

LEGAL SERVICES CORPORATION

Board of Directors Meeting

October 5 – 7, 2014

Location:

Hilton Albany
40 Lodge Street
Albany, New York 12207



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For a complete listing of agenda items, see each individual agenda.

Schedule

CONFIDENTIAL

LEGAL SERVICES CORPORATION BOARD OF DIRECTORS

MEETING SCHEDULE

OCTOBER 5-7, 2014

Meeting Location:

Hilton Albany Hotel

40 Lodge Street

Albany, New York 12207

Tel: (518) 462-6611

SUNDAY, OCTOBER 5, 2014			
Start	End	Meeting/Event	Location
1:30pm	2:30pm	Buffet Lunch	Empire AB Hilton Albany Hotel
3:30pm	5:15pm	Operations & Regulations Committee	Chambers Hilton Albany Hotel
5:15pm	6:30pm	<p>Delivery of Legal Services Committee</p> <p>Panel: The Difference that Leadership from the Judiciary Makes -- How the New York State Task Force on Increasing Access to Justice Affects Legal Services Across New York</p> <p><u>Executive Directors</u></p> <p><i>Barbara Finkelstein</i>, Legal Services of the Hudson Valley <i>William J. Hawkes</i>, Neighborhood Legal Services, Inc. <i>Paul J. Lupia</i>, Legal Aid Society of Mid-New York, Inc. <i>Lillian M. Moy</i>, Legal Aid Society of Northeastern New York <i>C. Kenneth Perri</i>, Legal Assistance of Western New York, Inc.</p> <p><u>Moderator</u></p> <p><i>Cheryl Nolan</i>, Program Counsel, Office of Program Performance, Legal Services Corporation</p>	Chambers Hilton Albany Hotel
6:30pm	---	Board Dinner	Jack's Oyster House 42 State Street

CONFIDENTIAL

LEGAL SERVICES CORPORATION BOARD OF DIRECTORS

MEETING SCHEDULE

OCTOBER 5-7, 2014

Meeting Location:

Hilton Albany Hotel

40 Lodge Street

Albany, New York 12207

Tel: (518) 462-6611

MONDAY, OCTOBER 6, 2014

Start	End	Meeting/Event	Location
7:00am	7:45am	Breakfast	Empire AB Hilton Albany Hotel
7:45am	9:15am	Audit Committee	Chambers Hilton Albany Hotel
9:15am	10:15am	Governance and Performance Review Committee	Chambers Hilton Albany Hotel
10:15am	11:00am	Institutional Advancement Committee	Chambers Hilton Albany Hotel
11:30am	12:45pm	<p>Introductory Remarks <i>John G. Levi</i>, Board Chair, Legal Services Corporation <i>Chief Judge Jonathan Lippman</i>, New York Court of Appeals</p> <p>Panel: Judicial Initiatives to Improve Access to Justice <i>Chief Judge Jonathan Lippman</i>, New York Court of Appeals <i>Chief Justice Paul L. Reiber</i>, Vermont Supreme Court <i>Justice Fern Fisher</i>, Director, New York State Courts Access to Justice Program & Deputy Chief Administrative Judge for NYC Courts</p> <p><u>Moderator</u> <i>Helaine M. Barnett</i>, Chair, Task Force to Expand Access to Civil Legal Services in New York and former LSC President (2004-2009)</p>	Courtroom New York Court of Appeals
12:45pm	1:45pm	<p>Luncheon <u>Keynote Speaker</u> <i>Paulette Brown</i>, American Bar Association President-Elect</p>	Library New York Court of Appeals

2:00pm	4:00pm	<p align="center">Hearing: Task Force to Expand Access to Civil Legal Services in New York <i>Chief Judge Jonathan Lippman, New York Court of Appeals</i></p> <p align="center"><u>Testifying Witness (among others)</u> <i>Dean Martha Minow, Harvard Law School and LSC Board Vice Chair</i></p>	<p align="center">Courtroom New York Court of Appeals</p>
4:30pm	5:30pm	<p align="center">Finance Committee</p>	<p align="center">Chambers Hilton Albany Hotel</p>
6:00pm	7:30pm	<p align="center">Pro Bono Awards Reception</p> <p align="center"><u>Speakers</u> <i>The Honorable Paul D. Tonko, 20th District of New York</i> <i>Glenn Lau-Kee, New York State Bar Association President</i></p> <p align="center"><u>Awardees</u> <i>Leah Belfort</i> <i>Frank Beretta</i> <i>Honorable Hugh C. Humphrey</i> <i>Evelyn Kalenscher</i> <i>Phillip Smith</i> <i>Kevin Kearney and Hodgson Russ LLP</i> <i>Morrison & Foerster LLP</i> <i>O'Connell and Aronowitz P.C.</i></p>	<p align="center">The Great Hall New York State Bar Association</p>
7:45pm	---	<p align="center">Board Dinner</p>	<p align="center">The Capital American Eatery and Lounge 55 N. Pearl St.</p>

CONFIDENTIAL

LEGAL SERVICES CORPORATION BOARD OF DIRECTORS

MEETING SCHEDULE

OCTOBER 5-7, 2014

**Meeting Location:
Hilton Albany Hotel
40 Lodge Street
Albany, New York 12207
Tel: (518) 462-6611**

TUESDAY, OCTOBER 7, 2014

Start	End	Meeting/Event	Location
7:00am	8:00am	Breakfast	Empire AB Hilton Albany Hotel
8:00am	10:00am	Open Board Meeting	Chambers Hilton Albany Hotel
10:00am	11:00am	Closed Board Meeting	Chambers Hilton Albany Hotel
11:00am	11:30am	Lunch (to go)	Chambers Hilton Albany Hotel

New York Schedule

**LEGAL SERVICES CORPORATION
NEW YORK CITY EVENT SCHEDULE
OCTOBER 7, 2014
Debevoise & Plimpton, LLP
919 Third Avenue
New York City
Tel: (212) 909-6000**

TUESDAY, OCTOBER 7, 2014			
Start	End	Meeting/Event	Location
11:30am	---	Transportation to Amtrak Station	Rensselaer Rail Station 525 East Street Rensselaer, New York
12:10pm	2:50pm	Train to New York City	Penn Station 234 West 31 st Street New York City
3:00pm	---	Transportation to Grand Hyatt New York	Grand Hyatt New York 109 East 42 nd Street Grand Central Terminal
4:00pm	---	Transportation to Debevoise & Plimpton, LLP	Debevoise & Plimpton, LLP 919 Third Avenue New York City
4:30pm	6:00pm	<p style="text-align: center;">Introductory Remarks <i>John G. Levi, Board Chair, Legal Services Corporation</i></p> <p style="text-align: center;">Speaker <i>Dean Trevor Morrison, NYU Law School</i></p> <p style="text-align: center;"><u>Panel: Pro Bono Partnerships in New York City</u> <i>Lillian Moy, Legal Aid Society of Northeastern New York</i> <i>Dan Hurteau, Nixon Peabody</i></p> <p style="text-align: center;">❖</p> <p style="text-align: center;"><i>Rann Rasmussen, Legal Services NYC</i> <i>Rossalyn Quaye, Consolidated Edison Company of New York</i></p> <p style="text-align: center;">❖</p> <p style="text-align: center;"><i>Jeff Seigel, Nassau Suffolk Law Services</i> <i>John McEntee, Farrel Fritz PC</i></p>	Debevoise & Plimpton, LLP
6:15pm	7:30pm	<p style="text-align: center;">Reception <i>Remarks by The Honorable Jerry Nadler, New York's 10th District and Ranking Member, Judiciary Subcommittee on Courts, Intellectual Property, and the Internet</i></p>	Debevoise & Plimpton, LLP

Operations & Regulations Committee

Agenda

OPERATIONS & REGULATIONS COMMITTEE

October 5, 2014

Agenda

OPEN SESSION

1. Approval of agenda
2. Approval of minutes of the Committee's Open Session meeting on July 20, 2014
3. Report on updating population data for grants to serve migratory and other agricultural workers
 - Ron Flagg, General Counsel
4. Report on Rulemaking Agenda
 - Ron Flagg, General Counsel
 - Stefanie Davis, Assistant General Counsel
 - Mark Freedman, Senior Assistant General Counsel
5. Consider and act on 45 CFR Part 1614—Private Attorney Involvement
 - Ron Flagg, General Counsel
 - Stefanie Davis, Assistant General Counsel
 - Mark Freedman, Senior Assistant General Counsel
 - Public comment
6. Other public comment
7. Consider and act on other business
8. Consider and act on adjournment of meeting

**Draft Minutes of the July 20, 2014
Open Session Meeting**

**Legal Services Corporation
Meeting of the Operations & Regulations Committee**

Open Session

Sunday, July 20, 2014

DRAFT

Committee Chairman Charles N.W Keckler convened an open session meeting of the Legal Services Corporation's ("LSC") Operations and Regulations Committee ("the Committee") at 1:34 p.m. on Sunday, July 20, 2014. The meeting was held at the Des Moines Marriott Downtown, 700 Grand Avenue, Des Moines, Iowa 50509.

The following Committee members were present:

Charles N.W. Keckler, Chairman
Robert J. Grey, Jr.
Harry J. F. Korrell, III
Laurie I. Mikva
John G. Levi, *ex officio*

Other Board members present:

Sharon L. Browne
Victor B. Maddox
Father Pius Pietrzyk
Julie A. Reiskin
Gloria Valencia-Weber

Also attending were:

James J. Sandman	President
Lynn Jennings	Vice President for Grants Management
Ronald S. Flagg	Vice President for Legal Affairs, General Counsel, and Corporate Secretary
Mark Freedman	Senior Assistant General Counsel, Office of Legal Affairs (OLA), (by telephone)
Stefanie Davis	Assistant General Counsel, Office of Legal Affairs (OLA), (by telephone)
David L. Richardson	Comptroller and Treasurer
Carol Bergman	Director, Office of Government Relations and Public Affairs (GRPA)
Carl Rauscher	Director of Media Relations, Office of Government Relations and Public Affairs (GRPA)

Wendy Long	Executive Assistant, Office of Government Relations and Public Affairs (GRPA)
Marcos Navarro	Design Director, Office of Government Relations and Public Affairs (GRPA)
Julia Kramer	Program Counsel, Office of Compliance and Enforcement, Executive Office
Jeffrey E. Schanz	Inspector General
Thomas Coogan	Assistant Inspector General for Investigations, Office of the Inspector General (OIG)
David Maddox	Assistant Inspector General for Management and Evaluation, Office of the Inspector General
Tom Hester	Associate Counsel, Office of the Inspector General (by telephone)
John Seeba	Assistant Inspector General for Audit, Office of Inspector General
Lora M. Rath	Director, Office of Compliance and Enforcement (OCE)
Janet LaBella	Director, Office of Program Performance (OPP)
Frank Strickland	Non-Director Member, Institutional Advancement Committee
Herbert S. Garten	Non-Director Member, Institutional Advancement Committee
Allan J. Tanenbaum	Non-Director Member, Finance Committee
Robert E. Henley, Jr.	Non-Director Member, Institutional Advancement Committee
Terry Brooks	American Bar Association Standing Committee on Legal Aid and Indigent Defendants (SCLAID)
Dennis Groenenboom	Executive Director, Iowa Legal Aid
Patrick McClintock	Iowa Legal Aid
Chris Luzzie	Iowa Legal Aid
Alex Kornya	Iowa Legal Aid

The following summarizes actions taken by, and presentations made to, the Committee:

Committee Chairman Keckler noted the presence of a quorum and called the meeting to order.

MOTION

Ms. Mikva moved to approve the agenda. Mr. Korrell seconded the motion.

VOTE

The motion passed by voice vote.

MOTION

Ms. Mikva moved to approve the minutes of the Committee meetings of April 7, 2014. Mr. Grey seconded the motion.

VOTE

The motion passed by voice vote.

Mr. Flagg reported on acquisitions management. He briefed the Committee on the revisions being made to Chapter 1 of the LSC administrative manual governing procurement and contracting. Mr. Flagg answered Committee members' questions.

Next, Mr. Flagg provided a status report on the rulemaking regarding 45 CFR Part 1614, Private Attorney Involvement. He answered Committee members' questions.

President Sandman briefed the Committee on the public comments received regarding LSC's proposed grant assurances for FY 2015. He answered Committee members' questions.

Committee Chairman Keckler led the discussion on Management's prioritized proposed rulemakings agenda. Mr. Flagg and Ms. Davis answered Committee members' questions.

MOTION

Chairman Keckler moved to approve Management's first three prioritized proposed rulemakings on the agenda. Ms. Mikva seconded the motion.

VOTE

The motion passed by voice vote.

Committee Chairman Keckler led the discussion regarding the additional information the Committee requested on the provision of assistance to aliens subject to withholding of removal under the Convention Against Torture (CAT) and deferral of removal under the CAT. Ms. Bergman and Committee members gave comments.

Committee Chairman Keckler invited public comment and received none.

There was no other business to consider.

MOTION

Mr. Grey moved to adjourn the meeting. Ms. Mikva seconded the motion.

VOTE

The motion passed by voice vote.

The meeting of the Committee adjourned at 3:17 p.m.

Proposed Rulemaking Agenda



OFFICE OF LEGAL AFFAIRS

To: Operations and Regulations Committee

From: Ronald S. Flagg, Vice President for Legal Affairs and General Counsel
Mark Freedman, Senior Assistant General Counsel
Stefanie K. Davis, Assistant General Counsel
Sarah Anderson, OLA Graduate Fellow
Peter Karalis, OLA Graduate Fellow

Re: Proposed Timeline for 2015-2016 Rulemaking

Date: September 4, 2014

Rulemaking Agenda and Proposed Timelines

A. Revisions to the 45 C.F.R. § 1640.2(a)(1) definition of “Federal law relating to the proper use of Federal funds”

Part 1640 implements section 504(a)(19) of the fiscal year 1996 LSC appropriation act, which renders a recipient’s grant void if the recipient violates any “provisions of Federal law relating to the proper use of Federal funds[.]” Pub. L. 104-134, § 504(a)(19), 110 Stat. 1321, 1321-56 (1996). LSC defined “Federal law relating to the proper use of Federal funds” explicitly to include the thirteen laws listed therein. 45 C.F.R. § 1640.2(a)(1).

Our research into Federal laws governing waste, fraud, and abuse identified at least three such laws that are not listed under § 1640.2(a)(1). We also identified four laws currently listed that do not pertain to our recipients’ use of federal funds. We propose to revise the regulation to remove the laws that are not relevant and to include additional federal laws governing waste, fraud, and abuse. We will consult with the Office of Inspector General during this rulemaking.

The proposed timeline for revision is as follows:

- **January 2015** – Present Committee and Board with a Rulemaking Options Paper and draft NPRM. We propose a 30-day comment period for the NPRM.
- **April 2015** – Present Committee and Board with a final rule.

B. Revisions to 45 C.F.R. Parts 1610 and 1627

Parts 1610 and 1627 jointly govern the use of LSC funds paid by a recipient to a third party under certain circumstances. The Board approved rulemaking for subgrants and transfers at the July 2012 Board Meeting in Ann Arbor, Michigan. Transcript of Meeting of the Board of Directors at 99-101 (July 27, 2012). The Board authorized LSC to revise the rules for clarity about the third-party payments to which they apply. As we explained in our June 6, 2014 memo to Management and our July 2, 2014 memo to the Committee, we also have identified a number of other issues to be addressed through this rulemaking. Because these rules have not been revised substantially in many years, and because the issues we have identified are numerous and complex, we believe it is necessary to consult with OCE and OPP in advance of drafting. We have had initial conversations with OCE on the subject of transfers to other organizations of resources or services paid for with LSC funds, and how such transfers should be treated under parts 1610 and 1627. We expect those conversations to continue later this month and throughout the fall.

The proposed timeline for revision is as follows:

- **September 2014** – Begin research and discussions with OPP and OCE, including fiscal staff.
- **April 2015** – Present Committee and Board with Rulemaking Options Paper and draft NPRM. We propose a 30-day comment period for the NPRM.
- **October 2015** – Present Committee and Board with a final rule.

