maintain, or continue communication with other providers,

1 including major foundations. Whether we specifically  
2 mentioned the current leading role of SAURIS or not, but we  
3 ought to continue to do that.

4 CHAIR EAKELEY: I would not mention specific names  
5 but the concept's okay, I think.

6 MR. MCKAY: Well, the real key is to make sure that  
7 we don't work strictly on our own in terms of developing  
8 technology. There are a lot of other folks working on it and  
9 we need to keep communicating. That's Bucky's get.

10 CHAIR EAKELEY: Page 8, anything we've not already  
11 discussed on page 8?

12 MR. ASKEW: John is going to rewrite that third  
13 bullet from the bottom?

14 CHAIR EAKELEY: Yes.

15 MS. MERCADO: And you also had some changes on the  
16 second bullet?

17 MR. ASKEW: The second from the top, he's going to  
18 add some language to.

19 CHAIR EAKELEY: Okay, I suppose we could take a  
20 vote now to adopt the strategic directions and principals  
21 subject to final editorial approval tomorrow or we could

1 defer the vote until tomorrow when we have the rewrite. So  
2 you know what I would like to do? I would like to end this  
3 discussion with an affirmative demonstration of support for  
4 the directions and then come back and ratify the document by  
5 resolution tomorrow, if that's okay with you all?

6 MR. ASKEW: Sounds good.

7 M O T I O N

8 CHAIR EAKELEY: Then the Board will entertain a  
9 motion to adopt the Legal Services Corporation's strategic  
10 directions as expressed in the document before you, subject  
11 to the editorial revisions that we have already discussed?

12 MS. FAIRBANKS: So moved.

13 CHAIR EAKELEY: And is there a second?

14 MS. MERCADO: Second.

15 CHAIR EAKELEY: Is there any further discussion?  
16 Hearing none, all those in favor?

17 CHORUS: Aye.

18 CHAIR EAKELEY: Opposed? Abstained? the "ayes"  
19 have it. Dr. McWeeney and everyone else who have made this  
20 possible, I thank you very much. I think this is easily one  
21 of the more significant things we will have accomplished in

1 our now lengthening tenure.

2 All right, let me move on to the next agenda item  
3 and remind everyone that we're going to have a bit of a  
4 truncated schedule tomorrow. We have the race for justice  
5 and then we come in and we have presentations by field  
6 programs. We should be having a visit by the Chief Justice  
7 of the Texas Supreme Court, Mark Phillips --

8 A PARTICIPANT: Tom Phillips.

9 CHAIR EAKELEY: Tom Phillips, and we have several  
10 other items. But let's see how much of the regular work of  
11 the Board we can get through now and let's see how much else  
12 remains tomorrow before the bad weather hits the East Coast.

13 CHAIRMAN'S REPORT

14 The next item is -- well, the field presentations  
15 will happen tomorrow. On chairman's report, the only thing I  
16 would like to report and Jeff already unofficially reported,  
17 I suppose, is the experience I had and several of you shared  
18 in appearing before the Texas Supreme Court and having an  
19 opportunity to discuss with virtually every member of the  
20 Court, that Court's interest in and concern over access to  
21 justice issues going considerably beyond the issue of the

1 day, which was whether to impose a mandatory pro bono  
2 requirement on the State Bar of Texas.

3 I also thought the reception last night was just  
4 very well done. We are going to be thanking our hosts again  
5 I hope tomorrow in several ways. But the planning that went  
6 into yesterday and today and tomorrow is really quite  
7 extraordinary and John, I think it shows a lot of hard work  
8 from a lot of people, many of whom are not in the room  
9 anymore but at least the record can reflect this has been an  
10 exceptional way to start the new millennium and to have our  
11 annual meeting. So I thank them, through you, for that.  
12 That's my report. Ernestine?

13 MEMBERS' REPORT

14 MS. WATLINGTON: I just want to thank the three  
15 staff members when I arrived Wednesday. Had they not been  
16 there to my aide, I don't think I would have been able to sit  
17 here at the table today, and that was beyond the call of duty  
18 and I really, really appreciate it.

19 And I wanted to publicly thank Dave and Danilo, and  
20 I don't know the other gentleman's name but they really --  
21 not that much here but I had gone through a very traumatic

1 thing but having to get off of one airplane to get on another  
2 one in Chicago so I was really exhausted and everything. But  
3 they just really just took care of me so I just really,  
4 really appreciate it.

5 CHAIR EAKELEY: Was Bert the third? Edna?

6 MS. FAIRBANKS-WILLIAMS: Well, I'm still having  
7 problems with my fax machine but his Camero has now been  
8 wrapped to the telephone pole, so I don't --

9 CHAIR EAKELEY: Are those vehicles or birds?

10 MS. FAIRBANKS-WILLIAMS: No, vehicles.

11 MR. ASKEW: How are the beavers, though?

12 MS. FAIRBANKS-WILLIAMS: Black Cameros with tinted  
13 windows and I informed my cat not to go outside because it  
14 might be the Mafia or something, I don't know what.

15 But it's been so icy, they've just been sliding out  
16 on the corner and just taking telephone poles out so then I  
17 don't have any electricity for my fax machine.

18 CHAIR EAKELEY: That would present a problem. Tom  
19 Smegal?

20 MR. SMEGAL: No report.

21 CHAIR EAKELEY: John Erlenborn?

1 MR. ERLNBORN: No report.

2 CHAIR EAKELEY: LaVeeda Morgan Battle?

3 MS. BATTLE: I don't have a report.

4 CHAIR EAKELEY: Maria Luisa?

5 MS. MERCADO: I just want to say that it was really  
6 a very illuminating to spend yesterday at the Texas Supreme  
7 Court listening to the different witnesses on mandatory pro  
8 bono but in essence, they discussed an even broader issue of  
9 access to legal services for low income people and trying to  
10 figure out how you can integrate all those different entities  
11 with providing legal services to poor folks.

12 And one of the things that I would request on  
13 behalf of the Board is that if we haven't made provisions to  
14 get a copy of the transcript, that we do so. And I don't  
15 know whether or not we were provided or will be provided a  
16 copy of that but I think that would be very useful, not only  
17 for the Board but I think for future planning to incorporate  
18 some of the strategic information because a lot of the things  
19 that they talked about I think would be very helpful for us.

20 CHAIR EAKELEY: That's a great idea. We did  
21 undertake to provide the court -- and I commended on behalf

1 of SCLAID and the ABA, as well -- with information that was  
2 relevantly available or already printed by us that describe  
3 other state planning efforts, the roles of various states'  
4 supreme courts in that process as well as funding levels and  
5 different measures for funding different programs within  
6 different states. So I could ask for something back in  
7 exchange. Bucky?