C. Revisions to 45 C.F.R. Part 1630 and the Property Acquisition and Management Manual (PAMM)

LSC issued the PAMM in 2001, and it has not been revised since issuance. Part 1630 was issued in 1997, and overlaps with the PAMM insofar as it establishes policy and procedures for when recipients must seek prior approval of a purchase of personal or real property. 45 C.F.R. §§ 1630.1, 1630.5, and 1630.6. Like the proposed rulemaking for Parts 1610 and 1627, we anticipate that this rulemaking will require significant staff time to discuss and address the issues identified in our earlier memos to Management and the Committee. For that reason, we propose delaying the beginning of this rulemaking until after the major portion of the Part 1610/1627 rulemaking is completed.

The proposed timeline for revision is as follows:

- **Summer 2015** – Preliminary research and internal discussion with staff.
- **January 2016** – Present Committee and Board with Rulemaking Options Paper and NPRM.

**Private Attorney Involvement
Proposed Rule 45 CFR Part 1614**

LEGAL SERVICES CORPORATION

45 CFR Part 1614

Private Attorney Involvement

AGENCY: Legal Services Corporation

ACTION: Final rule

SUMMARY: This final rule updates the Legal Services Corporation (LSC or Corporation) regulation on private attorney involvement (PAI) in the delivery of legal services to eligible clients.

DATE: The rule will be effective [INSERT DATE 30 DAYS AFTER PUBLICATION OF THIS NOTICE IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Stefanie K. Davis, Assistant General Counsel, Legal Services Corporation, 3333 K Street NW, Washington, DC 20007, (202) 295-1563 (phone), (202) 337-6519 (fax), sdavis@lsc.gov.

SUPPLEMENTARY INFORMATION:

I. Private Attorney Involvement

In 1981, LSC issued the first instruction (“Instruction”) implementing the Corporation’s policy that LSC funding recipients dedicate a percentage of their basic field grants to involving private attorneys in the delivery of legal services to eligible clients. 46 FR 61017, 61018, Dec. 14, 1981. The goal of the policy was to ensure that recipients would provide private attorneys with opportunities to give legal assistance to eligible clients “in the most effective and economical manner and consistent with the purposes and requirements of the Legal Services Corporation Act.” *Id.* at 61017. The Instruction gave recipients guidance on the types of

opportunities that they could consider, such as engaging private attorneys in the direct representation of eligible clients or in providing community legal education. Id. at 61018.

Recipients were directed to consider a number of factors in deciding which activities to pursue, including the legal needs of eligible clients, the recipient's priorities, the most effective and economical means of providing legal assistance, linguistic and cultural barriers to effective advocacy, conflicts of interest between private attorneys and eligible clients, and the substantive expertise of the private attorneys participating in the recipients' projects. Id.

LSC published the first PAI rule in 1984. 49 FR 21328, May 21, 1984. The new regulation adopted the policy and procedures established by the Instruction in large part. The rule adopted an amount equivalent to 12.5% of a recipient's basic field grant as the amount recipients were to spend on PAI activities. Id. The rule also adopted the factors that recipients were to consider in determining which activities to pursue and the procedures by which recipients were to establish their PAI plans. Id. at 21328-29. Finally, the rule incorporated the Instruction's prohibition on using revolving litigation funds as a method of engaging private attorneys. Id. at 21329.

Over the course of the next two years, LSC amended the PAI rule in several material respects. In recognition of LSC's belief that "the essence of PAI is the direct delivery of legal services to the poor by private attorneys," LSC introduced a provision requiring recipients to meet at least part of their PAI requirement by engaging private attorneys to provide legal assistance directly to eligible clients. 50 FR 48586, 48588, Nov. 26, 1985. At the same time, LSC introduced rules governing joint ventures, waivers, and sanctions for failure to comply with the PAI requirement, in addition to establishing simplified audit rules. Id. at 48587-89. The following year, LSC made two substantive changes to the rule. First, LSC included a definition for the term private attorney, which the Corporation defined as "an attorney who is not a staff

attorney as defined in § 1600.1 of these regulations.” 51 FR 21558, June 13, 1986. Second, LSC promulgated the “blackout provision,” which prohibited recipients from counting toward their PAI requirement payments made to individuals who had been staff attorneys within the preceding two years. *Id.* at 21558-59.

LSC last amended part 1614 in 2013 as part of the final rule revising LSC’s enforcement procedures. 79 FR 10085, Feb. 13, 2013. The only effect of the 2013 amendments was to harmonize part 1614 with the enforcement rules by eliminating references to obsolete rules and replacing them with references to the new rules. *Id.* at 10092.

II. The Pro Bono Task Force

On March 31, 2011, the LSC Board of Directors (Board) approved a resolution establishing the Pro Bono Task Force. Resolution 2011-009, “Establishing a Pro Bono Task Force and Conferring Upon the Chairman of the Board Authority to Appoint Its Members,” Mar. 31, 2011, <http://www.lsc.gov/board-directors/resolutions/resolutions-2011>. The purpose of the Task Force was to “identify and recommend to the Board new and innovative ways in which to promote and enhance pro bono initiatives throughout the country[.]” *Id.* The Chairman of the Board appointed to the Task Force individuals representing legal services providers, organized pro bono programs, the judiciary, law firms, government attorneys, law schools, bar leadership, corporate general counsels, and technology providers.

The Task Force focused its efforts on identifying ways to increase the supply of lawyers available to provide pro bono legal services while also engaging attorneys to reduce the demand for legal services. Legal Services Corporation, Report of the Pro Bono Task Force at 2, October 2012, available at <http://lri.lsc.gov/legal-representation/private-attorney-involvement/resources>. Members considered strategies for expanding outreach to private attorneys and opportunities for

private attorneys to represent individual clients in areas of interest to the attorneys. In addition, the Task Force explored strategies, such as appellate advocacy projects or collaborations with special interest groups, to help private attorneys address systemic problems as a way to decrease the need for legal services on a larger scale than can be achieved through individual representation. Id. Finally, the Task Force considered ways in which volunteers, including law students, paralegals, and members of other professions, could better be used to address clients' needs. Id.

In October 2012, the Task Force released its report to the Corporation. The Task Force made four overarching recommendations to LSC in its report.

Recommendation 1: LSC Should Serve as an Information Clearinghouse and Source of Coordination and Technical Assistance to Help Grantees Develop Strong Pro Bono Programs

Recommendation 2: LSC Should Revise Its Private Attorney Involvement (PAI) Regulation to Encourage Pro Bono.

Recommendation 3: LSC Should Launch a Public Relations Campaign on the Importance of Pro Bono

Recommendation 4: LSC Should Create a Fellowship Program to Foster a Lifelong Commitment to Pro Bono

The Task Force also requested that the judiciary and bar leaders assist LSC in its efforts to expand pro bono by, for example, changing or advocating for changes in court rules that would allow retired attorneys or practitioners licensed outside of a recipient's jurisdiction to engage in pro bono legal representation. Id. at 25-27. Collaboration among LSC recipients, the private bar, law schools, and other legal services providers was a theme running throughout the Task Force's recommendations to the Corporation.

Recommendation 2 provided the impetus for the NPRM. Recommendation 2 had three subparts. Each recommendation focused on a portion of the PAI rule that the Task Force

identified as posing an obstacle to effective engagement of private attorneys. Additionally, each recommendation identified a policy determination of the Corporation or an interpretation of the PAI rule issued by the Office of Legal Affairs (OLA) that the Task Force believed created barriers to collaboration and the expansion of pro bono legal services. The three subparts are:

2(a) – Resources spent supervising and training law students, law graduates, deferred associates, and others should be counted toward grantees’ PAI obligations, especially in “incubator” initiatives.

2(b) – Grantees should be allowed to spend PAI resources to enhance their screening, advice, and referral programs that often attract pro bono volunteers while serving the needs of low-income clients.

2(c) – LSC should reexamine the rule that mandates adherence to LSC grantee case handling requirements, including that matters be accepted as grantee cases in order for programs to count toward PAI requirements.

Id. at 20-21.

The Task Force observed in Recommendation 2 that the “PAI regulation has resulted in increased collaboration between LSC grantees and private attorneys,” but that the legal market has changed since the rule’s issuance. Id. at 20. The Task Force suggested that “there are certain areas where the regulation might productively be revised to ensure that LSC grantees can use their grants to foster pro bono participation.” Id. at 20. For example, the omission of services provided by law students and other non-lawyers and the poor fit of the “staff attorney” construct in the definition of “private attorney” created complications for recipients attempting to fulfill the PAI requirement. Id. at 20-21. The Task Force encouraged LSC to undertake a “thoughtful effort to reexamine the regulation to ensure that it effectively encourages pro bono participation.”

Id. at 22.

III. History of this Rulemaking

After receiving the PBTF’s report, LSC determined that it would be necessary to revise part 1614 to respond to some of the Task Force’s recommendations. On January 26, 2013, LSC’s

Board of Directors authorized the initiation of rulemaking to explore options for revising the PAI requirement.

LSC determined that an examination of the PAI rule within the context of the Task Force recommendations would benefit from early solicitation of input from stakeholders. LSC therefore published two requests for information seeking both written comments and participation in two rulemaking workshops held in July and September 2013. The first request for information focused discussion specifically on the three parts of Recommendation 2. 78 FR 27339, May 10, 2013. The second request for information, published after the July workshop, supplemented the first with questions developed in response to issues raised at the July workshop. 78 FR 48848, Aug. 12, 2013. The closing date of the comment period for both requests for information was October 17, 2013.

The Corporation considered all comments received in writing and provided during the rulemaking workshops in the development of the NPRM. On April 8, 2014, the Board approved the NPRM for publication, and the NPRM was published in the Federal Register on April 16, 2014. 79 FR 21188, Apr. 16, 2014. The comment period was open for sixty days, and closed on June 16, 2014. Id.

LSC analyzed all comments received and sought additional input from the Office of Program Performance (OPP), the Office of Compliance and Enforcement (OCE), and the Office of Inspector General (OIG). For the reasons discussed in the Section-by-Section Analysis below, LSC is not making significant revisions to the proposed rule. LSC presented this final rule to the Committee on October X, 2014, at which time the Committee voted to recommend publication to the Board. On October X, 2014, the Board voted to adopt the final rule and approved it for publication in the Federal Register.^[SKD1]

All of the comments and related memos submitted to the LSC Board regarding this rulemaking are available in the open rulemaking section of LSC's website at <http://www.lsc.gov/about/regulations-rules/open-rulemaking>. After the effective date of the rule, those materials will appear in the closed rulemaking section at <http://www.lsc.gov/about/regulations-rules/closed-rulemaking>.

IV. Section-by-Section Discussion of Comments and Regulatory Provisions

LSC received eight comments during the public comment period. LSC subsequently received one additional comment. Four comments were submitted by LSC recipients – California Rural Legal Assistance (CRLA) (jointly with the Legal Services Association of Michigan (LSAM), an organization representing fourteen LSC and non-LSC civil legal services providers in Michigan), Northwest Justice Project (NJP), Legal Aid Society of Northeastern New York (LASNNY), and Legal Services NYC (LSNYC). The National Legal Aid and Defender Association (NLADA), the American Bar Association (ABA), through its Standing Committee on Legal Aid and Indigent Defendants and with substantial input from the Standing Committee on Pro Bono and Public Service, the New York State Bar Association, the California Commission on Access to Justice (Access Commission), and the LSC Office of Inspector General (OIG) submitted the other five comments.

Commenters were generally supportive of the changes LSC proposed that expanded opportunities to engage interested individuals in providing legal assistance and legal information to the poor. They endorsed LSC's decision to adopt the part of Recommendation 2(a) of the PBTF report that advocated allowing recipients to allocate resources spent supervising and training law graduates, law students, and others to their PAI requirements. The Access Commission noted that this proposed change "reflects the reality that law students, law

graduates, and other professionals can and do play an important role in helping to meet unmet legal needs in a cost-effective and sustainable manner.” LSNYC stated that the changes would “harmonize[] PAI regulations with the pro bono standards of other funders and the pro bono community at large.”

Commenters also praised LSC’s decision to adopt the part of Recommendation 2(a) that advocated exempting attorneys who had participated in “incubator” projects from the two-year blackout period on payments to former staff attorneys. For example, NLADA commented that the revision would “assist[] LSC programs in creating incubator programs that benefit new attorneys by giving them a start in practice [and] benefit[] recipients by providing trained attorneys to handle cases for a modest payment thus expanding the supply of available lawyers.”

Finally, commenters supported LSC’s decision to amend part 1614 in order to reverse the effect of two opinions published by OLA, AO-2011-001 and EX-2008-1001. These opinions interpreted part 1614 as requiring recipients to accept eligible clients as their own in order to allocate to their PAI requirements the costs incurred by either providing support to a pro bono clinic at which participants received individualized legal assistance or to screening clients and referring them to an established network of volunteer attorneys for placement. LSC’s decision responded to Recommendations 2(b) and 2(c) of the PBTF report. NJP, which operates the screening and referral program that was the subject of AO-2011-001, specifically commented that it was “heartened by the fact that under the proposed revisions it appears that NJP’s significant support for the statewide pro bono delivery system in Washington, through its telephonic intake and referral system . . . will now enjoy recognition of the important role this support plays to enhance private bar involvement efforts statewide. The Access Commission supported the revision as a “sensible and efficient proposal[] that promote[s] use of private

attorneys, conservation of program resources, and meeting unmet legal needs.” The ABA and NLADA similarly supported amending the rule to reverse the effect of the two opinions.

Proposed § 1614.1 – Purpose.

LSC proposed revising this section to state more clearly the purpose of the PAI rule and to encourage the inclusion of law students, law graduates, and other professionals in recipients’ PAI plans. LSC received no public comments on this section. LSC is making a technical change to the first sentence of the section to make clear that PAI programs are to be conducted “within the established priorities of that program, and consistent with LSC’s governing statutes and regulations[.]”

Proposed § 1614.2 General policy.

LSC proposed to consolidate all statements of policy scattered throughout existing part 1614 into this section. LSC received no public comments on this section. LSC is making technical revisions to § 1614.2 to make clear that the PAI requirement applies only to the annualized award to provide legal services to the general low-income population living in a specific geographic area (“Basic Field-General grants”). Three types of awards are not subject to the PAI requirement: awards to provide legal services to Native Americans living in a specific geographical area, related to their status as Native Americans (“Basic Field-Native American grants”) and awards to provide legal services to migrant farmworkers living in a specific geographical area, related to their status as migrant farmworkers (“Basic Field-Migrant grants”), and any grants outside of basic field grants, such as Technology Initiative Grants and the grants to be awarded from the Pro Bono Innovation Fund.

Proposed § 1614.3 Definitions.

Organizational note. Because LSC is adding a definition for the term incubator project as § 1614.3(b), the terms defined in paragraphs (b)-(i) in the NPRM will be redesignated as paragraphs (c)-(j) in this final rule. In the following discussion of the comments and changes to the proposed rule, LSC will refer to the redesignated paragraphs by the designation used in the final rule, except where the proposed rule is explicitly referenced.

§ 1614.3(a) Attorney. LSC is making editorial changes to the proposed definition of the term attorney in response to staff comments. Commenters found the proposed definition, which simply excepted attorney from the definition provided in 45 CFR 1600.1 for purposes of this part, awkward. LSC revised the definition to mirror the § 1600.1 definition to the extent possible and still have it make sense within the context of the PAI rule. LSC also retained the part of the NPRM definition that stated the § 1600.1 definition does not apply to part 1614.

§ 1614.3(b) Incubator project. LSC is adding a definition for the term incubator project in response to staff comments. The definition is taken directly from proposed § 1614.5(c)(2), about which LSC received no public comments.

§ 1614.3(c) Law graduate. Section 1614.3(b) proposed to define the term law graduate to mean an individual who has completed the educational or training requirements required for application to the bar in any U.S. state or territory. LSC received no comments on this definition.

§ 1614.3(d) Law student. Proposed 1614.3(c) defined the term law student to include two groups. The first was individuals who are or have been enrolled in a law school that can provide the student with a degree that is a qualification for application to the bar in any U.S. state or territory. The second was individuals who are or have been participating in an apprenticeship program that can provide the individual with sufficient qualifications to apply for the bar in any U.S. state or territory. LSC received no comments on this definition.

§ 1614.3(e) Legal assistance. This proposed definition was substantially adapted from the LSC CSR Handbook, and is different from the term legal assistance defined in the LSC Act and in § 1600.1 of these regulations. LSC proposed to adopt the CSR Handbook definition in the PAI rule for consistency in the treatment of legal assistance and compliance with eligibility screening requirements by both recipients and private attorneys. LSC received no comments on this definition.

§ 1614.3(f) Legal information. LSC proposed to define the term legal information as the provision of substantive legal information that is not tailored to address an individual's specific legal problem and that does not involve applying legal judgment or recommending a specific course of action. This definition was also adapted substantially from the CSR Handbook for the same reasons stated above with respect to the definition of legal assistance. LSC received no comments on this definition.

§ 1614.3(g) Other professional. In the NPRM, LSC proposed to define other professional as any individual who is not engaged in the practice of law, is not employed by the recipient, and is providing services to an LSC recipient in furtherance of the recipient's provision of legal information or legal assistance to eligible clients. LSC intended this definition to cover a wide spectrum of professionals whose services will help recipients increase the effectiveness and efficiency of their programs. Such professionals include paralegals, accountants, and attorneys who are not authorized to practice law in the recipient's jurisdiction (such as an attorney licensed in another jurisdiction or a retired attorney who is prohibited from practicing by the bar rules). These individuals may provide services within their areas of expertise to a recipient that would improve the recipient's delivery of legal services. For example, a volunteer paralegal representing a client of the recipient in a Supplemental Security Income case or a volunteer

accountant providing a legal information program on the earned income tax credit would constitute other professionals assisting a recipient in its delivery of legal information or legal assistance to eligible clients. LSC received no comments on this definition.

LSC will replace the phrase “limited license to provide legal services” with the term “limited license to practice law” to reflect more accurately what limited license legal technicians and others similarly situated are authorized to do.

§ 1614.3(h) PAI clinic. Proposed § 1614.3(g) defined the term PAI clinic as “an activity under this part in which private attorneys, law students, law graduates, or other professionals are involved in providing legal information and/or legal assistance to the public at a specified time and location.” PAI clinics may consist solely of a legal information session on a specific topic, such as bankruptcy or no-contest divorce proceedings, that are open to the public and at which no individual legal assistance is provided. Additionally, a PAI clinic may be open to the public for either the provision of individual legal assistance or a referral for services from another organization. Some clinics are hybrids of the two models, and some clinics are aimed at providing technical assistance to pro se litigants, such as help understanding the court procedures or filling out pleadings. The common thread among the activities considered to be clinics is that they are open to the public and distinct from a recipient’s regular legal practice. LSC received no comments on this definition.

§ 1614.3(i) Private attorney. (a) Comment: LSC received four comments objecting to the exclusion of attorneys “employed by a non-LSC-funded legal services provider acting within the terms of [their] employment with the non-LSC-funded provider” from the definition of private attorney. 79 FR 21188, 21199, Apr. 15, 2014. NLADA, the Access Commission, and CRLA/LSAM all asserted that the proposed exclusion was ambiguous and overly broad, and

would prevent recipients from including collaborations with certain other non-profit organizations within their PAI plans. The ABA also observed that the term “legal services provider” was ambiguous and could be interpreted as including private law firms.

CRLA/LSAM observed that

[o]ften times, due to lack of profitability, logistics and conflicts the only law firms willing to join rural LSC recipients as attorneys willing to co-counsel education, housing and environmental justice cases in the remote rural communities we work in are attorneys employed by a non-LSC-funded, non-profit legal services provider who is acting within the terms of his/her employment For rural grantees to engage in co-counseling cases, they largely rely on non-LSC funded non-profits with an expertise in specific legal areas, but no geographic ties . . . to these rural communities.

Finally, they observed that AO-2009-1004 only prohibited recipients from allocating to their PAI requirements costs associated with subgrants to staff-model legal services providers to operate a hotline that provided advice and referrals. AO-2009-1004 did not, they continued “exclude from PAI counting staff time facilitating, supervising, or co-counseling with these same non-profit, non-LSC staff model legal providers who donate their time to a recipient.” It is the donation of the services, rather than the donor’s nature as a provider of legal services to the poor, that “is at the heart of pro bono legal services and should be at the heart of all LSC PAI plans.”

CRLA/LSAM recommended that LSC revise the exclusion to apply only to “[a]n attorney who receives more than half of his or her professional income from a non-LSC-funded legal services provider which receives a subgrant from any recipient, acting within the terms of his or her employment with the non-LSC-funded provider.”

The Access Commission also observed that the “proposed exclusion is ambiguous and overly broad and may unnecessarily restrict the pool of attorneys eligible to volunteer with LSC-funded legal services programs.” Like CRLA/LSAM, the Access Commission highlighted California’s particular concerns about having a limited pool of attorneys available to work in its “vast rural

and underserved areas.” Unlike CRLA/LSAM, the Access Commission recommended that LSC narrow the exclusion to apply only to “non-profit organization[s] whose primary purpose is delivery of civil legal services to the poor” They urged that “the proposed rules be flexible enough to encourage the participation of attorneys who do not usually serve low income clients while permitting LSC-funded legal services programs to recruit and work with available attorneys and organizations in their local communities.”

Finally, NLADA advocated the inclusion of attorneys who work for non-profit organizations whose primary purpose is not the delivery of legal services to the poor. As examples, NLADA offered two organizations: the American Association for Retired Persons (AARP), and the protection and advocacy systems (P&As) funded by the federal government to ensure the rights of individuals with the full range of disabilities. Nationally, AARP provides an array of services and benefits to members; in the District of Columbia, AARP supports Legal Counsel for the Elderly, which provides free legal assistance in civil cases to residents over the age of 60, and in disability cases to residents over the age of 55. P&As receive funding from the U.S. Department of Education, the U.S. Department of Health and Human Services, and the Social Security Administration, to engage in systemic advocacy efforts and to provide individual assistance to individuals with the full range of emotional, developmental, and physical disabilities. P&As may provide legal representation to individuals free of charge or on a sliding scale fee basis.

According to NLADA, these types of organizations “have invaluable specialized expertise and often strong relationships/collaborations with private firms operating for profit. Partnerships with these organizations provide significant opportunities for collaborations that expand a recipient’s ability to effectively and efficiently serve clients and provide increased

opportunities for private bar participation.” Similar to the Access Commission, NLADA recommended that LSC limit the exclusion to attorneys “employed by a non-profit organization whose primary purpose is the delivery of civil legal services to the poor during any time that attorney is acting within the terms of his or her employment with that organization[.]”

In its comment, the ABA stated that it agreed in principle with LSC’s view that the purpose of the PAI regulation is to engage lawyers who are not currently involved in the delivery of legal services to low-income individuals as part of their regular employment. The ABA recommended that LSC clarify that the term “legal services provider,” as used in the rule, means “an entity whose primary purpose is the delivery of free legal services to low-income individuals.”

Response: LSC will revise the language in § 1614.3(i)(2)(ii) to narrow the exclusion to attorneys acting within the terms of their employment by a non-profit organization whose primary purpose is the delivery of free civil legal services to low-income individuals. This definition is adapted from the New York State Bar Association’s definition of “pro bono service” in the context of the Empire State Counsel Program, which annually recognizes New York attorneys’ pro bono efforts, and is substantially similar to the definition recommended by the ABA. LSC understands the issues raised by CRLA, LSAM, the Access Commission, and NLADA, and appreciates the benefits that collaborations between LSC recipients and other non-profit organizations bring to the populations served by those collaborations. Within the context of the PAI rule, however, LSC believes that the focus should be on engaging attorneys who are not employed to provide free legal services to low-income individuals.

Although LSC is excluding legal aid attorneys acting within the scope of their employment from the definition of private attorney, the revised language permits recipients to

allocate costs to the PAI requirement associated with co-counseling arrangements or other collaborations with attorneys employed by organizations whose primary purpose is not the delivery of free legal services to low-income individuals. For example, although CRLA may no longer be able to count co-counseling with a legal aid organization toward its PAI requirement, it could allocate costs associated with co-counseling a case with California's P&A to the PAI requirement. It also permits a recipient to count as a private attorney an attorney who is employed by an organization whose primary purpose is the delivery of free civil legal services to low-income individuals, but who is participating in a PAI clinic supported by a recipient on the attorney's own time.

LSC wants to be clear that its decision to exclude legal aid attorneys from the definition of private attorney does not mean that recipients should not collaborate with these providers in the delivery of legal information and legal assistance to eligible clients. LSC supports and encourages recipients to work creatively and to build relationships necessary to increase their effectiveness at achieving positive outcomes for their clients. The exclusion simply means that recipients may not allocate costs associated with those collaborations to the PAI requirement.

(b) Comment: LSC received two comments on § 1614.3(h)(2)(i), which proposed to exclude from the definition of private attorney attorneys employed more than 1,000 hours per year by an LSC recipient or subrecipient. In their joint comment, CRLA and LSAM observed that proposed § 1614.3(h)(2)(i) precluded the participation of attorneys who retired or otherwise moved on from an LSC recipient, but wanted to volunteer to handle cases or support the recipient in some fashion. They stated that, according to the history of the PAI rule, the two-year restriction on PAI payments to attorneys who had left a recipient's employ was intended to prevent "situations in which programs had laid off staff attorneys and then contracted to pay

these attorneys for doing the same work they had done before as staff.” 50 FR 48586, 48587, Nov. 26, 1985. They additionally noted that “for our purposes here, a recipient could co-counsel with these former staff members within 24 hours of their leaving the employ of a recipient and the staff time spent co-counseling with the former staff member could be counted as PAI.”

NJP objected to proposed § 1614.3(h)(2)(i) on similar grounds. NJP argued that the rule would

exclude attorneys (1) who leave a recipient’s employ after 1001 hours during any year and then seek to volunteer for the program, including recently retired attorneys, attorneys leaving the recipient upon termination of a grant-based position, or attorneys leaving for private employment; and (2) who volunteer for a recipient, but may on occasion be employed on a short-term basis to fill temporary needs arising from staff vacancies or absences such as an extended family medical leave, military leave, short-term special project grant funding, or emergency needs occurring from a sudden staff departure.”

In NJP’s view, “[g]iven that a recipient cannot allocate non-PAI activity to PAI costs in any event, there seems little reason to limit who is considered a ‘private attorney’ for purposes of supporting their pro bono services based on duration of employment by a recipient, so long as costs are not allocated for time spent while they are employed by the recipient.” NJP urged LSC to eliminate paragraph (2)(i) from the definition of private attorney.

Response: LSC did not intend the result described by the commenters. In response to their comment, LSC will revise the language in the definition of private attorney. LSC will replace the 1,000 hours per calendar year timeframe with a “half time” standard. LSC believes that using a half time standard will more clearly capture its intent that recipients assess an attorney’s employment status with the recipient contemporaneously with the services for which they seek to allocate costs to the PAI requirement. In other words, if a recipient employs an attorney ten hours per week, and that attorney also wishes to volunteer to provide advice and

counsel at a PAI clinic supported by the recipient, the recipient may consider the part-time attorney a private attorney at the time he or she is providing services at the PAI clinic.

LSC will also make two other changes to § 1614.3(i) in the final rule. First, LSC will define private attorney as meaning an attorney defined in § 1614.3(a), and relocate all the exceptions to the definition to paragraphs (i)(1)—(3). Second, LSC will add paragraph (i)(4) to clarify that private attorney does not include an attorney acting within the terms of his or her employment by a component of a non-profit organization, where the component's primary purpose is the delivery of free civil legal services to low-income individuals. In other words, attorneys working for the legal aid component of a non-profit social services organization whose overall mission is to deliver free social services to low-income individuals are not private attorneys for purposes of part 1614. This exclusion is consistent with the rule's primary purpose of engaging attorneys who do not provide legal assistance to the poor in the delivery of legal information and legal assistance to eligible clients.

§ 1614.3(j) Screen for eligibility. The proposed definition made clear that individuals receiving legal assistance through PAI activities must get the same level of screening that recipients use for their own legal assistance activities. Screening for eligibility includes screening for income and assets, eligible alien status, citizenship, whether the individual's case is within the recipient's priorities, and whether the client seeks assistance in an area or through a strategy that is restricted by the LSC Act, the LSC appropriation acts, and applicable regulations. Screening for eligibility can also include determining whether a client can be served using non-LSC funds. LSC received no comments on this definition.

§ 1614.3(k) Subrecipient. LSC will add a definition for the term subrecipient to the final rule. As LSC considered the public comments, particularly the comments discussing the

definition of the term private attorney, and recipients' use of subgrants and fee-for-service arrangements to carry out PAI activities, LSC discovered that the term subrecipient was over-inclusive for purposes of the PAI rule. Subrecipient, as defined in § 1627.2(b)(1), means

any entity that accepts Corporation funds from a recipient under a grant contract, or agreement to conduct certain activities specified by or supported by the recipient related to the recipient's activities Such activities would not normally include those that are covered by a fee-for-service arrangement, such as those provided by a private law firm or attorney representing a recipient's clients on a contract or judicare basis, except that any such arrangement involving more than \$25,000 shall be included.

45 CFR 1627.2(b)(1).

LSC did not intend to exclude from the definition of private attorney attorneys working for a subrecipient that meets the definition solely because an LSC recipient is paying the entity more than \$25,000 to provide legal representation to the recipient's clients on a contract or judicare basis. For purposes of part 1614, LSC will define subrecipient as not including entities receiving more than \$25,000 from a recipient to provide legal representation to the recipient's clients on a contract or judicare basis.

Proposed § 1614.4 Range of activities.

§ 1614.4(a) Direct delivery of legal assistance to eligible clients. In the NPRM, LSC proposed to consolidate existing §§ 1614.3(a) and (d) into one paragraph. LSC also proposed to add paragraph (a)(2), which stated that direct delivery of legal assistance to eligible clients may include representation by a non-attorney in an administrative tribunal that permits non-attorney individuals to represent individuals. LSC received no comments on this section.

§ 1614.4(b) Support and other activities. Comment: LSNYC expressed concern about LSC's proposal to revise existing § 1614.4(b)(1) to exclude from PAI support activities pro bono work done on behalf of the recipient itself, rather than for a client. It referred to the ABA and Pro

Bono Institute definitions of “pro bono,” which include legal work provided to organizations “in matters in furtherance of their organizational purposes, where the payment of standard legal fees would significantly deplete the organization’s economic resources or would be otherwise inappropriate,” and indicated that LSC’s decision to exclude work on behalf of organizations “deviate[s] from the well-reasoned standards of the pro bono community.” LSNYC stated that if it could no longer count toward its PAI requirement pro bono work provided to LSNYC as an organization, it would either have to spend “substantial amounts of money on attorneys for the organization” or “skimp[] on the resources that are available to effectively run the organization.” Finally, LSNYC argued that LSC’s proposed change would “ignore[] the contribution of many transactional attorneys” whose skill sets do not necessarily lend themselves to individual representation of clients or conducting legal information clinics.

Response: LSC will retain the language from the NPRM, including the statement that support provided by private attorneys must be provided as part of a recipient’s delivery of legal information or legal assistance to eligible clients to count toward the PAI requirement. Since its original incarnation in 1981 as a special condition on LSC grant funds, the purpose of PAI has been to involve private attorneys in the delivery of legal services to eligible clients. It does not appear from the administrative record that LSC envisioned pro bono services to recipients themselves to be support activities within the context of the PAI rule. As a result, LSC views the language change proposed in the NPRM to represent a clarification of the existing rule, rather than a change in policy.

LSC wants to be clear that LSC supports recipients’ efforts to leverage resources within their legal communities for the benefit of themselves and their clients. LSC recognizes the value or pro bono services provided to recipients themselves, as well as the value that providing such

assistance returns to the pro bono attorneys. Recipients can, and should, continue to secure pro bono legal assistance with the issues they face as organizations whenever possible. For purposes of allocating costs to the PAI requirement, however, recipients must obtain services from private attorneys that inures primarily to the benefit of the recipients' clients rather than to the recipient in its organizational capacity.