8 MR. ASKEW: Nothing.

9 CHAIR EAKELEY: John Broderick is still not on, I  
10 suspect so why don't we turn to the President's report?

11 PRESIDENT'S REPORT

12 MR. MCKAY: Thank you, Mr. Chairman. I would first  
13 like to report on the self-inspection program letter, 00-1,  
14 that was recently sent out by the corporation. As you know,  
15 last year, we were in a position to have to require of our  
16 programs that they engage in a process of self-inspection and  
17 self-certification of their case service reporting data for  
18 1998. We have adopted a similar approach for 1999 and that  
19 letter has recently gone out.

20 We have refined this process down because we  
21 recognize the burden that this imposes on our programs. In

1 effect, to cease doing legal work to some degree in turning  
2 toward satisfying the inquiries that have been placed on us.

3 We understand that that's necessary but we also understand  
4 that this, by definition, puts burden on our recipients.

5 To that end, we worked very, very hard at both the  
6 staff level and with the assistance of others who share our  
7 interest in making sure that we continue to be in a position  
8 to provide legal services so that our program letter that was  
9 issued requiring the self-certification for '99 is shorter,  
10 has significantly fewer questions, and we hope, a reduced  
11 burden on the programs.

12 The end result we hope will be an opportunity for  
13 our programs really to ensure through an audit of their own  
14 samples that the data in some total for 1999 is accurate. A  
15 parallel to this process is the Inspector General's separate  
16 statutory call to assure to the Congress the accuracy of the  
17 1999 case data of our recipients.

18 That is a separate process. I know both John  
19 Erlenborn and Bill McCalpin have been involved pretty  
20 directly with the Inspector General's office but I mention  
21 here in my report because that is an additional burden that

1 then falls upon our recipients and I think that as we look at  
2 this overall issue of accurate reporting, which we are all  
3 after, we also have to keep in mind that we have to continue  
4 to provide legal services to clients.

5           And those are twin burdens on our programs and they  
6 will be heavy burdens, indeed, over the next several months.

7     The Inspector General's reporting is due I believe July 31st  
8 and both of those letters are now in the field to the  
9 programs indicating the work that they will have to undertake  
10 over the next few months.

11           We, prior to issuing our program letter, made a  
12 number of phone calls out to project directors to let them  
13 know this was coming, to seek their input, and to describe to  
14 them the process that we engaged in. So many at least didn't  
15 just simply get this in their morning mail but some quite  
16 frankly did. And our hope is that our Board members also  
17 will be knowledgeable of the efforts that we undertook to  
18 keep the burden at a minimum well, meaning the pretty strong  
19 obligation that's been placed on us by the Congress.

20           And I expect the Board members will hear from  
21 programs, as you should, regarding the really intense burden

1 that has been placed on programs through both of these  
2 initiatives in management and in the OIG.

3           A second program letter, 00-2, has also been  
4 issued. This is the first follow up to the Erlenborn  
5 commission report. We did work with our vice chairman and  
6 asked him to review the program letter before it went out but  
7 you will recall that the Erlenborn commission report did  
8 indicate that we should move toward a change in the  
9 regulation to clarify the findings of the commission with  
10 regard to the meaning of the words "present in the United  
11 States," as it relates to certain of our eligible clients.

12           And so essentially, program letter, 00-2, which is  
13 pretty brief, adopts the primary finding of the Erlenborn  
14 commission and alerts the field that we will consider  
15 programs to be in compliance if they are following the  
16 conclusions of the Erlenborn report and they are quickly  
17 summarized there.

18           And as we indicate in the program letter, we expect  
19 then pursuant to the findings of the commission, to come  
20 forward with language for a change in regulation, as I think  
21 we anticipate as the final step of implementation on the

1 Erlenborn commission. And again, we thank John Erlenborn for  
2 his help and I want to commend again Cindy Snyder and many on  
3 our staff who worked very hard to support that work.

4 We have worked, as you know and I have reported on  
5 a number of occasions, hard on the issue of pay compensation  
6 within LSC and our staff. We are engaged now in following up  
7 on the compensation report prepared by Los Pinos &  
8 Associates. We have made a number of pay compensation  
9 adjustments that were recommended in the study and as a part  
10 of the study, but we are also in the process now of adjusting  
11 pay bands. And I want to alert the Board to that.

12 Because there were a number of increases and  
13 because we have not adjusted the pay bands, themselves, we  
14 are in the process of making those adjustments now. Under  
15 our personnel guidelines, those can be adjusted by the  
16 President of the corporation in consultation with the  
17 Inspector General. We have begun that consultation but it  
18 has not yet been adjusted. In part, the weather situation of  
19 the last week has prevented that and I'm not sure whether we  
20 are going to see the IG here today or not.

21 But we have not finally adjusted the pay bands but

1 I wanted to offer it to Board members, if you are interested,  
2 a more detailed briefing, I think one on one rather than try  
3 to go through the pay band adjustments. And so this is an  
4 informational item.

5 And I also wanted to point out that the pay banding  
6 issue is one which is in part driven by the ceiling, which is  
7 the President's salary, which is set by statute. And we are  
8 finding pretty significant compacting of pay.

9 We have salary bands that are pushing up against  
10 the final ceiling and as you know, we have attempted last  
11 year and will continue to try to pursue an increase in the  
12 eligible salary to be paid to the President so that future  
13 compensation policies or practices will not be prevented by  
14 that.

15 The Office of Administration and Human Resources  
16 and the Comptroller have jointly recommended this. This has  
17 all been through a process internally and I would be glad to  
18 discuss this in greater detail if any Board members have  
19 questions. Are there any questions?

20 CHAIR EAKELEY: I had a question on -- are you done  
21 with your report?

1 MR. MCKAY: No.

2 CHAIR EAKELEY: I had a question on that or I  
3 wanted to go back to one of the early points. But finish  
4 your report and we will go back.

5 MR. MCKAY: All right, I only have two other items  
6 that I wanted to mention briefly. The first is that we will  
7 be running a migrant conference. Bob, do you have the dates?

8 MR. GROSS: We have conflicts on our Palm Pilots  
9 but somewhere around the 26th of March. Cindy Snyder is  
10 checking out the site as we speak.

11 MR. MCKAY: We did make the determination that we  
12 would conduct the conference in Texas. We are grateful to  
13 the local programs here who I know will be assisting us. But  
14 this is patterned after the conference that we conducted on  
15 our Native American program and our objective is to bring in  
16 at LSC expense most of the important players, including our  
17 program recipients who deliver legal services to migrant  
18 workers.

19 All of our -- I believe this is true, I think all  
20 of our grants for migrant representation now through the  
21 state planning process are coming together at the same time.

1     And one of our objectives was to conduct this conference in  
2     the light of what policies ought to be behind our migrant  
3     grant-making process.

4             So if there is a redesign of the way in which we  
5     award migrant grants, we will have the ability to do that.  
6     We are not under the impression that the conference itself  
7     might yield that answer but we want to put on the table all  
8     of the issues of what we are trying to accomplish in legal  
9     services in addressing the special needs of this population.

10            So we have invited a number of individuals to speak  
11     with us and sort of think with us as we go through this  
12     process and our recipients will be the most heavily  
13     represented. Those who are in the daily business of  
14     providing legal services to migrant workers. We are very  
15     excited by this. I think it's a very important undertaking.

16     I know that we've asked Maria Luisa to speak and to come to  
17     the conference and I hope that she will.

18            And I would just like to indicate to Board members,  
19     we will give you specific information on the location and  
20     dates but we would welcome the participation of Board  
21     members. Edna Fairbanks-Williams joined us in Colorado for

1 the Native American conference which I thought was very, very  
2 helpful and we appreciated her being there.

3 I know I said I had two matters and the other is  
4 now escaping me so I will end my report right there. Back to  
5 you. You said you had a question, Doug, I'm sorry.

6 CHAIR EAKELEY: I did. On the CSR compliance issue  
7 and the information from grantees, the corporation part of  
8 that, not the IG audit that's forthcoming. An issue had been  
9 raised at the last Board meeting as to whether the  
10 corporation, itself, was pushing the limits or risking  
11 confrontation in terms of attorney/client privilege and  
12 client confidences. And I know that that wasn't the primary  
13 focus of John Erlenborn and Bill McCalpin's meeting in  
14 Washington with management and the IG, although I got very  
15 positive reports back from all sides about the progress being  
16 made in this general cluster of issues.

17 But as we move forward into the new year, I view  
18 these issues as somewhat related and I am not aware of any  
19 specific issues or problems but I just want to make sure that  
20 we are all attuned to the sensitivity of the Board to the  
21 issue and I have a basis for moving forward together. Is

1 that sufficiently obscure?

2 MR. MCKAY: Yes, it was.

3 MR. ASKEW: Beautifully obscure.

4 MR. ERLNBORN: Mr. Chairman, I would like to  
5 address that issue. There really were two sets of problems.

6 One was one experienced by the Inspector General's office  
7 and the other by the corporation's personnel.

8 And when Bill and I met with the Inspector General,  
9 he indicated that he had only had one real problem of access  
10 and that was with one specific program. I'm not certain but  
11 I think that may have been resolved pretty much in line with  
12 what the corporation did to resolve their access with that  
13 recipient.

14 When Bill and I met with the Inspector General, he  
15 went through a description of his plan for the verification  
16 of the CSR data. This is not an audit. I want to underline  
17 that because there are other issues that can arise if the OIG  
18 is performing an audit. This is merely the verification of  
19 that CSR data.

20 He presented what Bill and I believe to be a very  
21 good program which has a -- and let me apologize if I violate

1 political correctness but it established the Chinese Wall and  
2 I think ought to satisfy, I hope it will satisfy, the  
3 programs that ultimately asked to provide data.

4           Before the Inspector General sent out his letter to  
5 the programs, we discussed that with him in a conference call  
6 and both our initial meeting and the conference call, many of  
7 our suggestions were approved and incorporated in Ed's  
8 action.

9           So I'm very, not confident, but almost confident  
10 that the CSR data collection will go through without any  
11 hitches and that's very important because that's required by  
12 the Congress that that report be filed by the end of July.

13           And if we get into any controversy, it will  
14 jeopardize the chance for the Office of Inspector General to  
15 comply with the Congress' determination that he get this job  
16 done.

17           Let me emphasize that this does not solve the  
18 problems for either the Office of Inspector General in the  
19 future in full-blown audits, nor does it solve the problem of  
20 the corporation in their audits. I do believe, however, that  
21 what precipitated the creation of our little ad hoc

1 committee, Bill and myself, which was the legislation that  
2 had been sent up to the Hill.

3 My feeling is that at this time, that's a dead  
4 issue. We're not going to have that legislation pushed by  
5 either the corporation or the Office of Inspector General.  
6 So I consider our initial instructions to have been fully  
7 carried out and declared a success but that doesn't mean that  
8 we are free in the future because we have these issues that  
9 are going to arise for both the corporation and the Inspector  
10 General. And if Bill and I can help in that, I don't know  
11 but we will try.

12 CHAIR EAKELEY: Okay, thank you, John. Any  
13 questions of John McKay? If not, then let's move on to the  
14 next item of business in the Inspector General's absence,  
15 which is "Consider and act on the 1999 Annual Performance  
16 Review Committee's reports."

17 You should all have in front of you, except  
18 LaVeeda, I guess -- I don't know whether we got it down to  
19 you, LaVeeda, or not -- but the January --

20 MS. BATTLE: Unfortunately, you did and I took it  
21 to the office and I don't have it with me at home.

1                   CHAIR EAKELEY:   Okay, so the January 26, 2000  
2   report from John Erlenborn and accompanied by two performance  
3   reviews.   So let me turn the chair over to John Erlenborn.

4                   CONSIDER AND ACT ON THE 1999 ANNUAL PERFORMANCE  
5                   REVIEW COMMITTEE'S REPORT ON THE ANNUAL  
6                   EVALUATION OF THE CORPORATION'S INSPECTOR GENERAL

7                   MR. ERLENBORN:   Thank you, Mr. Chairman.   Let me  
8   first of all emphasize that this memo is dated the 26th of  
9   January but there was an earlier cover memo accompanied by  
10   the performance reviews that were -- this was prior to our  
11   telephonic meeting of the committee on Monday.   So that all  
12   members -- and we made no changes, by the way, in that  
13   meeting last Monday -- so all members of the Board did  
14   receive copies of the reports that we are recommending today.

15                   If there are any questions concerning the findings  
16   in the report, I would be happy to try to address them.  
17   Generally, let me say that we followed the procedures as we  
18   did the prior year and we have reported generally favorable  
19   comments on both the President and the Inspector General.  
20   And again, if there are any questions, I would be happy to  
21   address them.