Proposed § 1614.4(b)(4) PAI Clinics. Comment 1: LSC received three comments identifying ambiguity in the text of proposed § 1614.4(b)(4)(ii)(C). The Access Commission, the ABA, and NLADA remarked that although proposed § 1614.4(b)(4)(i) allows recipients to allocate costs to the PAI requirement associated with support to legal information clinics without screening for eligibility, § 1614.4(b)(4)(ii)(C) appears to allow recipients to allocate costs to the PAI requirement associated with "hybrid" legal information and legal assistance clinics only if the legal assistance portion of the clinic screens for eligibility. All three commenters asserted that this result does not make sense because recipients may provide legal information without screening. In NLADA's words, "there is no reason to prohibit the allocation of PAI to an LSC program's support of a clinic's legal information activities which are severable from the legal assistance activities of the clinic."

Response: LSC intended to allow recipients supporting hybrid PAI clinics to allocate to their PAI requirements costs associated with support to the legal information portion of the PAI clinic, regardless of whether the legal assistance portion of the PAI clinic screens for eligibility. In response to these comments, LSC will revise § 1614.4(b)(4)(ii)(C) to make clear that, in the context of hybrid PAI clinics, recipients may allocate costs associated with support of the legal information portion of the PAI clinic to their PAI requirements. If the legal assistance portion of a hybrid PAI clinic screens for eligibility and only provides legal assistance to LSC-eligible

individuals, the recipient may allocate costs associated with its support of both parts of the clinic to the PAI requirement.

Comment 2: LASNNY commented that the proposed requirement for screening at legal assistance clinics would restrict it from continuing to participate in some of its current activities. As an example, LASNNY described its volunteers' participation in the Albany County Family Court Help Center, which provides support and assistance to pro se litigants in family court. LASNNY stated that the program does not screen for income eligibility, citizenship, or eligible alien status, and that it was participating in the program at the request of the court's presiding justice and the director of the court's Access to Justice initiatives. As a solution, LASNNY proposed that recipients could use non-LSC funds to provide services to clients who have not been screened for eligibility.

Response: LSC believes that the screening requirement should not preclude recipients from providing support to unscreened clinics that give legal information to pro se litigants. In the NPRM, LSC proposed that recipients would be able to allocate to the PAI requirement costs associated with PAI clinics providing legal assistance only if the clinics screened for eligibility and only provided legal assistance to LSC-eligible clients. LSC believes this approach is consistent with the April 9, 1998 opinion of the LSC Office of the General Counsel (OGC), which addressed the regulatory requirements applicable to legal information provided by recipients in pro se clinics. In that opinion, OGC stated that the recipient, which had received a contract from the court to provide assistance to pro se litigants, did not need to comply with either the client retainer provision in part 1611 or the provision in part 1626 that requires recipients to obtain citizenship attestations or documentation of eligible alien status. Importantly, OGC opined that compliance with the relevant provisions of parts 1611 and 1626 was not

required “as long as the litigants are pro se, they do not enter into an attorney-client relationship with [a recipient] attorney, [and] they are not applicants for or are not seeking legal representation from [the recipient.]” LSC believes that these principles should guide recipients’ thinking about whether supporting a PAI clinic that serves pro se litigants may be considered legal information clinics that do not require screening, or instead constitute legal assistance clinics that do. Regarding LASNNY’s suggestion that non-LSC funds could be used for services to unscreened clients, some restrictions, such as the alienage restriction in part 1626, apply to legal assistance that is provided with both LSC and non-LSC funds.

Comment 3: The ABA commented that the NPRM did not include several important types of clinics within its scope. One type was the hybrid legal information/legal assistance clinic discussed above. A second type was a clinic with two components: “one in which LSC-eligible clients are provided pro bono advice by one group of lawyers, and another component in which non-eligible individuals are provided service by either staff of the clinic (who are not employees of a LSC recipient) or a separate group of pro bono lawyers.” In the model described by the ABA, individuals are pre-screened and sent to the LSC recipient’s private attorney if they are LSC-eligible, and to attorneys in another part of the clinic if they are not. The ABA believes that LSC should allow recipients to support such clinics “because in many communities, the bar association wants to serve through its pro bono programs many people who cannot afford an attorney, not just those who fall within the LSC eligibility guidelines.”

The ABA described a final model, in which a court or local bar association contacts an LSC recipient to ask for assistance in planning a pro bono clinic. According to the ABA, at the time the court or bar association asks for the recipient’s assistance, it may not be clear whether the clinic will provide legal information, legal assistance, or both, or whether it will screen for

eligibility if it provides legal assistance. The ABA “regards these support activities as permissible and as ones that should count toward the PAI requirement because the LSC recipient is not assisting lawyers who will be helping ineligible clients, but is simply engaging in discussions initiated by the court or bar to explore options.”

Response: As discussed above, LSC agrees that recipients may allocate to their PAI requirements costs associated with support of the legal information portion of a hybrid clinic, regardless of whether the legal assistance portion screens for eligibility. LSC also believes that recipients may support clinics of the second type described by the ABA. LSC’s concern about recipients’ providing support to clinics that do not screen for eligibility is that recipients will be diverting resources to activities that serve individuals who are not eligible for LSC-funded legal assistance. This concern is greatest in the context of a clinic where no screening occurs. It is still present in the context of a clinic that screens for eligibility and provides legal assistance to individuals who are not eligible for LSC-funded assistance, but the concern is lessened because the recipient’s support is limited to the part of the clinic that is providing legal assistance to LSC-eligible clients.

With respect to the ABA’s third scenario, LSC agrees that the type of technical assistance described is a valuable service provided by recipients in furtherance of the court or bar association’s efforts to increase pro bono. LSC also agrees that it is consistent with the purposes of the PAI rule to allow recipients to allocate costs to the PAI requirement associated with providing support to courts or local bar associations in response to requests for assistance in setting up clinics at which private attorneys will provide legal information or legal assistance. However, LSC considers this type of assistance to be support provided to courts or local bar associations in their efforts to increase pro bono services, rather than as support for the operation

of PAI clinic within the meaning of § 1614.4(b)(4). Once the clinic begins providing legal information or legal assistance to the public, the recipient may provide support consistent with proposed § 1614.4(b)(4).

LSC will address the ABA's proposal by including a new paragraph (b)(4) that allows recipients to count toward their PAI requirements costs incurred assisting bar associations or courts with planning and establishing clinics at which private attorneys will provide legal information or legal assistance to the public. Consequently, LSC will redesignate proposed paragraphs (b)(4)-(b)(6) to paragraphs (b)(5)-(b)(7) in the final rule.

Comment 4: NLADA recommended that LSC allow limited screening of individuals receiving legal assistance through PAI clinics. NLADA asserted that the eligibility screening requirement "is not necessary to ensure compliance with the LSC Act and other statutory restrictions[,]” and offered two alternatives. The first alternative was limited screening for financial eligibility and citizenship or eligible non-citizen status. NLADA suggested that “a clinic participant could be determined LSC eligible if the applicant attests that he is a U.S. citizen or has a green card and either has zero income or receives assistance under programs such as SNAP, TANF, Medicaid or SSI. While this limited screening may rule out eligible clients, the screening could serve as an acceptable and workable method for clinic participants to determine who should and who should not be referred to LSC program staff participating in the clinic for legal assistance.” The second alternative was periodic limited screening. Under this alternative, the clinic would occasionally conduct the limited screening described in the first option, and the recipient could use the results to “calculate the percentage of LSC eligible applicants served by the clinic and appropriately apportion LSC program resources used to support the clinic that can be allocated to PAI.” NLADA noted the additional benefit that “the clinic would then have the

option to have LSC grantees not participate in the provision of legal assistance to individual clients or have procedures in place to conduct limited or full screening with LSC grantees only providing legal assistance to LSC eligible individuals.”

Response: LSC will not revise the requirement for PAI clinics to screen for eligibility prior to providing legal assistance to individuals. During the April 2014 Committee meeting in Washington, D.C., LSC made clear that it was willing to consider alternatives to the proposed screening requirement if the alternatives were supported by a legal analysis of how the alternatives would ensure compliance with the LSC Act, the restrictions contained in LSC’s appropriations acts, and LSC’s regulations. No commenter, however, has offered any legal analysis supporting the assertion that screening “is not necessary to ensure compliance with the LSC Act and other statutory restrictions.”

LSC considered the issue of limited screening at length during the development of the NPRM. During the July 2013 and September 2013 rulemaking workshops, and in response to the two Requests for Information published by LSC last year, multiple commenters recommended that LSC allow limited screening for PAI clinics. When discussing screening in this context, commenters expressed minimal concern about the potential for assisting clients who are ineligible for LSC-funded services. Most commenters focused on expanding the availability of private attorneys to provide pro bono legal services and not on the scope of LSC’s legal obligations to ensure that LSC resources are not used for restricted activities. One commenter suggested that the test for the PAI rule should be whether the activity is targeted at the base of eligible clients, even if the recipient cannot know whether every person assisted would be eligible. Another spoke about screened advice clinics, recommending that recipients should be able to count resources toward the PAI requirement for the time recipients spend supervising

such clinics. OIG expressed concern that a relaxed screening requirement for clinics would have the “unintended effect of increasing subsidization of restricted activity.” OIG urged LSC to exercise caution to “ensure that changes to the PAI rule do not make it more difficult to prevent and detect noncompliance with LSC regulations and do not increase the risk that LSC funds will be used to subsidize, whether intentionally or not, restricted activity.”

LSC considered the commenters’ views on screening and the burden that screening may place on recipients’ support for clinics operated solely by them or through the joint efforts of community organizations. LSC considered those views in light of the statutory restrictions Congress places on the funds appropriated to LSC and on recipients of LSC funds. LSC concluded that, regardless of whether legal assistance is provided directly by a recipient or through PAI activities individuals must be screened for LSC eligibility and legal assistance may be provided only to those individuals who may be served consistent with the LSC Act, the LSC appropriation statutes, and the applicable regulations. Nothing in NLADA’s comment causes LSC to reconsider its decision with respect to screening for eligibility in PAI clinics that provide legal assistance to individuals.

LSC recognizes that adopting either the simplified screening requirement or a test that a clinic was targeted at the LSC-eligible client population would allow recipients to support a broader range of clinics at which private attorneys provide legal assistance to low-income individuals. What neither of these mechanisms ensures is that LSC recipients are supporting clinics that provide services permitted by LSC’s authorizing statutes to individuals eligible to receive those services. While Congress has repeatedly supported LSC’s efforts to expand pro bono consistent with the recommendations of the Pro Bono Task Force, it has couched its support in terms of “increasing the involvement of private attorneys in the delivery of legal

services to their clients.” S. Rep. 113-78, H.R.Rep. 113-171, incorporated by reference by Sec. 4, Pub. L. 113-76, 128 Stat. 5, 7 (2014). LSC does not believe that its responses to the Task Force’s recommendations can include expanding the PAI rule to allow recipients to participate, directly or indirectly, in the provision of legal assistance to individuals who are not eligible to receive legal assistance from an LSC recipient.

Comment 5: OIG commented that it had “observed some ambiguity in the discussion of PAI support for clinics that provide individualized legal assistance. The transcripts of meetings preceding publication of the NPRM appear to contain the suggestion that grantees will be able to count their direct participation in PAI clinics toward their PAI requirement.” OIG urged LSC to clarify that costs incurred by a recipient in supporting a PAI clinic count toward the PAI requirement, while costs associated with clinics at which recipient attorneys themselves provide the legal information or legal assistance cannot be allocated to the PAI requirement.

Response: LSC understands OIG’s concern and believes their comment is addressed by the definition of PAI clinic. In the NPRM, LSC defined PAI clinic as “an activity under this part in which private attorneys, law students, law graduates, or other professionals are involved in providing legal information and/or legal assistance to the public at a specified time and location.” 79 FR 21188, 21199, Apr. 15, 2014 (emphasis added). LSC clearly stated its intent regarding the application of § 1614.4(b)(4) in the preamble to the NPRM:

This new regulatory provision will allow recipients to allocate costs associated with support to clinics to the PAI requirement. The new provisions of part 1614 will govern only those clinics in which a recipient plays a supporting role. Recipients will remain responsible for complying with the screening and CSR case-handling requirements for those clinics at which recipient attorneys provide legal assistance to individuals.

79 FR 21188, 21193.

Comment 6: OIG also commented on LSC’s proposal to promulgate clear standards for when a PAI clinic must screen for eligibility. OIG first noted that proposed § 1614.4(b)(4) “describes in some detail eligibility constraints on three different types of PAI clinics: clinics that exclusively provide legal information not tailored to particular clients; clinics that exclusively provide individualized legal advice, and clinics that do both.” OIG also cited the observation made by a member of the Board of Directors at the April Board meeting that “without a change in meaning, one could remove the proposed eligibility constraints in Section 1614.4(b)(4) and substitute language pointing to generally applicable standards governing the use of LSC funds as the operative constraint on PAI activities, thereby reducing the complexity [of] the proposed rule.” OIG stated its understanding that proposed § 1614.4(b)(4) merely explicated “the straightforward implications of general eligibility requirements found in LSC’s regulations and governing statutes,” and recommended that if LSC intended to establish new eligibility requirements, LSC should clarify that intent before adopting a final rule. Finally, OIG recommended that LSC either significantly simplify § 1614.4(b)(4) to plainly state the “generally applicable eligibility requirements” or, if retaining the language proposed in the NPRM, including language “to the effect that notwithstanding any other provision or subsection of the rule, a grantee may only count toward its PAI requirement funds spent in support of activities that the grantee would itself be able to undertake with LSC funds.”

Response: LSC agrees with OIG that it should be clear that the rule is not establishing new or additional eligibility requirements or screening requirements. LSC believes that the specificity of the definition of the term screen for eligibility makes clear that individuals being served through PAI clinics must be LSC-eligible. The definition does not establish new or

additional screening requirements for individuals being served by private attorneys through PAI projects.

LSC understands that part 1614 states its position on when individuals must be screened for eligibility more clearly than LSC has done in any prior issuance, and that the issue of eligibility to receive legal assistance from an LSC recipient is not unique to the PAI context. However, as discussed in the response to the comment above regarding screening, LSC believed that a clear statement in the PAI rule about its requirements for eligibility screening was necessary. LSC reiterates now that the screening requirements contained in § 1614.4(b)(4) do not create new standards for determining the eligibility of individuals receiving legal assistance through a PAI clinic.

§ 1614.4(b)(5) Screening and referral systems. Section 1614.4(b)(5) established the rules governing intake and referral systems. This addition to the rule adopted Recommendation 2(b) by expanding the situations in which recipients may allocate costs associated with intake and referral to private attorneys to their PAI requirement. Section 1614.4(b)(5) reflects the Corporation's decision to relieve recipients of the obligation to accept referred clients as part of their caseload and to determine the ultimate resolution of the clients' cases by considering intake and referral activities other activities. Cases screened and referred through these systems do not need to be accepted by the recipient as CSR cases and tracked in order for recipients to allocate costs associated with the system to the PAI requirement. LSC received no comments on this section.

§ 1614.4(b)(6) Law student activities. Section 1614.4(b)(6) established the rules for allocating costs associated with the work provided by law students to the PAI requirement. LSC received no comments on this section.

§ 1614.4(c) Determination of PAI activities. Section 1614.4(c) adopted existing § 1614.3(c) in its entirety. LSC proposed to revise the phrase “involve private attorneys in the provision of legal assistance to eligible clients” to include law students, law graduates, or other professionals. LSC proposed this change to reflect the rule’s inclusion of the other categories of individuals that recipients may engage in PAI activities. LSC received no comments on this section.

§ 1614.4(d) Unauthorized practice of law. Section 1614.4(d) made clear that the rule is not intended to permit any activities that would conflict with the rules governing the unauthorized practice of law in the jurisdiction in which a recipient is located. LSC received no comments on this section.

Proposed § 1614.5 Compensation of recipient staff and private attorneys; blackout period. In the NPRM, LSC proposed to introduce a new § 1614.5 establishing rules for the treatment of compensation paid to private attorneys, law students, law graduates, or other professionals under the PAI rules.