22                   M O T I O N



1 CHORUS: Aye.

2 CHAIR EAKELEY: All those opposed? All those  
3 abstaining? The "ayes" have it. Congratulations to the IG.

4

5 CONSIDER AND ACT ON POSSIBLE DISSOLUTION OF

6 THE BOARD'S 1999 ANNUAL PERFORMANCE REVIEWS COMMITTEE

7 CHAIR EAKELEY: Next, the Board will entertain a  
8 motion to dissolve the annual performance review committee  
9 for the period.

10 M O T I O N

11 MR. ERLENBORN: I would like to make that motion.

12 MS. MERCADO: Second.

13 CHAIR EAKELEY: Is there any further discussion?  
14 Hearing none, all those in favor, say "aye."

15 CHORUS: Aye.

16 CHAIR EAKELEY: All those opposed? Abstained? The  
17 "ayes" have it. Let me just thank John Erlenborn for just  
18 another masterful job, very faithfully performed and also  
19 thank Susan McAndrew for the superlative staff support, in  
20 addition.

21 MR. ERLENBORN: I'm glad you said that, I should

1 have.

2 CONSIDER AND ACT ON PROPOSED FY 2000

3 CONSOLIDATED OPERATING BUDGET FOR THE CORPORATION

4 CHAIR EAKELEY: All right, while we are on a roll,  
5 let's turn to Maria Luisa and ask David Richardson to come up  
6 and consider and act on the proposed FY 2000 consolidated  
7 operating budget for the corporation, while noting that --

8 MS. FAIRBANKS-WILLIAMS: And Maria Luisa, you are  
9 mumbling so bring that thing closer to your face. We can't  
10 hear you.

11 MR. SMEGAL: She hasn't spoken yet.

12 MS. FAIRBANKS-WILLIAMS: Well, she did earlier and  
13 we couldn't hear what she said.

14 MS. MERCADO: Actually, Mr. Chairman, the finance  
15 committee did not meet and we just received the consolidated  
16 operating budget. Although I had received an earlier version  
17 of it, this one is a whole lot more detailed and I think in  
18 order to not mumble through it, as Edna would say, I would go  
19 ahead and let Mr. Richardson highlight the various  
20 provisions.

21 You had already approved a temporary consolidated

1 operating budget at the November meeting but this is a final  
2 one.

3 CHAIR EAKELEY: David, the floor is yours.

4 MR. RICHARDSON: Thank you, and for the record, I  
5 am David Richardson. I am the treasurer-comptroller of the  
6 corporation.

7 Actually, the memo that you have is dated the 14th  
8 on the cover. It should be the 24th. The memo has been in  
9 somewhat of a flux because of people's traveling and sickness  
10 in getting it out to you. It was actually mailed to you on  
11 Monday. I hoped that you received it but with the weather,  
12 you may not have.

13 So what I will endeavor to do would be to walk you  
14 through it in a very concise manner. And if you do have any  
15 questions at any time, please feel free to just stop and ask  
16 me a question at that point.

17 MR. SMEGAL: It's no different than the one we  
18 received in the mail?

19 MR. RICHARDSON: It is not, sir. With this year's  
20 appropriation, of course, Maria Luisa has mentioned we did  
21 pass a temporary operating budget in September that we have

1 been operating under. At that time, we did not have an  
2 appropriation, nor did we have final carry-over figures. We  
3 certainly have those now.

4 The sheets and in particular, Attachment A, will  
5 tell you how much money that we do have available. You see  
6 that we have an appropriation of \$305 million, broken up into  
7 the different categories. We have the recision that was  
8 placed on top of it so we have a recision of \$1,159,000.

9 Let me explain to you how we arrived at those  
10 figures because the recision was .38 percent of the total  
11 appropriation. However, we were given a window to charge one  
12 of our appropriation lines 15 percent of the available money.

13

14 Because we had freeze funding, basically, for the  
15 grants program and management administration and IG, we took  
16 15 percent of the technology initiative and that's the reason  
17 that figure looks a little higher than some of the others.

18 But we felt that since we had a freeze funding for  
19 the program, we didn't want to hit them with an immediate  
20 larger decrease across the line. So we applied the 15  
21 percent to the technology and then the recision for the

1 remainder, like the \$392,640 for the grants is basically the  
2 difference in a pro rated fashion to get to the amount for  
3 the reduction. And the same thing with the \$12,270 for  
4 management and the \$4,090 for the Inspector General.

5           There is one difference from last year's  
6 appropriation lines as far as from grants, management  
7 administration and Inspector General. And it actually works  
8 out to two because what actually happened last year is the  
9 Inspector General in 1999 had an appropriation of \$2,015,000.

10 Well, he got an \$85,000 increase, our appropriation was  
11 \$8,985,000, we had an \$85,000 decrease.

12           So that worked into the particular funding brick  
13 outs also that we had to apply to our budget. The deferred  
14 revenue that you see there is from the Court of Veterans  
15 Appeals. We have a pass through grant, of course, from that  
16 money. And the \$22,808 is the remaining money that was left  
17 in last year's budget from the U.S. Court of Veterans  
18 Appeals.

19           In the fund balance, we had \$79,000 and that is for  
20 the special emergency fund. Some of that money has been  
21 granted pursuant to the last meeting where we made an

1 adjustment to that budget line. And then this year, the U.S.  
2 Court of Veterans Appeals is \$910,000.

3 So the total of the grant funds is calculated by  
4 adding \$288,000, \$607,360 to the deferred revenue, \$22,808,  
5 the fund balance, the \$79,607, and the U.S. Court of Veterans  
6 Appeals, the \$910,000, and that equals the \$289,000, \$619,775  
7 for the field programs.

8 The technology initiatives with the \$5 million  
9 technology initiative and then the amount applied of \$750 for  
10 the recision gives us a total available of \$4,250,000.

11 The management administration, we have a budget of  
12 \$10,485,444 before you. That's made up of the net recision  
13 money of \$8,887,730, plus the fund balance and we have two  
14 areas there as far as undesignated money was \$1.3 million,  
15 and the designated money was \$319,000, and that is the  
16 activities that were sort of carried over from '99 into 2000  
17 that money had been set aside for. And then we've estimated  
18 \$275,000 in interest this year on our funds, incorporated  
19 that into the budget to get to the total.

20 With the Inspector General, the \$2,095,910 of  
21 netted recision. He has also two sets of funds, the fund

1 balance with the undesignated amount of basically \$209,000,  
2 and the designated of \$39,535, which gives a total budget for  
3 the IG of \$2,344,312.

4           The totals of that will give us a total budget of  
5 \$306,699,531. Attachment B shows you the lay out and that  
6 just everything will add across with Column 1 plus 2 plus 3  
7 and 4 will equal the same amount of budget. It's just a  
8 different lay out. The first one is to show you the funds  
9 available. This is the presentation as far as the FY 2000  
10 budget, if passed, that you will see in the future is Column  
11 5, and that's the amount that we are asking you to approve.

12           The memo that you have before you goes in and  
13 explains how management administration plans on spending the  
14 funds. Within the Board of Directors, you see that we have a  
15 budget of \$274,700. Last year, the Board spent basically  
16 \$195,000, and we are anticipating pretty much the same  
17 schedule with two meetings in Washington and three meetings  
18 outside of Washington.

19           We do plan on, of course, the appropriation  
20 hearings and we have also budgeted for a re-authorization  
21 hearing. Of course, we have not had one of those recently

1 but we do plan for it in anticipation that we will have one.

2 And we have also put \$75,000 as a contingency for the Board,  
3 if it comes to a need for a Presidential search.

4           Within the other lines, you will see that 2 through  
5 10 on B, you will see the totals that are there. As far as  
6 the overall amounts that are budgeted, we have salary  
7 increases budgeted, we have the first step in the locality  
8 pay, 2.6 percent. After this was completed and we reported  
9 to you about the locality pay, we had based this on 7.8  
10 percent for the Washington area. Well, January 1, 2000, that  
11 figure went to 9 percent. So next year, you might see a  
12 little adjustment upward as far as what the locality pay  
13 might would be.

14           In the executive office, we do have an increased  
15 budget there of the amount of \$986,744. The biggest area in  
16 there besides the salaries is the consulting line. And that  
17 is precipitated by the ongoing strategic planning initiative  
18 and some other consulting needs, initiatives, that the  
19 executive office has identified. And there's \$175,000 for  
20 consulting within the executive office.

21           Legal affairs is -- the biggest item you will see

1 in any of these budgets is the salary. In the legal affairs  
2 -- excuse me, I think I said general counsel -- but the legal  
3 affairs office, the next biggest item that we have is  
4 \$120,000 for outside legal consultation when we have issues  
5 that we need to take to outside counsel because of litigation  
6 throughout the country and so forth. We did not spend that  
7 much money this year but it's sort of an estimate of what we  
8 project for Year 2000.

9           The biggest budget that we have as far as single  
10 office is the Office of Administration and Human Resources  
11 and that is because that is where the rent is charged. You  
12 heard this morning a report in regards to what our ongoing  
13 building requirements are and how we are looking at the  
14 prospects there.

15           We've budgeted \$1.3 million for rent this year but  
16 you might want to be alerted that this has two offsets  
17 against it. And one of those is the deferred rent incentive  
18 where we did not pay rent the first year within the  
19 corporation so we get \$15,000 a month rent offset of expense  
20 to basically buy down or amortize the deferred rent.

21           We also have a sub-lease where we get \$16,500. In

1 addition to that, what we are looking for in the future -- of  
2 course, we are growing and we are trying to add a few staff  
3 here and there. So we are going to have some space needs to  
4 look at in the future. So while we are looking at \$1.3  
5 million right now for rent, those items will go away in two  
6 years.

7           So there will be no \$15,000 for differed rent,  
8 there will be no \$16,000 for a sub-lease. And it looks like  
9 we may have to take over that space if we would stay in the  
10 particular building we are in. Plus, at the end of this  
11 term, we are only paying half of the real estate cost and  
12 that will double the real estate taxes.

13           Right now, we are paying approximately \$7,000 a  
14 month for real estate taxes as a pass through so that will go  
15 to \$14,000, actually, in October of 2002, if we would stay in  
16 that particular building. So this is to alert you that we  
17 are looking at some substantial increases in our rent in  
18 October 1, 2002.

19           Plus, one other item is the building has already  
20 approached us that they would like for us to stay and they  
21 want a \$2-per-square-foot bump in base rent which would add

1 another \$80,000 to it. So we are looking at about \$1.7  
2 million in rent in October of 2002 -- actually in June,  
3 beginning June of 2002. So, yes?

4 MS. MERCADO: I was really curious. I thought I  
5 heard you say that a certain amount of it was for real estate  
6 taxes?

7 MR. RICHARDSON: That's correct.

8 MS. MERCADO: As a non-profit, we pay taxes?

9 MR. RICHARDSON: That's right because we don't own  
10 the building. A for-profit organization owns the building so  
11 they have to pay real estate taxes and we have to reimburse  
12 them for them. That's one of the benefits that we could get  
13 by purchasing a building, that we would not have to pay real  
14 estate taxes.

15 CHAIR EAKELEY: That building is looking better and  
16 better. You better find a way to buy it.

17 MR. RICHARDSON: In addition, in this particular  
18 line, you will see the communications is \$86,000 and that is  
19 for postage and telephone cost because all that is charged to  
20 this particular budget, with the exception of long distance  
21 calls when people are travelling. But if we make a long

1 distance call within the office, it is charged to this budget  
2 line.

3           Additionally, there's \$218,000 in other operating  
4 expense and the first \$75,000 of that is for directors and  
5 officers liability insurance, commercial insurance, and the  
6 total corporate insurance needs as far as for the building.  
7 Any personnel benefits as far as health insurance,  
8 disability, it's charged to the benefits line.

9           And also, the other bigger items that are in here  
10 is all the corporate supplies, maintenance of equipment is  
11 charged to this particular line, along with the maintenance  
12 of the law library is charged to here and any costs  
13 associated with the archives.

14           Within the comptroller's office, there's an amount  
15 for \$25,000 for other operating, and mainly the biggest item  
16 there is the outside processing of payroll because we do that  
17 through Automatic Data Processing Company, ADP, and bank  
18 service charges.

19           Because years ago when I came to the corporation,  
20 all of our checking accounts were non-interest bearing. So  
21 all the banks were saying you can have your accounts free and

1 we will give you free accounts for your employees and we have  
2 changed that to the point where we last year earned about  
3 \$285,000 in interest but it does cost us about \$20,000 in  
4 bank service charges. So a nice net increase there that we  
5 get each year.

6 In addition, the next item is the Office of  
7 Information Technology. The largest items there is  
8 consulting and travel and transportation. Actually, in the  
9 \$200,000 that is in the OIT budget line is for a continue --  
10 the upgrading of our computer system.

11 We are looking at a document management system  
12 where we can scan in documents and sort of reduce the amount  
13 of paper and the need to store paper in our archives and be  
14 able to retrieve the information from our computer desk  
15 instead of going down to central archives and putting in a  
16 request and then copying the paper and taking it down. So we  
17 are trying to reduce paperwork and help efficiency there.