§ 1614.5(a). Section 1614.5(a) stated that recipients may allocate to the PAI requirement costs for the compensation of staff for facilitating the involvement of private attorneys, law students, law graduates, or other professionals in the provision of legal information and legal assistance to eligible clients under this part. This section was intended to make clear that recipients may not allocate costs associated with compensation, such as salaries or stipends, paid to individuals employed by the recipient who are providing legal information or legal assistance to eligible clients as part of their employment. LSC received no comments on this section.

LSC will make one technical edit to this section in the final rule. LSC will add “or employees of subrecipients” to make clear that compensation paid to employees of subrecipients,

as defined in § 1614.3(k), may only be allocated to the PAI requirement if the compensation was incurred to facilitate PAI activities.

§ 1614.5(b). Section 1614.5(b) established limits on the amount of compensation paid to a private attorney, law graduate, or other professional that a recipient may allocate to its PAI requirement. LSC proposed to limit the amount of compensation to the amount paid for up to 800 hours of service during a calendar year. The reason for this limitation was that compensation at a higher level is inconsistent with the goal of the PAI rule to engage private attorneys in the work of its recipients. LSC received no comments on this section.

§ 1614.5(c). Section 1614.5(c) adopted a revised version of existing § 1614.1(e), which prohibits recipients from allocating to the PAI requirement PAI fees paid to a former staff attorney for two years after the attorney's employment has ended, except for judicare or similar fees available to all participating attorneys. LSC proposed to remove as obsolete the references to the effective date of the regulation and contracts made prior to fiscal year 1986. LSC also proposed to change the time period of the rule's coverage from attorneys employed as staff attorneys for any portion of the previous two years to any individual employed by the recipient for any portion of the current year and the previous year for more than 1,000 hours per calendar year, except for individuals employed as law students. LSC proposed the latter change to account for the expansion of the rule to allow recipients to engage individuals other than private attorneys in activities under this part. In recognition of the fact that law students are primarily engaged in educational endeavors, even while working at a recipient, LSC proposed to exclude law students from the scope of this provision. Finally, the rule exempted from this restriction compensation paid to attorneys who had been employed at a recipient or subrecipient while participating in incubator projects. LSC received no comments on this section.

LSC will make two technical changes to § 1614.5 in response to internal comments. First, LSC will replace the term “PAI funds” with references to allocation of costs to the PAI requirement. “PAI funds” was language carried over from existing § 1614.1(e), but as LSC staff pointed out, part 1614 is a cost allocation regulation, rather than authority for the expenditure of funds for a specified purpose. Consequently, the language of § 1614.5 has been revised to reflect more accurately the nature of the activity covered by the regulation.

The second technical change is related to the first. With the move away from using the term “PAI funds,” the language of proposed § 1614.5(c)(2) became difficult to understand. LSC will simplify paragraph (c)(2) by replacing “PAI funds” with “allocation of costs to the PAI requirement” and relocating the description of an incubator project to § 1614.3(b) as the definition of the term incubator project.

Proposed § 1614.6 Procedure. LSC moved the text of existing § 1614.4, regarding the procedure recipients must use to establish their PAI plans, to § 1614.6. LSC proposed to include law students, law graduates, or other professionals as individuals that recipients may consider engaging in activities under this part during the development of their PAI plans. However, LSC did not revise proposed § 1614.6(b) to require recipients to consult with local associations for other professionals. LSC believed that recipients are in the best position to know which other professionals they may attempt to engage in their PAI programs, and encourages recipients to determine which professional associations they may want to consult in developing their PAI plans. In the interest of simplifying and improving the logic of the rule, LSC also proposed to relocate existing § 1614.2(b), regarding joint PAI efforts by recipients with adjacent, coterminous, or overlapping service areas, to § 1614.6(c) without substantive changes. LSC received no comments on this section.

Proposed § 1614.7 Compliance. Comment: NJP commented on the omission of current § 1614.3(e)(4) from the NPRM. Existing § 1614.3(e)(4) states that recipients must make available to LSC auditors and monitors “all records pertaining to a recipient’s PAI requirements which do not contain client confidences or secrets as defined by applicable state law.” NJP expressed concern that the omission of § 1614.3(e)(4) “seems to extend the proposed changes in 2015 Grant Assurances Nos. 10 and 11 (to which NJP strongly objects) to private attorneys providing services under a PAI contract. . . . Compelling a private attorney to disclose client information in contravention of applicable Washington law and Rules of Professional Conduct, creates a significant disincentive to participation in a compensated PAI program through NJP.” NJP urged LSC to reinstate the language of existing § 1614.3(e)(4).

Response: LSC understands NJP’s concern, but will not reinstate the language of current § 1614.3(e)(4). LSC notes that it rescinded the proposed changes to Grant Assurances 10 and 11 in response to comments made by NJP, discussed above, and others regarding the potential adverse effect of the proposed changes.

LSC intentionally omitted this section in the NPRM as the result of internal discussions with OIG. OIG and LSC came to the conclusion that existing § 1614.3(e)(4) was unnecessary because it did not establish recordkeeping or disclosure requirements beyond those stated in LSC’s governing statutes and regulations. LSC has not included similar disclosure provisions in any of its other regulations. Instead, LSC has chosen to prescribe its access to records through the grant assurances that recipients must accept each year. Records pertaining to a recipient’s PAI activities are not subject to different recordkeeping or access requirements than records pertaining to its in-house activities. LSC believes that its governing statutes, regulations, and grant assurances adequately describe the circumstances under which recipients must provide

LSC access to records pertaining to their PAI requirements and the kinds of information that may be withheld. There is no need to include a provision explaining that access in part 1614.

LSC will make one technical change to the title of § 1614.7. LSC staff believed that the title “Compliance” was misleading because § 1614.7 governs only fiscal recordkeeping, rather than recordkeeping about all aspects of a recipient’s operations, including compliance with parts 1626 (eligibility of citizens and certain non-citizens), 1620 (determination of priorities), and 1611 (financial eligibility). We agree with this comment, and will retitle § 1614.7 “Fiscal recordkeeping.” Programmatic recordkeeping requirements specific to the activities described in § 1614.4 are contained in the paragraphs to which they apply.

Proposed § 1614.8 Prohibition of revolving litigation funds. In the NPRM, LSC proposed to move existing § 1614.5, prohibiting the use of revolving litigation funds to meet the PAI requirement, to new § 1614.8. The only proposed substantive change to this section was the inclusion of law students, law graduates, or other professionals. LSC received no comments on this section.

Proposed § 1614.9 Waivers. LSC proposed to move existing § 1614.6, governing the procedures by which recipients may seek full or partial waivers of the PAI requirement, to new § 1614.9 without substantive change. LSC proposed to make technical amendments by replacing the references to the Office of Field Services (OFS) and the Audit Division of OFS, which no longer exist, with references to LSC. LSC received no comments on this section.

Proposed § 1614.10 Failure to comply. In the NPRM, LSC proposed to move existing § 1614.7, which established sanctions for a recipient’s failure to comply with the PAI requirement or seek a waiver of the requirement, to new § 1614.10.

§ 1614.10(a). Comment: NLADA expressed concern that withholding of funds under § 1614.10(a) would not be considered an enforcement action under 45 CFR parts 1606, 1618, 1623, or 1630. Section 1614.10(a) authorizes the Corporation to withhold funds if a recipient fails to meet the PAI requirement for a given year and fails without good cause to seek a waiver of the PAI requirement. NLADA wanted to “ensure that, although actions under 1614 are not to be construed as actions under the other regulatory sections referenced above, LSC will follow normal procedures of due process, including allowing recipients the ability to appeal a decision to withhold funds to LSC’s President.”

Response: In light of NLADA’s comment, LSC will establish a process for considering whether a recipient has failed without cause to seek a waiver of the PAI requirement, notifying the recipient of LSC’s determination, and providing for review of an initial adverse decision. LSC believes that the opportunity for review by the President of the Corporation is appropriate when a recipient’s failure to comply with a requirement may result in the loss of funds. LSC will use a process modeled substantially on the process described at 45 CFR 1630.7 because the withholding of funds for failure to comply with a requirement is most akin to a disallowance of questioned costs.

In considering NLADA’s comment, LSC researched the regulatory history of existing § 1614.7(a). When it enacted existing § 1614.7(a) in 1986, LSC received comments from the field that the provision placed too much discretion with the staff to determine whether recipients were in compliance with the PAI requirement or had failed without good cause to seek a waiver. 50 FR 48586, 48590, Nov. 26, 1986. In response, LSC clarified that the Board “intends for this section to minimize staff discretion. The only determination left to staff under § 1614.7 is whether or not a recipient has failed without good cause, to seek a waiver during the term of the

grant.” 50 FR 48586, 48590-91. The Board did not address whether a recipient had any recourse in the event that staff determined that the recipient failed without good cause to seek a waiver.

LSC will add § 1614.10(a)(2), which states that the Corporation will inform the recipient in writing of its decision about whether the recipient failed without good cause to seek a waiver. LSC will also add § 1614.10(a)(3), which states that appeals under this section will follow the process set forth at 45 C.F.R. § 1630.7 (c)-(g). Finally, LSC will add two provisions that limit the applicability of the process described to actions under part 1614. Consistent with the Board’s intentions, as stated in the preamble to the 1986 final rule, paragraph (a)(3)(i) will limit the subject matter of the appeal to the Corporation’s determination that the recipient failed without good cause to seek a waiver. Paragraph (a)(3)(ii) will limit the method by which the Corporation may recover funds to withholding, consistent with the existing rule.

§ 1614.10(b). This section carried over from existing § 1614.7(b), and states that recipients who fail with good cause to seek a waiver, or who apply for but fail to receive a waiver, or who receive a partial waiver but do not expend the amount required will have their PAI requirement increased for the following year. The requirement will be increased by an amount equal to the difference between the amount actually expended and the amount required to be expended. LSC received no comments on this section.

§ 1614.10(c). Comment: The ABA commented on LSC’s proposal to revise this section to allow LSC to reallocate funds withheld under § 1614.4.10(a) for any basic field purpose. The ABA agreed with LSC’s proposal to allow it to compete the withheld funds outside of a recipient’s service area if the recipient from whom the funds were withheld is the only applicant for the funds. However, the ABA opposed the proposal to make funds withheld for failure to meet the PAI requirement available for basic field grant purposes because it believed the

proposal was contrary to the purposes of the PAI regulation. According to the ABA, “[i]f the consequence of failing to use funds for PAI is that the funds become available for basic field services, this provides a disincentive to comply with the PAI requirement.” Instead, the ABA recommended that LSC revise the rule to allow funds withheld under § 1614.10(a) to be competed for PAI purposes in another service area if the program from which the funds were withheld is the “only LSC recipient applying for the funds in the competitive grant process.”

Response: LSC concurs with the ABA’s comment and will revise § 1614.10(c) accordingly.

LSC will make two changes to this section in the final rule. First, LSC will include language stating that when the Corporation has withheld funds from a recipient and such funds are available for competition, LSC shall provide public notice setting forth the details of the application process. LSC’s notice will include the time, format, and content of the application, as well as the procedures for submitting an application for the withheld funds. Second, LSC will add a new paragraph (c)(2) regarding the relationship of an award of funds withheld under § 1614.10(a) to a recipient’s annual twelve and one-half percent (12.5%) PAI requirement. An award of funds pursuant to § 1614.10(c)(1) is an additional amount of funding to engage in PAI activities beyond a recipient’s annual PAI requirement. In other words, LSC intends a § 1614.10(c)(1) award to expand a recipient’s PAI activities, rather than to supplement the amount available to meet the recipient’s annual twelve and one-half percent (12.5%) requirement. An award under § 1614.10(c)(1) will not increase the amount of the recipient’s PAI requirement by the same amount in subsequent grant years. It is intended as a one-time award that has no future effect on a recipient’s PAI requirement.

§ 1614.10(d). LSC proposed to revise § 1614.10(d) to be consistent with the changes to the enforcement rules, 78 FR 10085, Feb. 13, 2013. LSC received no comments on this section.

Other Comments

LSC received three comments that did not pertain to particular sections of the proposed rule. NJP submitted one comment recommending that LSC raise the dollar threshold at which recipients must seek approval to make payments to private attorneys in excess of \$25,000. The rule governing subgrants, 45 CFR part 1627, requires recipients to obtain approval before making payments in excess of \$25,000 to a third party to provide services “that are covered by a fee-for-service arrangement, such as those provided by a private law firm or attorney representing a recipient’s clients on a contract or judicare basis[.]” 45 CFR 1627.2(b)(1). NJP noted that the \$25,000 limit has not changed since its enactment in 1983. They recommended that LSC increase the threshold to \$60,000, which is the approximate amount that \$25,000 in 1983 represents today.

The proposed change is outside the scope of this rulemaking, which is focused on changes to part 1614. Consequently, LSC will not revise part 1627 at this time. However, LSC has placed a priority on resuming the rulemaking initiated in 2011 to revise the subgrant rule in part 1627 and the transfer rule at 45 CFR § 1610.7 as part of the 2014-2015 rulemaking agenda. LSC will consider NJP’s recommendation as part of that rulemaking.

OIG made two general comments regarding the rule. OIG first recommended that LSC retitle part 1614 to reflect the expansion of the rule to include services provided by individuals other than private attorneys. OIG recommended this change in part to avoid “giving LSC’s appropriators, oversight authorities, or outside observers the misimpression that all funding directed to what is now called private attorney involvement is devoted to securing the services of

private attorneys.” OIG suggested “Volunteer and Reduced Fee Services” or “Private Provider Services” as alternate titles.

OIG’s second comment reiterated their belief that LSC should include reporting requirements in the rule. OIG recommended that the rule require recipients to provide information that would allow LSC to analyze the impact that the changes to the PAI rule have on services provided by private attorneys. OIG expressed its concern that “if the PAI rule is revised to make PAI funds available to activities other than the involvement of private attorneys, the legal services community may end up with fewer private attorneys involved in the provision of legal assistance to eligible clients.” In OIG’s view, it is essential that the new rule have mechanisms in place to measure the “performance of the revised PAI rule from its inception. . . . These measuring mechanisms should, in the OIG’s view, consist largely of reporting requirements that, at a minimum, break out the number of private attorneys (as distinguished from other service providers) involved in the program and the magnitude of their services.” OIG concluded by opining that such reporting “would minimize the opportunity for confusion on the part of LSC’s appropriators, oversight authorities, or outside observers concerning the extent to which PAI funds are directed toward pro bono services of attorneys.”

Regarding OIG’s first comment, LSC has determined that it will not change the title of part 1614. Part 1614 has been known as “Private Attorney Involvement” since 1986; recipients and stakeholders thus regularly use the term “PAI.” Moreover, because engaging private attorneys in the delivery of legal information and legal assistance to eligible clients remains the primary vehicle for carrying out the purpose of the rule, LSC does not believe a change is necessary.

With respect to the second comment, LSC agrees with the OIG regarding the importance of reporting requirements, but will not specify reporting requirements in the final rule. During the March 3, 2014 Committee meeting, LSC stated that it would not prescribe, through the rule, the types of information that recipients must keep about services and whether the services were provided by private attorneys or others. LSC informed the Committee of two factors relevant to this decision. First, LSC is in the midst of a project with the Public Welfare Foundation to improve the Corporation's data collection methods and measures. As part of this work, recipients have advised LSC about the types of data they provide to LSC and to other funders, and what types of data collection they find useful. Second, LSC typically informs recipients about the data that it wants them to provide through guidance, such as the annual grant assurances that recipients must accept at the beginning of each grant year. Particularly in light of its ongoing work with the Public Welfare Foundation, LSC believes the optimal approach is to prescribe data collection through policy documents so that LSC has the flexibility to adjust the data collection requirements in consultation with recipients and in a timely fashion. Promulgating specific data collection requirements in the regulation binds LSC and recipients to those requirements until the regulation can be amended, which is time-consuming and may delay desired changes. LSC agrees with the OIG regarding the importance of data LSC seeks from recipients, and intends to solicit OIG's input as it develops additional data collection requirements for PAI.

PART 1614 – PRIVATE ATTORNEY INVOLVEMENT

Sec.

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Authority: 42 U.S.C. 2996g(e)

§ 1614.1 Purpose.