18 In addition, the \$85,000 is not just for travel but  
19 it's also for training. And this particular past year, we  
20 had trainings for our Sun Systems, our new financial  
21 accounting system, Excel, Word, and there's some HR Vantage,

1 our new personnel management software. And we continue to  
2 update and need some training there. Any time you bring in  
3 new employees and new staff, you need to train those in those  
4 particular software packages that they will be using so the  
5 money is set aside to do that.

6 In addition, there's the next larger item is the  
7 \$197,000 in the capital expenditures line. If you will  
8 recall, last year, we spent almost -- I don't have the exact  
9 figure but somewhere around \$400,000 on furniture and  
10 equipment and computers.

11 What we are trying to do instead of having a  
12 massive outlay in one particular year, we've instituted a  
13 plan that we would replace one-third of the computers a year  
14 so that we can continually update our hardware, so we can be  
15 current, and so that we won't have the necessity to set aside  
16 large sums of money in one year, but do it on an each-year  
17 basis and I think it would help us to keep modernizing and  
18 keep moving forward in this area.

19 Within the program performance area, of course,  
20 salary is a large item there but we do have money set aside  
21 for consulting and travel, \$248,000 in consulting and

1 \$190,000 for travel. Any time you have the competition  
2 initiative, such as we have, you heard the report this  
3 morning discussing some travel needs and the migrant program  
4 that's being put on, and this is the budget line that that  
5 will be charged.

6           Sometimes you will have capability assessments or  
7 issues that you do need to travel. Our program officers go  
8 to regional program officer meetings or program meetings and  
9 this is where they network and get together and keep up on  
10 the changing legal needs and help the programs whenever they  
11 can at that particular point.

12           The Office of Information Management has \$80,000  
13 for consulting and we are looking at some information  
14 gathering needs there, something that will help us when we do  
15 start reporting on the results act and how to gather some of  
16 the information. And there will be some programming that  
17 will be done there.

18           And this item will be ongoing, also, because as we  
19 saw with the strategic planning, as you identify areas that  
20 you want to gather information on and you sort of tweak your  
21 strategic plan and you decide to drop some areas and put some

1 others on, this budget line will help us to complete the  
2 computerization process and the updating process that we  
3 need.

4           The last line is the compliance line and there is  
5 an increase there for consulting and travel. Certainly, we  
6 want more emphasis in the field to go out and help programs  
7 remain in compliance, stay in compliance, and there's also  
8 program officers in this particular budget and they also go  
9 to regional program directors meetings. And there's travel  
10 that's necessitated because of referrals from the Inspector  
11 General, and all of that would be charged to this particular  
12 budget.

13           The last paragraph on this was written and provided  
14 to us by the IG. He has 17 staff members that is in his  
15 budget, consulting services for the audit service review,  
16 continuation of the cast -- statistical audits and expansion  
17 of the audit information and management system, and continued  
18 modernization of the computer equipment and messaging  
19 software.

20           So as we are updating our software, he is doing the  
21 same thing on his particular side and they are also looking

1 about upgrading computers on a -- and I'm not sure if it's a  
2 third or a quarter -- but they are also upgrading their  
3 computer hardware on an annual basis, too, in portions so  
4 they don't have a large amount in any particular year.

5 I realize this is very quick. I hope in the future  
6 that we can get this to you a little bit quicker where you  
7 will have an opportunity to review it and have your questions  
8 ready but it just so happens in January and the Holidays and  
9 then with weather and sickness and so forth, it's difficult  
10 to do at times but we endeavor to try to get it to you a  
11 little quicker each year. And I see that Maria Luisa has a  
12 question.

13 CHAIR EAKELEY: Maria Luisa?

14 MS. MERCADO: Yes, I was just curious why the line  
15 item for the Office of Inspector General and the consulting  
16 line, the \$545,000, is greater than our consulting lines for  
17 the compliance and enforcement of program performance?

18 MR. RICHARDSON: I would prefer to defer that  
19 question for the Inspector General. He has given me the  
20 total and what he is telling me is it's just the continuation  
21 of the audits. But nothing more than what you see.

1           CHAIR EAKELEY: Or is that the CSR compliance  
2 exercise?

3           MR. ERLNBORN: I think it is, a lot of it is.

4           MR. RICHARDSON: Because what he has given me is  
5 consulting services for audit service review, continuation of  
6 case statistical audits, and expansion of the audit  
7 information and management systems.

8

9

M O T I O N

10           CHAIR EAKELEY: Any other questions? All right, do  
11 we have a motion to approve the consolidated operating budget  
12 for the current fiscal year?

13           MS. MERCADO: So moved.

14           MR. SMEGAL: Second.

15           CHAIR EAKELEY: Any further discussion, or any  
16 discussion? Hearing none, all those in favor?

17           CHORUS: Aye.

18           CHAIR EAKELEY: Opposed? Abstained? The "ayes"  
19 have it. David, thank you very much.

20           MS. MERCADO: We're supposed to meet the bus at  
21 3:30?

1           CHAIR EAKELEY: Well, the bus -- it's a 15-minute  
2 ride, approximately. The budget directors are still meeting  
3 outside there. I would propose that we continue. The reason  
4 to continue in part is that there is weather coming tomorrow  
5 and the more that we can get in today, the less we will have  
6 to do tomorrow. But we should leave here, we should be  
7 aboard the bus by 3:45. Elizabeth, is that about right? So  
8 I would want to take a break so I would propose that we just  
9 go to the half past and then break.

10           MS. MERCADO: Can we have like 15 minutes just to  
11 call the office and see what emergencies --

12           CONSIDER AND ACT ON PROPOSED APPOINTMENT TO  
13           THE OFFICE OF VICE PRESIDENT OF PROGRAMS

14           CHAIR EAKELEY: Yes, Friday afternoon. Next in the  
15 absence of the IG is Item 15, Consider and Act on Proposed  
16 Appointment to the Office of Vice President of Programs. Mr.  
17 McKay?

18           MR. MCKAY: Thank you, Mr. Chairman. The Board  
19 members have a resolution in their Board books asking you to  
20 appoint one Randi Ewells as Vice President for Programs  
21 effective February 14th, and we are very pleased to have

1     Randi with us here in Austin.                     I would like to say  
2     just a couple of things.   First, I am tremendously grateful  
3     to Board members and to field representatives who helped us  
4     in our search for the vice president for programs.   I really  
5     appreciate your efforts in locating such an outstanding  
6     candidate as Randi Ewells.

7                     Randi is not a new person to legal services,  
8     certainly, nor is she really new to LSC, even in its current  
9     iteration.   She has served as an executive director, first in  
10    Iowa and then later in New Jersey.   She has been a very  
11    effective consultant with legal services programs and has  
12    been very, very helpful to all of us at LSC as we have both  
13    developed state planning and worked real closely with  
14    planners in very key states.