Private attorney involvement shall be an integral part of a total local program undertaken within the established priorities of that program, and consistent with LSC's governing statutes and regulations, in a manner that furthers the statutory requirement of providing high quality, economical, and effective client-centered legal assistance and legal information to eligible clients. This part is designed to ensure that recipients of ~~Legal Services Corporation~~LSC funds involve private attorneys, and encourages recipients to involve law students, law graduates, or other professionals, in the delivery of legal information and legal assistance to eligible clients.

§ 1614.2 General policy.

(a) ~~Except as provided hereafter, a~~A recipient of ~~Legal Services Corporation~~LSC funding shall devote an amount equal to at least twelve and one-half percent (12.5%) of the recipient's ~~LSC~~ annualized ~~basic field award~~Basic Field-General award to the involvement of private attorneys, law students, law graduates, ~~or~~ other professionals in the delivery of legal ~~services information~~ and legal assistance to eligible clients; ~~–~~ €This requirement is hereinafter referred to as the “PAI

requirement.” ~~Funds received from the Corporation as one-time special grants shall not be considered in calculating a recipient's PAI requirement.~~

(b) ~~Funds received from LSC as Basic Field~~-Native American grants, ~~or Basic Field~~-migrant grants, and non-Basic Field -grants are not subject to the PAI requirement. For example, Technology Initiative Grants are not subject to the PAI requirement. However, recipients of Native American or migrant funding shall provide opportunity for involvement in the delivery of services-legal information and legal assistance by private attorneys, law students, law graduates, or other professionals in a manner that is generally open to broad participation in those activities undertaken with those funds, or shall demonstrate to the satisfaction of the Corporation that such involvement is not feasible.

§ 1614.3 Definitions.

(a) Attorney, ~~for purposes of this part,~~ means a person who is authorized to practice law in the jurisdiction in which assistance is rendered. For purposes of this part, attorney does not have the meaning stated in 45 CFR 1600.1.

(b) Incubator project means a time-limited program that provides legal training to law graduates or newly admitted attorneys who intend to establish their own independent law practices.

(c) Law graduate means an individual who, within the last two years, has completed the education and/or training requirements necessary for application to the bar in any U.S. state or territory.

(~~d~~) Law student means an individual who is, or has been, enrolled, full-time or part-time, within the past year, and not expelled from:

(1) A law school that can provide the student with a degree that is a qualification for application to the bar in any U.S. state or territory; or

(2) An apprenticeship program that can provide the student with sufficient qualifications for application to the bar in any U.S. state or territory.

(~~ef~~) Legal assistance means service on behalf of a client or clients that is specific to the client's or clients' unique circumstances, involves a legal analysis that is tailored to the client's or clients' factual situation, and involves applying legal judgment in interpreting the particular facts and in applying relevant law to the facts presented.

(~~fe~~) Legal information means substantive legal information not tailored to address a person's specific problem and that does not involve applying legal judgment or recommending a specific course of action.

(~~gf~~) Other professional means an individual, not engaged in the practice of law and not employed by the recipient, providing services ~~to a recipient~~ in furtherance of the recipient's provision of legal information or legal assistance to eligible clients. For example, a paralegal representing a client in a Supplemental Security Income (SSI) case, an accountant providing tax advice to an eligible client, or an attorney not authorized to practice law in the jurisdiction in which the recipient is located would fit within the definition of other professional. An individual granted a limited license to ~~provide legal services~~practice law by a body authorized by court rule or state law to grant such licenses in the jurisdiction in which the recipient is located would also meet the definition of other professional.

(~~hg~~) PAI Clinic means an activity under this part in which private attorneys, law students, law graduates, or other professionals are involved in providing legal information and/or legal assistance to the public at a specified time and location.

(~~ih~~) Private attorney means ~~an attorney.~~ ÷

~~(1)(i) An attorney individual licensed or otherwise authorized to practice law in the jurisdiction~~

~~in which the recipient is located; or~~

~~(ii) An attorney employed less than 1,000 hours per calendar year by an LSC recipient or subrecipient, but only as to activities conducted outside the scope of his or her employment by the recipient or subrecipient.~~

~~(2) Private attorney does not include:~~

~~(1i) An attorney employed 1,000 hourshalf time or more per calendar year or more by an LSC recipient or subrecipient; or~~

~~(2) An attorney employed less than half time by an LSC recipient or subrecipient acting within the terms of his or her employment by the LSC recipient or subrecipient; or~~

~~(#3) An attorney acting within the terms of his or her employment -byemployed by [a non-profit organization whose services are designed primarily to address the legal needs of persons of limited financial means/ a non-profit organization whose primary purpose is the delivery of free civil legal services to low-income individuals; or~~

~~(4) An attorney acting within the terms of his or her employment by a component of a non-profit organization, where the component's primary purpose is the delivery of free civil legal services to low-income individuals.] acting within the terms of his or her employment. non-LSC-funded legal services provider acting within the terms of his or her employment with the non-LSC-funded provider.~~

~~(j) Screen for eligibility means to screen individuals for eligibility using the same criteria recipients use to determine an individual's eligibility for cases accepted by the recipient and whether LSC funds or non-LSC funds can be used to provide legal assistance (e.g., income and assets, citizenship, eligible alien status, within priorities, applicability of LSC restrictions).~~

(k) Subrecipient has the meaning stated in 45 CFR 1627.2(b)(1), except that as used in this part, such term shall not include entities that meet the definition of subrecipient solely because they receive more than \$25,000 from an LSC recipient for services provided through a fee-for-service arrangement, such as services provided by a private law firm or attorney representing a recipient's clients on a contract or judicare basis.

§ 1614.4 Range of activities.

(a) Direct delivery of legal assistance to recipient clients. (1) Activities undertaken by the recipient to meet the requirements of this part must include the direct delivery of legal assistance to eligible clients by private attorneys through programs such as organized pro bono plans, reduced fee plans, judicare panels, private attorney contracts, or those modified pro bono plans which provide for the payment of nominal fees by eligible clients and/or organized referral systems; except that payment of attorney's fees through "revolving litigation fund" systems, as described in § 1614.8 of this part, shall neither be used nor funded under this part nor funded with any LSC support.

(2) In addition to the activities described in paragraph (a)(1) of this section, direct delivery of legal assistance to eligible clients may include representation by a non-attorney in an administrative tribunal that permits non-attorneys to represent individuals before the tribunal.

(3) Systems designed to provide direct ~~services~~ legal assistance to eligible clients of the recipient by private attorneys on either a pro bono or reduced fee basis, shall include at a minimum, the following components:

- (i) Intake and case acceptance procedures consistent with the recipient's established priorities in meeting the legal needs of eligible clients;
- (ii) Case assignments which ensure the referral of cases according to the nature of the legal

problems involved and the skills, expertise, and substantive experience of the participating attorney;

(iii) Case oversight and follow-up procedures to ensure the timely disposition of cases to achieve, if possible, the result desired by the client and the efficient and economical utilization of recipient resources; and

(iv) Access by private attorneys to LSC recipient resources that provide back-up on substantive and procedural issues of the law.

(b) Support and other activities. Activities undertaken by recipients to meet the requirements of this part may also include, but are not limited to:

(1) Support provided by private attorneys to the recipient [or a subrecipient](#) as part of its delivery of legal assistance [or legal information](#) to eligible clients on either a reduced fee or pro bono basis such as the provision of community legal education, training, technical assistance, research, advice and counsel; co-counseling arrangements; or the use of ~~the private law firm~~ [attorney's](#) facilities, libraries, computer-assisted legal research systems or other resources;

(2) Support provided by other professionals in their areas of professional expertise to the recipient as part of its delivery of legal information or legal assistance to eligible clients on either a reduced fee or pro bono basis such as the provision of intake support, research, training, technical assistance, or direct assistance to an eligible client of the recipient; and

(3) Support provided by the recipient in furtherance of activities undertaken pursuant to this section including the provision of training, technical assistance, research, advice and counsel or the use of recipient facilities, libraries, computer assisted legal research systems or other resources.

[\(4\) Support provided to bar associations or courts establishing legal clinics. -A recipient may](#)

allocate to its PAI requirement costs associated with providing a bar association or court with technical assistance in planning and establishing a legal clinic at which private attorneys will provide legal information and/or legal assistance.

(4)(5) PAI Clinics—(i) Legal information provided in PAI clinics. A recipient may allocate to its PAI requirement costs associated with providing support to clinics, regardless of whether the clinic screens for eligibility, if the clinic provides only legal information.

(ii) Legal assistance provided in PAI clinics. ~~If the clinic provides legal assistance to individual clients, a~~ recipient may provide support ~~for the clinic to~~ a PAI clinic that provides legal assistance if the PAI clinic screens for eligibility. ~~and provides legal assistance only to clients who may be served consistent with the LSC Act and relevant statutory and regulatory restrictions.~~

(A) A recipient may allocate to its PAI requirement costs associated with its support of such clinics for legal assistance provided to individuals who are eligible to receive LSC-funded legal services.

(B) Where a recipient supports a clinic that provides legal assistance to individuals who are eligible for permissible non-LSC-funded services, the recipient may not allocate to its PAI requirement costs associated with the legal assistance provided to such individuals. For example, a recipient may not allocate to its PAI requirement costs associated with legal assistance provided through a clinic to an individual who exceeds the income and asset tests for LSC eligibility, but is otherwise eligible.

(C) For clinics providing ~~both~~ legal information to the public and legal assistance to clients screened for eligibility, a recipient may allocate to its PAI requirement costs associated with its support of both parts of the clinic. If the clinic does not screen for eligibility, the recipient may

allocate to the PAI requirement costs associated with the legal information portion of the PAI clinic, but may not allocate to the PAI requirement costs associated with, ~~support of the legal~~ assistance portion of the clinic.

(D) In order to allocate to its PAI requirement costs associated with support of the legal assistance portion of a clinic, a recipient must maintain records sufficient to document that such clinic has an eligibility screening process and that each individual provided with legal assistance in the portion of the clinic supported by the recipient was properly screened for eligibility under the process.

~~(5)~~(6) Screening and referral systems. (i) A recipient may participate in a referral system in which the recipient conducts intake screening and refers LSC-eligible applicants to programs that assign applicants to private attorneys on a pro bono or reduced fee basis.

(ii) In order to allocate to its PAI requirement costs associated with participating in such referral systems, a recipient must be able to ~~track~~report the number of eligible persons referred by the recipient to each program and the number of eligible persons who were placed with a private attorney through the program receiving the referral.

~~(6)~~(7) Law student activities. A recipient may allocate to its PAI requirement costs associated with law student work supporting the recipient's provision of legal information or delivery of legal assistance to eligible clients. Compensation paid by the recipient to law students may not be allocated to the PAI requirement.

(c) Determination of PAI activities. The specific methods to be undertaken by a recipient to involve private attorneys, law students, law graduates, or other professionals in the provision of legal information and legal assistance to eligible clients will be determined by the recipient's

taking into account the following factors:

- (1) The priorities established pursuant to part 1620 of this chapter;
 - (2) The effective and economic delivery of legal assistance [and legal information](#) to eligible clients;
 - (3) The linguistic and cultural barriers to effective advocacy;
 - (4) The actual or potential conflicts of interest between specific participating attorneys, [law students, law graduates, and individual eligible clients](#) or other professionals and individual eligible clients; and
 - (5) The substantive and practical expertise, skills, and willingness to undertake new or unique areas of the law of participating attorneys and other professionals.
- (d) Unauthorized practice of law. This part is not intended to permit any activities that would conflict with the rules governing the unauthorized practice of law in the recipient's jurisdiction.

§ 1614.5 Compensation of recipient staff and private attorneys; blackout period.

- (a) A recipient may allocate to its PAI requirement costs associated with compensation paid to its employees ~~only~~ for facilitating the involvement of private attorneys, law students, law graduates, or other professionals in activities under this part.
- (b) A recipient may not allocate to its PAI requirement costs associated with compensation paid to a private attorney, law graduate, or other professional for services under this part for any hours an individual provides above 800 hours per calendar year.
- (c) No ~~PAI funds shall be committed~~ [costs may be allocated to the PAI requirement](#) for direct payment to any individual who for any portion of the current year or the previous year has been employed more than 1,000 hours per calendar year by an LSC recipient or subrecipient, except for employment as a law student; provided, however:

(1) This paragraph (c) shall not be construed to prohibit the allocation of costs to the PAI requirement for payments made to such an individual participating ~~restrict the use of PAI funds~~

in a pro bono or judicare project on the same terms that are available to other attorneys;

(2) This paragraph (c) shall not apply to the allocation of costs to the PAI requirement for payments to ~~participants~~ private attorneys who were employed for less than a year by an LSC recipient or subrecipient as part of an incubator project ~~use of PAI funds in an incubator project in which a person is employed for less than a year at an LSC recipient as part of a program to provide legal training to law graduates or newly admitted attorneys who intend to establish their own independent law practices~~; and

(3) This paragraph (c) shall not be construed to restrict recipients from allocating to their PAI requirement the payment of ~~PAI~~ funds as a result of work performed by an attorney or other individual who practices in the same business with such former employee.

§ 1614.6 Procedure.

(a) The recipient shall develop a plan and budget to meet the requirements of this part which shall be incorporated as a part of the refunding application or initial grant application. The budget shall be modified as necessary to fulfill this part. That plan shall take into consideration:

(1) The legal needs of eligible clients in the geographical area served by the recipient and the relative importance of those needs consistent with the priorities established pursuant to section 1007(a)(2)(C) of the Legal Services Corporation Act (42 U.S.C. 2996f(a)(2)(C)) and 45 CFR part 1620 adopted pursuant thereto;

(2) The delivery mechanisms potentially available to provide the opportunity for private attorneys, law students, law graduates, or other professionals to meet the established priority legal needs of eligible clients in an economical and effective manner; and

(3) The results of the consultation as required below.

(b) The recipient shall consult with significant segments of the client community, private attorneys, and bar associations, including minority and women's bar associations, in the recipient's service area in the development of its annual plan to provide for the involvement of private attorneys, law students, law graduates, or other professionals in the provision of legal information and legal assistance to eligible clients and shall document that each year its proposed annual plan has been presented to all local bar associations within the recipient's service area and shall summarize their response.

(c) In the case of recipients whose service areas are adjacent, coterminous, or overlapping, the recipients may enter into joint efforts to involve private attorneys, law students, law graduates, or other professionals in the delivery of legal information and legal assistance to eligible clients, subject to the prior approval of LSC. In order to be approved, the joint venture plan must meet the following conditions:

(1) The recipients involved in the joint venture must plan to expend at least twelve and one-half percent (12.5%) of the aggregate of their basic field awards on PAI. In the case of recipients with adjacent service areas, twelve and one-half percent (12.5%) of each recipient's grant shall be expended to PAI; provided, however, that such expenditure is subject to waiver under this section;

(2) Each recipient in the joint venture must be a bona fide participant in the activities undertaken by the joint venture; and

(3) The joint PAI venture must provide an opportunity for involving private attorneys, law students, law graduates, or other professionals throughout the entire joint service area(s).

§ 1614.7 ~~Compliance~~ Fiscal recordkeeping.

The recipient shall demonstrate compliance with this part by utilizing financial systems and procedures and maintaining supporting documentation to identify and account separately for costs related to the PAI effort. Such systems and records shall meet the requirements of the Corporation's Audit Guide for Recipients and Auditors and the Accounting Guide for LSC Recipients and shall have the following characteristics:

(a) They shall accurately identify and account for:

(1) The recipient's administrative, overhead, staff, and support costs related to PAI activities.

Non-personnel costs shall be allocated on the basis of reasonable operating data. All methods of allocating common costs shall be clearly documented. If any direct or indirect time of staff attorneys or paralegals is to be allocated as a cost to PAI, such costs must be documented by time sheets accounting for the time those employees have spent on PAI activities. The timekeeping requirement does not apply to such employees as receptionists, secretaries, intake personnel or bookkeepers; however, personnel cost allocations for non-attorney or non-paralegal staff should be based on other reasonable operating data which is clearly documented;

(2) Payments to private attorneys, law graduates, or other professionals for support or direct client services rendered. The recipient shall maintain contracts on file ~~which that~~ set forth payment systems, hourly rates, and maximum allowable fees. Bills and/or invoices from private attorneys, law graduates, or other professionals shall be submitted before payments are made.

Encumbrances shall not be included in calculating whether a recipient has met the requirement of this part;

(3) Contractual payments or subgrants to individuals or organizations that undertake administrative, support, and/or direct services to eligible clients on behalf of the recipient consistent with the provisions of this part. Contracts or subgrants concerning transfer of LSC

funds for PAI activities shall require that such funds be accounted for by the recipient in accordance with LSC guidelines, including the requirements of the Audit Guide for Recipients and Auditors and the Accounting Guide for LSC Recipients and 45 CFR ~~part~~parts 1610, 1627 and 1630;

(4) Other such actual costs as may be incurred by the recipient in this regard.

(b) Support and expenses relating to the PAI effort must be reported separately in the recipient's year-end audit. This shall be done by establishing a separate fund or providing a separate schedule in the financial statement to account for the entire PAI allocation. Recipients are not required to establish separate bank accounts to segregate funds allocated to PAI. Auditors are required to perform sufficient audit tests to enable them to render an opinion on the recipient's compliance with the requirements of this part.

(c) ~~In private attorney models, attorneys~~Attorneys, law students, law graduates, or other professionals may be reimbursed for actual costs and expenses.

(d) Fees paid to individuals for providing services under this part may not exceed 50% of the local prevailing market rate for that type of service.

§ 1614.8 Prohibition of revolving litigation funds.

(a) A revolving litigation fund system is a system under which a recipient systematically encourages the acceptance of fee-generating cases as defined in § 1609.2 of this chapter by advancing funds to private attorneys, law students, law graduates, or other professionals to enable them to pay costs, expenses, or attorneys' fees for representing clients.

(b) No funds received from the ~~Legal Services~~-Corporation shall be used to establish or maintain revolving litigation fund systems.

(c) The prohibition in paragraph (b) of this section does not prevent recipients from reimbursing

or paying private attorneys, law students, law graduates, or other professionals for costs and expenses, provided:

(1) The private attorney, law student, law graduate, or other professional is representing an eligible client in a matter in which representation of the eligible client by the recipient would be allowed under ~~the Act and under the Corporation's Regulations~~LSC's governing statutes and regulations; and

(2) The private attorney, law student, law graduate, or other professional has expended such funds in accordance with a schedule previously approved by the recipient's governing body or, prior to initiating action in the matter, has requested the recipient to advance the funds.

(d) Nothing in this section shall prevent a recipient from recovering from a private attorney, law student, law graduate, or other professional the amount advanced for any costs, expenses, or fees from an award to the attorney for representing an eligible client.

§ 1614.9 Waivers.

(a) While it is the expectation and experience of the Corporation that most basic field programs can effectively expend their PAI requirement, there are some circumstances, temporary or permanent, under which the goal of economical and effective use of Corporation funds will be furthered by a partial, or in exceptional circumstances, a complete waiver of the PAI requirement.

(b) A complete waiver shall be granted by LSC when the recipient shows to the satisfaction of LSC that:

(1) Because of the unavailability of qualified private attorneys, law students, law graduates, or other professionals an attempt to carry out a PAI program would be futile; or

(2) All qualified private attorneys, law students, law graduates, or other professionals in the

program's service area either refuse to participate or have conflicts generated by their practice which render their participation inappropriate.

(c) A partial waiver shall be granted by LSC when the recipient shows to the satisfaction of LSC that:

(1) The population of qualified private attorneys, law students, law graduates, or other professionals available to participate in the program is too small to use the full PAI allocation economically and effectively; or

(2) Despite the recipient's best efforts too few qualified private attorneys, law students, law graduates, or other professionals are willing to participate in the program to use the full PAI allocation economically and effectively; or

(3) Despite a recipient's best efforts—including, but not limited to, communicating its problems expending the required amount to LSC and requesting and availing itself of assistance and/or advice from LSC regarding the problem—expenditures already made during a program year are insufficient to meet the PAI requirement, and there is insufficient time to make economical and efficient expenditures during the remainder of a program year, but in this instance, unless the shortfall resulted from unforeseen and unusual circumstances, the recipient shall accompany the waiver request with a plan to avoid such a shortfall in the future; or

(4) The recipient uses a fee-for-service program whose current encumbrances and projected expenditures for the current fiscal year would meet the requirement, but its actual current expenditures do not meet the requirement, and could not be increased to do so economically and effectively in the remainder of the program year, or could not be increased to do so in a fiscally responsible manner in view of outstanding encumbrances; or

(5) The recipient uses a fee-for-service program and its PAI expenditures in the prior year

exceeded the twelve and one-half percent (12.5%) requirement but, because of variances in the timing of work performed by the private attorneys and the consequent billing for that work, its PAI expenditures for the current year fail to meet the twelve and one-half percent (12.5%) requirement; or

(6) If, in the reasonable judgment of the recipient's governing body, it would not be economical and efficient for the recipient to expend its full twelve and one-half percent (12.5%) of Corporation funds on PAI activities, provided that the recipient has handled and expects to continue to handle at least twelve and one-half percent (12.5%) of cases brought on behalf of eligible clients through its PAI program(s).

(d)(1) A waiver of special accounting and bookkeeping requirements of this part may be granted by ~~the Audit Division with the concurrence of~~ LSC, if the recipient shows to the satisfaction of ~~the Audit Division of~~ LSC that such waiver will advance the purpose of this part as expressed in §§ 1614.1 and 1614.2.

(2) As provided in 45 CFR 1627.3(c) with respect to subgrants, alternatives to Corporation audit requirements or to the accounting requirements of this Part may be approved for subgrants by LSC; such alternatives for PAI subgrants shall be approved liberally where necessary to foster increased PAI participation.

(e) Waivers of the PAI expenditure requirement may be full or partial, that is, the Corporation may waive all or some of the required expenditure for a fiscal year.

(1) Applications for waivers of any requirement under this Part may be for the current, or next fiscal year. All such applications must be in writing. Applications for waivers for the current fiscal year must be received by the Corporation during the current fiscal year.

(2) At the expiration of a waiver a recipient may seek a similar or identical waiver.

(f) All waiver requests shall be addressed to LSC ~~or the Audit Division as is appropriate under the preceding provisions of this Part~~. The Corporation shall make a written response to each such request postmarked not later than thirty (30) days after its receipt. If the request is denied, the Corporation will provide the recipient with an explanation and statement of the grounds for denial. If the waiver is to be denied because the information submitted is insufficient, the Corporation will inform the recipient as soon as possible, both orally and in writing, about what additional information is needed. Should the Corporation fail to so respond, the request shall be deemed to be granted.

§ 1614.10 Failure to comply.

(a) ~~(1)~~ If a recipient fails to comply with the expenditure required by this part and ~~if~~ that recipient fails without good cause to seek a waiver during the term of the grant or contract, the Corporation shall withhold from the recipient's ~~support grant~~ payments an amount equal to the difference between the amount expended on PAI and twelve and one-half percent (12.5%) of the recipient's basic field award.

(2) If the Corporation determines that a recipient failed without good cause to seek a waiver, the Corporation shall give the recipient written notice of that determination. The written notice shall state the determination, the amount to be withheld, and the process by which the recipient may appeal the determination.

(3) The appeal process will follow the procedures for the appeal of disallowed costs set forth at 45 C.F.R. § 1630.7(c)—~~d~~(g), except that

(i) the subject matter of the appeal shall be limited to the Corporation's determination that the recipient failed without good cause to seek a waiver; and

(ii) withholding of funds shall be the method for the Corporation to recover the amount to be

withheld.

(b) If a recipient fails with good cause to seek a waiver, or applies for but does not receive a waiver, or receives a waiver of part of the PAI requirement and does not expend the amount required to be expended, the PAI expenditure requirement for the ensuing year shall be increased for that recipient by an amount equal to the difference between the amount actually expended and the amount required to be expended.

(c)(1) Any funds withheld by the Corporation pursuant to this section shall be made available by the Corporation for ~~basic field purposes, which may include making those funds available for use~~ in providing legal services through PAI programs. When such funds are available for competition, LSC shall announce/publish notice of the requirements concerning time, format, and content of the application and the procedures for submitting an application for such funds. Disbursement of these funds for PAI activities in the recipient's service area shall be made through a competitive solicitation and awarded on the basis of efficiency, quality, creativity, and demonstrated commitment to PAI service delivery to low-income people. Competition for these funds may be held in the recipient's service area, or if the recipient from whom funds are withheld is the only LSC recipient applying for the funds in the competitive solicitation, in another service area.

(2) Recipients shall expend funds awarded through the competitive process in paragraph (c)(1) in addition to twelve and one-half percent (12.5%) of their Basic Field-General awards, through PAI programs. ~~Disbursement of these funds for PAI activities in the recipient's service area shall be made through a competitive solicitation and awarded on the basis of efficiency, quality, creativity, and demonstrated commitment to PAI service delivery to low-income people.~~

(d) The withholding of funds under this section shall not be construed as any action under 45

CFR parts 1606, 1618, 1623, or 1630.

Delivery of Legal Services Committee

Agenda

DELIVERY OF LEGAL SERVICES COMMITTEE

October 5, 2014

Agenda

Open Session

1. Approval of Agenda
2. Approval of minutes of the Committee's Open Session meeting of July 21, 2014
3. Panel presentation: The Difference That Leadership from the Judiciary Makes: How the New York State Task Force on Increasing Access to Justice Affects Legal Services Across New York.
 - **Lillian M. Moy**, Executive Director, Legal Aid Society of Northeastern New York
 - **William J. Hawkes**, Executive Director, Neighborhood Legal Services
 - **C. Kenneth Perri**, Executive Director, Legal Assistance of Western New York
 - **Paul J. Lupia**, Executive Director, Legal Aid Society of Mid-New York
 - **Barbara Finkelstein**, Executive Director, Legal Services of the Hudson Valley
 - **Cheryl Nolan**, Program Counsel, Office of Program Performance, Legal Services Corporation (*Moderator*)
4. Public comment
5. Consider and act on other business
6. Consider and act on motion to adjourn the meeting

**Draft Minutes of the July 21, 2014
Open Session Meeting**

**Legal Services Corporation
Meeting of the
Delivery of Legal Services Committee**

Open Session

Monday, July 21, 2014

DRAFT

Co-Chair Father Pius Pietrzyk convened an open session meeting of the Legal Services Corporation's ("LSC") Delivery of Legal Services Committee ("the Committee") at 2:54 p.m. on Monday, July 21, 2014. The meeting was held at the Des Moines Marriott Downtown, 700 Grand Avenue, Des Moines, Iowa 50309.

The following Committee members were present:

Father Pius Pietrzyk, Co-Chair
Gloria Valencia-Weber, Co-Chair
Sharon L. Browne
Victor B. Maddox
Julie A. Reiskin
John G. Levi, *ex officio*

Other Board members present:

Robert Grey
Charles N.W. Keckler
Harry J.F. Korrell, III
Martha L. Minow
Laurie I. Mikva

Also attending were:

James J. Sandman	President
Lynn Jennings	Vice President for Grants Management
Ronald S. Flagg	Vice President for Legal Affairs, General Counsel & Corporate Secretary
David Richardson	Comptroller/Treasurer, Office of Financial and Administrative Services
Jeffrey Schanz	Inspector General
Thomas Coogan	Assistant Inspector General for Investigations, Office of the Inspector General
John Seeba	Assistant Inspector General for Audit

David Maddox	Assistant Inspector General for Management and Evaluation, Office of the Inspector General
Carol Bergman	Director, Office of Government Relations and Public Affairs (GRPA)
Carol Rauscher	Director of Media Relations, Office of Government Relations and Public Affairs (GRPA)
Wendy Long	Executive Assistant Office of Government Relations and Public Affairs (GRPA)
Lora M. Rath	Director, Office of Compliance and Enforcement (OCE)
Julia Kramer	Program Counsel, Office of Compliance and Enforcement (OCE), Executive Office
Janet LaBella	Director, Office of Program Performance (OPP)
Althea Hayward	Deputy Director, Office of Program Performance (OPP)
Bernie Brady	Travel Coordinator
Allan J. Tanenbaum	Non-Director Member, Finance Committee
Frank Strickland	Non-Director Member, Institutional Advancement Committee
Herbert Garten	Non-Director Member, Institutional Advancement Committee
Robert E. Henley, Jr.	Non-Director Member, Institutional Advancement Committee
Linda Morris	Client-Eligible Board Member & past President, Laurel Legal Services
Cynthia A. Sheehan	Executive Director, Laurel Legal Services
Susan Cae Barta	Secretary, Board of Directors, Iowa Legal Aid
Dennis Groenenboom	Executive Director, Iowa Legal Aid
Patrick McClintock	Iowa Legal Aid
Chris Luzzie	Iowa Legal Aid
Alan O. Olson	Iowa Legal Aid, Board of Directors
Virginia Sipes	CRCRC & ISBA Access to Justice
Beth Hulett	Guest, Sioux City, Iowa
Don Saunders	National Legal Aid and Defenders Association (NLADA)
Robin C. Murphy	National Legal Aid and Defenders Association (NLADA)
Terry Brooks	American Bar Association Standing Committee on Legal Aid and Indigent Defendants (SCLAID)

The following summarizes actions taken by, and presentations made to, the Committee:

Committee Co-Chairman Father Pius called the meeting to order.

MOTION

Ms. Reiskin moved to approve the agenda. Committee Co-Chair Valencia-Weber seconded the motion.

VOTE

The motion passed by voice vote.

MOTION

Committee Co-Chair Valencia-Weber moved to approve the minutes of the Committee's meeting of April 7, 2014. Ms. Browne seconded the motion.

VOTE

The motion passed by voice vote.

Ms. Hayward panel moderator, gave an overview of 45 CFR 1607.3(c) which outlines board governance of grantee programs; and the importance of client eligible member engagement in board decision making. Ms. Hayward, introduced the LSC Performance Area Four, Criteria 1 panelists: Linda Morris, Client Eligible Board Member and past President, Laurel Legal Services; Executive Director, Laurel Legal Services, Cynthia A. Sheehan; Secretary, Board of Directors, Iowa Legal Aid, Susan Cae Barta; and Dennis Groenenboom, Executive Director, Iowa Legal Aid. She was followed by Mr. Gronenboom and Ms. Morris who discussed the challenges face in the recruitment of client-eligible members. Next, Ms. Sheehan and Ms. Barta briefed the Committee on their experiences and the importance of retention and engagement of client eligible board members with board decision making. Ms. Haywood and the panelists answered Committee members' questions.

Committee Co-Chair Father Pius invited public comment and receive none.

There was no new business to consider.

MOTION

Mr. Maddox moved to adjourn the meeting. Committee Co-Chair Valencia-Weber seconded the motion.

VOTE

The motion passed by voice vote.

The Committee meeting adjourned at 3:57 p.m.

Panel Presentation:
Re: The Difference that Leadership
from the Judiciary Makes and
Panelist Bios

The Difference That Leadership from the Judiciary Makes: How the New York State Task Force on Increasing Access to Justice Affects Legal Services Across New York

**October 5, 2014
Albany, New York**

Barbara Finkelstein, Chief Executive Officer, Legal Services of the Hudson Valley

Barbara Finkelstein oversees every aspect of Legal Services of the Hudson Valley (LSHV), the largest provider of free civil legal services to more than 500,000 poor and low-income individuals in Westchester, Putnam, Dutchess, Orange, Rockland, Sullivan and Ulster Counties.

Since Ms. Finkelstein became Executive Director in 1995 and now CEO, Legal Services of the Hudson Valley has increased its budget sixfold and has grown to a 110-person staff with a \$12.9 million-dollar budget and eight offices. She is the first woman to lead the organization.

Ms. Finkelstein's accomplishments on behalf of Legal Services of the Hudson Valley are many. Under her leadership LSHV has made great strides in securing funding from public and private sources to increase services to low income residents of the Hudson Valley facing civil legal problems affecting the basic necessities of life. Motivated by a desire to make justice a promise for every member of society, Ms. Finkelstein created partnerships with governments, community-based organizations, and law schools to ensure solutions to the problems facing the low income population. Most recently, she started a Veteran's and Military Families Advocacy Project to provide legal assistance to returning Veterans and their families. In 1996, she started the Domestic Violence Unit, which has provided legal assistance to more than 15,000 survivors of domestic violence. In 1999, Ms. Finkelstein started a Children's Advocacy Unit, and in 2002 a Family Law Unit, both supported exclusively by private funds raised through an individual donor and foundation fund raising program. Before joining Legal Services of the Hudson Valley, Ms. Finkelstein was the Assistant Project Director at Queens Legal Services where she directed services to clients and assisted with overall program operations.