15                    And I think in the latest task that our community  
16    as a whole has placed on Randi, it became I think obvious to  
17    our search committee and certainly to me that we would  
18    benefit tremendously by asking Randi to join us in a very  
19    senior position at LSC and to serve as the Vice President for  
20    Programs.

21                    We have circulated the formal resume background of

1 Randi Ewells but I want to just add personally how pleased I  
2 am that Randi has agreed to us in a very senior position to  
3 help us with the continuing implementation of our state  
4 planning initiative and others that we discussed in greater  
5 detail today.

6 She will join us on February 14th and I know plans  
7 to move down from Harrisburg to be with us on a full time and  
8 permanent basis. Our chairman has stepped out but maybe with  
9 -- oh, he's here. I was just going to ask Randi if she would  
10 like to say a word or two to the Board.

11 MS. EWELLS: I've been with legal services, as many  
12 of you know, since 1975, in various capacities. I am really  
13 excited and am looking forward to the next chapter of my  
14 life. And I would like to thank you for offering the  
15 opportunity.

16 CHAIR EAKELEY: Let me say that we are excited and  
17 pleased, as well, Randi.

18 MR. MCKAY: I think it's fair to say Randi has now  
19 visited us maybe three times since my announcement of my  
20 intention to submit to the Board her name for this position  
21 and I have received uniformly excellent comments from her

1 future colleagues at LSC, from executive directors, from some  
2 in this room who have indicated their belief to me that we  
3 made an excellent choice and that we are actually quite  
4 fortunate that someone of Randi's caliber had agreed to join  
5 us in Washington.

6 I also want to take this time to thank Danilo  
7 Cardona, and Danilo, you are not off the hook yet. You stay  
8 with us in this role until Randi joins us on the 14th. But  
9 Danilo has handled both of his jobs during a long period of  
10 time as the director of compliance and enforcement. It's  
11 been a real pleasure for me to further development my  
12 friendship with Danilo and my respect for him just abounds.

13 He has taken on this job, overcome I think some who  
14 didn't know him and who now have seen him perform in this  
15 broader role of serving as acting vice president for  
16 programs, and I think he has done it with grace and with  
17 skill and with courage, and he has been an absolute pleasure  
18 to work with. And I wanted to thank him publicly for --

19 A PARTICIPANT: We have John Broderick concerning  
20 the conference call.

21 MR. MCKAY: I want to thank Danilo publicly for

1 taking both of those jobs on and for agreeing to do them at a  
2 time when the corporation really needed him. So Danilo,  
3 thank you.

4 CHAIR EAKELEY: Hello, John. Doug Eakeley, here.  
5 You've just come in the middle of -- if you have your agenda  
6 there -- Item Number 15, and John McKay's just reintroduced  
7 Randi Ewells and Randi has just said some nice things and  
8 John just said some nice things back about her and also about  
9 Danilo. And we are about to entertain a motion to --

10 MR. MCKAY: Actually, I said a lot of nice things  
11 about John Broderick but he wasn't on the line and I'm not  
12 going to repeat them.

13 JUDGE BRODERICK: No, go ahead and repeat them,  
14 John.

15 M O T I O N

16 CHAIR EAKELEY: Is there a motion to approve the  
17 appointment of Randi Ewells to the Office of Vice President  
18 of Programs?

19 MR. ERLNBORN: So moved.

20 MS. WATLINGTON: I second.

21 CHAIR EAKELEY: Second by Ernestine. Any further

1 discussion? All those in favor?

2 CHORUS: Aye.

3 CHAIR EAKELEY: Opposed? Abstained? The "ayes"  
4 have it. Randi, congratulations and again, welcome, although  
5 you've been welcomed and we look forward to working with you.

6 MR. ASKEW: Ernestine, you don't question her  
7 judgment moving from Harrisburg to Washington?

8 MS. WATLINGTON: Well, I had the pleasure of trying  
9 to get Randi to work as the State Director of our legal  
10 services program in Pennsylvania. We lost her but I'll have  
11 a chance to work with her again.

12 CHAIR EAKELEY: The next item is the report by  
13 Justice Broderick on the recommendations of the Board  
14 Development Task Force but, John, we don't have your report  
15 with us but we are getting it faxed so that the Board members  
16 can have it. And I would propose that we differ the  
17 discussion on that report until tomorrow, if you can join us  
18 by phone again and lead the discussion. Is that okay, John?

19 JUDGE BRODERICK: I certainly will.

20 CHAIR EAKELEY: And I think that that discussion  
21 ought to precede the election of Board chair and vice chair

1 and committee appointments for the reasons that are stated in  
2 the recommendation of the committee. But with the  
3 acquiescence of the Board, what I would like to do is address  
4 Items 20 and 21 and then adjourn, if that is all right?

5           CONSIDER AND ACT ON THE EXTENSION OF JOHN MCKAY'S  
6           CONTRACT OF EMPLOYMENT AS PRESIDENT OF THE CORPORATION

7           CHAIR EAKELEY: item 20 is Consider and Act on the  
8 Extension of John McKay's Contract of Employment. I guess it  
9 occurred since our last Board meeting but as you know, at my  
10 urging and the urging of a number of other people all over  
11 the place, John has graciously consented to extending the  
12 term of his employment through October of this current year.  
13 And what we have not done, and it is my fault, is negotiate  
14 the terms of confer or adjust the terms of the employment  
15 agreement to reflect that extension.

16           But what I would like to do is secure the Board's  
17 approval of the extension of the employment subject to my  
18 negotiating, our drafting the employment agreement and its  
19 ratification by the Board, as we have done in the past?

20           MR. SMEGAL: So moved.

21           MS. MERCADO: Second.

1           CHAIR EAKELEY:  Are there any questions, any  
2  comments?

3           MR. MCCALPIN:  Is there any possible political fall  
4  out from extending through October?

5           MR. MCKAY:  How do you define "political?"

6           MR. MCCALPIN:  Well, what does it look like if you  
7  should leave a week before the national election?

8           MR. MCKAY:  I don't think anyone will be paying  
9  attention.

10          MR. MCCALPIN:  The thought popped into my head.

11          MS. MERCADO:  It was based on the fiscal year,  
12  wasn't it?  That's what I understood it to be.

13          MR. MCKAY:  Let me just re-emphasize, I have  
14  extended at your request through October but also indicated I  
15  have not announced my intention to depart at that time.  What  
16  I think we will do is take this up again in the spring, as I  
17  had suggested and I think Board members agreed with that,  
18  that we would discuss my tenure again in the spring.

19                 And so if there is a sensitivity there that truly  
20  is political, Bill, I am very open to making it a different  
21  time.

1           MR. MCCALPIN: I'm not sure there is but just the  
2 question came to my mind, it's just a week before the  
3 election.

4           CHAIR EAKELEY: I was planning to use it to  
5 encourage him to stay longer.

6           MS. FAIRBANKS-WILLIAMS: That would give pressure  
7 to make him stay until later.

8           MR. SMEGAL: So this is really Item 20 and we  
9 should amend the agenda to read "First extension."

10          CHAIR EAKELEY: "Further." Any other questions?  
11 Hearing none, it's been moved and seconded that the Board  
12 approve the extension of John McKay's employment through  
13 October 31 of the Year 2000. All those in favor?

14          CHORUS: Aye.

15          CHAIR EAKELEY: All those opposed? All those  
16 abstained? The "ayes" have it. The motion carries and the  
17 extension is approved. And I will get working on the draft.  
18 I apologize to you and to Victor, John.

19          ADJUSTMENT OF THE RATE OF COMPENSATION TO BE

20                 PAID TO THE PRESIDENT OF THE CORPORATION

21          CHAIR EAKELEY: he last item is "Adjustment to the

1 Rate of Compensation to be Paid." You will recall that the  
2 bylaws fix the President's salary at the level 5 of the  
3 executive -- Bill McCalpin's saying no.

4 MR. MCCALPIN: Not to exceed.

5 CHAIR EAKELEY: Not to exceed, that's correct. It  
6 sets the ceiling for it.

7 MR. MCCALPIN: The statute does, as well as the  
8 bylaws.

9 CHAIR EAKELEY: And as a consequence of that  
10 ceiling, we have a situation where the next level of  
11 management's salary bump up against the compensation of the  
12 President and there is a natural compression. We have talked  
13 before about seeing whether the Congress would change the  
14 ceiling and change the level of the ceiling so that there  
15 would be more of an opportunity to offer more of a salary to  
16 the President and also more of a range within the level of  
17 management of the corporation.

18 That may or may not happen. But in the meantime,  
19 we have a new rate for level 5 that has gone up from \$108,200  
20 to \$110,700 -- I'm sorry, I'm sorry. Let me start over.

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## M O T I O N

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The level 5 has gone from \$110,700 to \$114,500. I asked that we put this item on the agenda because it seems to me that it is appropriate to raise the salary to the level of the new rate for level 5 of the executive schedule, unless it's there.

8

MR. ASKEW: So moved.

9

MS. WATLINGTON: Second.

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CHAIR EAKELEY: Moved and seconded. Any questions?

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MS. MERCADO: I just had a clarification. For some reason, I thought I remembered that the contract just tied his salary to that level?

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CHAIR EAKELEY: No, it's subject -- not only is Bill correct about the bylaws permitting but not requiring us to move to that executive level, but also the contract stipulates a specific number. And actually, where we were -- we went from \$108,200 to \$110,700, as the executive levels changed, with a great lag, I might add. We weren't prompt in doing it.

21

But I think it's appropriate to get the salary

1 structure in line and in order to do that, it's appropriate  
2 to move the President's salary level accordingly. When is  
3 the executive level effective, do we know? Fiscal year?

4 A PARTICIPANT: January 1.

5 CHAIR EAKELEY: January 1 of this year? The sense  
6 of the motion is to make it effective January 1 of this year?

7 MR. ASKEW: Right.

8 M O T I O N

9 CHAIR EAKELEY: Any further questions, discussion?

10 Hearing none, all those in favor of adjusting the rate of  
11 compensation to be paid to the President to the new level 5  
12 of \$114,500?

13 CHORUS: Aye.

14 CHAIR EAKELEY: All those opposed? Abstained? The  
15 "ayes" have it and the motion carries. It's about 3:15.  
16 We've got about one-half hour to get to the bus. Let me just  
17 mention this as a possibility. How likely will we be to be  
18 in a position to start our meeting at 10:30 tomorrow?

19 A PARTICIPANT: Very.

20 A PARTICIPANT: Very not.

21 CHAIR EAKELEY: Very unlikely?

1           MS. MERCADO: Yes, if everyone is going to  
2 participate and we are supposed to walk or run and then come  
3 back and shower and get ready for an 11:00 meeting, I don't  
4 think so.

5           A PARTICIPANT: It would be a shorter meeting if  
6 you didn't shower.

7           CHAIR EAKELEY: Do we want to take -- we said we  
8 would go until 3:30 today. I'm wondering if we could, should  
9 take Doreen out of turn or whether you want to talk today or  
10 do you want to wait until tomorrow and speak to us then,  
11 Doreen? The project makers aren't here and it's an unfair  
12 question, I realize. We were planning on having most of  
13 tomorrow will be presentations by project directors, address  
14 by Chief Justice Phillips, your comments, and any other  
15 public comments that there might be so maybe it's more  
16 appropriate to wait until tomorrow. Unless you are trying to  
17 get out of town, as most of us would be. So whatever you  
18 prefer?

19           MS. DODSON: No, my plane was \$200 if I stayed  
20 Saturday night and \$1,300 if I didn't. So I'm here.

21

1 M O T I O N

2 CHAIR EAKELEY: All right, well, then I propose  
3 that we recess for the day. I'm sorry, you want to go to  
4 closed session and take Victor Fortuno's briefing? Why don't  
5 we do that Victor, if we might? That requires a motion to go  
6 into executive session.

7 MR. ERLNBORN: So moved.

8 MS. WATLINGTON: Second.

9 CHAIR EAKELEY: All those in favor?

10 CHORUS: Aye.

11 CHAIR EAKELEY: The "ayes" have it. Now, we are in  
12 executive session.

13 (Whereupon, at 3:20 p.m., the meeting was adjourned  
14 to executive session.)

15 \* \* \* \* \*

1           CHAIR EAKELEY: We are now in public session and I  
2 would entertain a motion to recess. The door is now open.  
3 We are now in public session.

4                           M O T I O N

5           CHAIR EAKELEY: would entertain a motion to recess  
6 until tomorrow but we will start absolutely, promptly at  
7 11:00 a.m.

8           MR. MCCALPIN: So moved.

9           CHAIR EAKELEY: Second?

10          MS. WATLINGTON: Second.

11          CHAIR EAKELEY: All those in favor?

12          CHORUS: Aye.

13          CHAIR EAKELEY: All right, we stand in recess until  
14 tomorrow morning.

15                   (Whereupon, at 3:29 p.m., the meeting was  
16 adjourned.)

17                                   \* \* \* \* \*