Ms. Finkelstein is a member of Chief Justice Jonathan Lippman's Task Force to Expand Access to Civil Legal Services in New York, the New York State Bar Association's President's Committee on Access to Justice and the Board of Directors for Nonprofit Westchester.

Ms. Finkelstein received her J.D. from Rutgers School of Law – Newark, and her B.A. from Hunter College of the City University of New York.

William J. Hawkes, Executive Director, Neighborhood Legal Services

William J. Hawkes has been the Executive Director of Neighborhood Legal Services, Inc., (NLS), since May of 1998. NLS serves its LSC funded service area of Erie, Niagara, Orleans, Genesee and Wyoming Counties from three unionized offices located in Buffalo, Niagara Falls and Batavia New York.

Prior to his becoming Executive Director, Mr. Hawkes was the Director of Training at the Greater Upstate Law Project, an LSC funded state support center, located in Rochester, New York (now the Empire Justice Center) from 1990 through April of 1998. As Director of Training he was responsible for developing and managing the delivery of statewide training on substantive law and legal skills. In addition to statewide training, Mr. Hawkes consulted and participated in the development of various skills training programs for the New England and Mid-Atlantic training consortiums during the 1990's. Early in his career Mr. Hawkes presented on numerous substantive law and skills topics at local, statewide and national training sessions as well as having designed coordinated and served as a training team member on numerous statewide and regional substantive law and skills conferences.

Mr. Hawkes began his career in legal services in September 1977 when, as a college student, he chose to volunteer with Monroe County Legal Assistance Corporation, (MCLAC), in Rochester, New York as a University Year In Action (VISTA/UYA) volunteer. He began representing income eligible clients in New York State Department of Labor, Unemployment Insurance Division, administrative hearings and appeals. He extended the scope of his work by adding public assistance, food stamps, Medicaid, NYS Department of Health certifications and SSI disability cases to his caseload. In January of 1980 he was hired as a MCLAC staff paralegal where he worked doing a full hearing and appeals caseload as well as providing community legal education and working on statewide training project teams. During his case handling career he represented close to one thousand people in administrative hearings and appeals before the NYS Department of Labor, NYS Department of Social Services, NYS Department of Health and the Social Security Administration. He worked at MCLAC until April of 1990.

Mr. Hawkes has a B.S. in Speech Communications and a Master of Public Administration degree from the State University of New York, College at Brockport. He has served as the President of the Agency Executives Association of the United Way of Buffalo and Erie County from June 2010 to December 2012, and was the Vice President from June 2006 through June 2010. He is a member by appointment to the United Way of Buffalo and Erie County Advocacy Committee. He is a 2002 graduate of the Leadership Buffalo program.

Paul J. Lupia, Executive Director, Legal Aid Society of Mid-New York

Mr. Lupia is the Executive Director of the Legal Aid Society of Mid-New York, Inc. (LASMNY), a thirteen county LSC funded legal services provider in Central New York. In addition, LASMNY maintains an office in New Paltz for its statewide LSC funded Migrant Farmworker Program.

Mr. Lupia graduated from Hobart College in 1975 and Case Western Reserve University College of Law in 1978. Since his law school graduation, he has been associated with the provision of civil legal services in Upstate New York. After law school graduation he served as a VISTA Volunteer in Rochester, New York, representing children with disabilities in special education issues. From 1979 to mid-1980, he was a Staff Attorney with North Country Legal Services providing civil legal services to clients in the Adirondacks. In 1980 he joined LASMNY's predecessor, the Legal Aid Society of Oneida County, Inc., as a staff attorney and continued to be employed by LASMNY until the end of

2003. From 2004 through December 2007, he was the Director of Advocacy of both Legal Services of Central New York, Inc. and LASMNY. Since December 17, 2007, Mr. Lupia has been LASMNY's Executive Director.

Mr. Lupia is a member of the New York State Bar Association, the Onondaga County Bar Association, the Oneida County Bar Association, the Oneida County Bar Association Pro Bono Committee, the Madison County Bar Association, the Sixth Judicial District Pro Bono Committee, and the New York State Bar Association Committee on Legal Aid.

Lillian M. Moy, Executive Director, Legal Aid Society of Northeastern New York

Lillian M. Moy has been the Executive Director of the Legal Aid Society of Northeastern New York since 1995. She is a 1974 graduate of Hunter College of the City University of New York and a 1981 graduate of Boston University School of Law. She is a member of the Board of Directors of the Albany Medical Center and a member of the Governance Committee of the Capital District Pride Center.

Ms. Moy is a nationally recognized leader, writer and trainer in the civil legal aid community. Her particular areas of expertise are leadership development and diversity. Ms. Moy currently serves on the ABA Standing Committee on Pro Bono and Public Service and the Legal Access Job Corps Task Force. She is past Chair of the Civil Policy Group and the Board of the National Legal Aid and Defender Association. Ms. Moy serves as the Chair of the New York State Bar Association's Committee on Attorney Professionalism, and on the Nominating Committee, President's Committee on Access to Justice and the Committee on Legal Aid. Ms. Moy is also co-convenor of the New York Diversity Coalition, a group of legal services staff and managers dedicated to raising and resolving diversity issues in the legal aid community.

Ms. Moy has been honored by the National Organization of Legal Services Workers, the Albany-Colonie Regional Chamber of Commerce, the Asian American Bar Association of New York, the Schenectady County Bar Association, the New York State Bar Association and the Catholic Charities Housing Office. Most recently, Lillian was the recipient of the New York State Bar Association's Diversity Trailblazer Award for 2013.

C. Kenneth Perri, Executive Director, Legal Assistance of Western New York

Since 2004, C. Kenneth Perri has served as the Executive Director of Legal Assistance of Western New York, Inc., a not-for-profit corporation established to provide access to the justice system to low-income people and other vulnerable populations who have civil legal problems. Mr. Perri's present responsibilities include managing the \$8.5 million organization; resource development; working with funders, community groups, other civil legal service providers and the private bar; and supervising the management staff of deputy directors, managing attorneys and the chief fiscal officer.

Mr. Perri is a 1981 graduate of Boston University School of Law. He has worked with civil legal services programs his entire professional career. He began as a legal intern with Greater Boston Legal Services from 1980 - 1981. From 1982 - 1986, he worked as a staff attorney and then as a senior staff attorney with the Dothan Regional Office of the Legal Services Corporation of Alabama. In 1986, he became the managing attorney of Legal Assistance of the Finger Lakes in Geneva, New York. In 2002, Mr. Perri became the executive director of the program, overseeing the operations of the Geneva office and the larger urban office, Monroe County Legal Assistance Corporation, in Rochester, New York. In 2004, the program expanded from a six county to a 14 county service area and was renamed Legal Assistance of Western New York, Inc. (LawNY).

Mr. Perri is a member of the American Bar Association, the New York State Bar Association, the Monroe County Bar Association and the Ontario County Bar Association. Within NYSBA, he presently serves on the Committee on Legal Aid and the President's Committee on Access to Justice. He chaired the Committee on Legal Aid from 6/1/07 – 5/31/11. He is an active member of NYSBA's New York Pro Bono Coordinators' Network. He presently serves on the Statewide Law School Access to Justice Council, the Unified Court System's Pro Bono Scholars Task Force, the New York State Legal Services Initiative and the Independent Judicial Election Qualification Commission for the Seventh Judicial District.

Audit Committee

Agenda

AUDIT COMMITTEE

October 6, 2014

Agenda

OPEN SESSION

1. Approval of agenda
2. Approval of minutes of the Committee's Open Session July meeting of 21, 2014
3. Briefing by Office of Inspector General
 - Jeffrey Schanz, Inspector General
4. Management update regarding risk management
 - Ron Flagg, General Counsel
5. Briefing about referrals by the Office of Inspector General to the Office of Compliance and Enforcement regarding matters from the annual Independent Public Accountants' audits of grantees and OIG Reports on Selected Internal Controls
 - Jeffrey Schanz, Inspector General
 - John Seeba, Assistant IG for Audits
 - Lora Rath, Director of Compliance and Enforcement
6. Public comment
7. Consider and act on other business

CLOSED SESSION

8. Approval of minutes of the Committee's Closed Session meeting on July 21, 2014
9. Briefing by Office Compliance and Enforcement on active enforcement matter(s) and follow-up to open investigation referrals from the Office of Inspector General
 - Lora Rath, Director of Compliance and Enforcement
10. Consider and act on adjournment of meeting

**Draft Minutes of the July 21, 2014
Open Session Meeting**

**Legal Services Corporation
Meeting of the Audit Committee**

Open Session

Monday, July 21, 2014

DRAFT

Chairman Victor B. Maddox convened an open session meeting of the Legal Services Corporation's ("LSC") Audit Committee ("the Committee") at 4:02 p.m. on Monday, July 21, 2014. The meeting was held at the Des Moines Marriott Downtown, 700 Grand Avenue, Des Moines, Iowa 50309.

The following Committee members were in attendance:

Victor B. Maddox, Chairman
Harry J. F. Korrell, III
Gloria Valencia-Weber
David Hoffman, Non-Director Member (by telephone)
Paul L. Snyder, Non-Director Member (by telephone)
John G. Levi, ex officio

Other Board members present:

Sharon L. Browne
Robert J. Grey, Jr.
Charles N.W. Keckler
Father Pius Pietrzyk, O.P.
Laurie Mikva
Martha L. Minow
Julie A. Reiskin

Also in attendance were:

James Sandman	President
Lynn Jennings	Vice President for Grants Management
Ronald S. Flagg	Vice President for Legal Affairs, General Counsel & Corporate Secretary
David L. Richardson	Treasurer and Comptroller, Office of Financial and Administrative Services
Julia Kramer	Program Counsel, Office of Compliance and Enforcement (OCE), Executive Office
Jeffrey E. Schanz	Inspector General

Thomas Coogan	Assistant Inspector General for Investigations, Office of the Inspector General (OIG)
David Maddox	Assistant Inspector General for Management and Evaluation, Office of the Inspector General (OIG)
John Seeba	Assistant Inspector General for Audit, Office of the Inspector General (OIG)
Carol Bergman	Director, Office of Government Relations and Public Affairs (GRPA)
Carl Rauscher	Director of Media Relations, Office of Government Relations and Public Affairs (GRPA)
Wendy Long	Executive Assistant, Office of Government Relations and Public Affairs (GRPA)
Janet LaBella	Director, Office of Program Performance (OPP)
Lora M. Rath	Director, Office of Compliance and Enforcement (OCE)
Frank B. Strickland	Non-Director Member, LSC's Institutional Advancement Committee
Herbert Garten	Non-Director Member, LSC's Institutional Advancement Committee
Allan Tanenbaum	Non-Director Member, LSC's Finance Committee
Robert E. Henley, Jr.	Non-Director Member, LSC's Finance Committee
Dennis Groeneboom	Executive Director, Iowa Legal Aid
Patrick McClintock	Iowa Legal Aid
Chris Luzzie	Iowa Legal Aid
Alan O. Olson	Iowa Legal Aid, Board of Directors
Terry Brooks	American Bar association Standing Committee on Legal Aid and Indigent Defendants (SCLAID)
Don Saunders	National Legal Aid and Defender Association (NLADA)
Robin C. Murphy	National Legal Aid and Defender Association (NLADA)

The following summarizes actions taken by and presentations made to the Committee:

Committee Chairman Maddox called the meeting to order.

MOTION

Professor Valencia-Weber moved to approve the agenda. Mr. Snyder seconded the motion.

VOTE

The motion was approved by voice vote.

MOTION

Professor Valencia-Weber moved to approve the minutes of the Committee's meeting of April 7, 2014. Mr. Hoffman seconded the motion.

VOTE

The motion passed by voice vote.

MOTION

Professor Valencia-Weber moved to approve the minutes of the Committee's meeting of May 22, 2014. Mr. Hoffman seconded the motion.

VOTE

The motion passed by voice vote.

Mr. Schanz briefed the Committee on the reports the Office of the Inspector General (OIG) completed since the last Audit Committee meeting. The reports include a follow-up on LSC's consultant contracts, two grantee reports, and a finalization of the contract for the audited financial statement for next year with WithumSmith+Brown.

Mr. Flagg presented the revised LSC Risk Management matrix and answered Committee members' questions.

Mr. Richardson briefed the Committee on management representation letters regarding financial reporting. He answered Committee members' questions.

Ms. Jennings, Ms. LaBella and Ms. Rath provided a briefing on audit and review processes for the Office of Program Performance (OPP), and the Office of Compliance and Enforcement (OCE). They answered Committee members' questions.

Ms. Rath provided a briefing on OCE's follow-up of referrals from the OIG regarding audit and investigation reports and the annual independent public accountants' audits of grantees. Ms. Rath and Mr. Seeba answered Committee members' questions.

Committee Chairman Maddox invited public comment but due to time restraints Mr. Brooks from the ABA-SCLAID saved comments until the next day.

There was no new business to consider.

MOTION

Professor Valencia-Weber moved to adjourn for briefings in closed session. Mr. Hoffman seconded the motion.

VOTE

The motion passed by voice vote.

The Committee meeting adjourned for briefings in closed session at 5:12 p.m.

Risk Management Matrix

RISK TO LSC RESOURCES – PEOPLE							
Risks			Strategies	Who is responsible?		Last report to Board¹	Next report to Board
	Probability	Severity		Management	Board		
Board Leadership and Governance -- Potential for problems	L	H	<ul style="list-style-type: none"> • Good information flow from management (including legal, financial, programmatic information) and from the OIG and outside auditors • Training of board • Orientation of new board • Evaluations/self-assessments • Sufficient staff support • Staying abreast of best board governance practices • Staying abreast of stakeholder and client concerns • Periodic review of governing documents to assure compliance and relevancy 		Board, Chairman, Gov. & Performance Review Com.		
-- Board Transitions	M	M	<ul style="list-style-type: none"> • Board transition plan • Board orientation 	Secretary	Board, Chairman, Gov. & Performance Review Com.		
Management Leadership Transitions					Gov. & Performance Review Com.		

¹ Tracking of risk management reports to the Board began with the Board meeting in 2013, and thus no dates before that year are recorded in this matrix.

RISK TO LSC RESOURCES – PEOPLE							
Risks			Strategies	Who is responsible?		Last report to Board¹	Next report to Board
	Probability	Severity		Management	Board		
-- President	H	M	<ul style="list-style-type: none"> • Presidential transition plan 	President			1/15
-- Other senior leadership changes	M	M	<ul style="list-style-type: none"> • Transition plan 	President	Gov. & Performance Review Com.		1/15
Management/IG Relations -- Potential for problems	M	H	<ul style="list-style-type: none"> • Communicate, coordinate, cooperate • Regular meetings 	President	Audit Com.	7/20/14	10/14
Management Leadership Performance -- Preventing leadership problems	L	H	<ul style="list-style-type: none"> • Cohesive, effective management team • Emphasis on high standards • Regular communications with board, staff, grantees, public, OIG • Regular performance evaluations 	President	Gov. & Performance Review Com	4/6/14	
Management System Risks <ul style="list-style-type: none"> ■ Performance Management (failure to achieve performance of defined goals including implementation of Fiscal Oversight and Pro Bono Task Force) 	M	H	<ul style="list-style-type: none"> • Create formal organizational management performance cycle including articulation of goals and metrics • Routine reporting of performance • Providing training to close competency gaps 	President OHR Director	Ops. & Regs. Com.	4/7/14	10/14 (PBTF Implementation Update)

RISK TO LSC RESOURCES – PEOPLE							
Risks			Strategies	Who is responsible?		Last report to Board ¹	Next report to Board
	Probability	Severity		Management	Board		
Reports)							
<ul style="list-style-type: none"> ■ Human Capital Management (failure to attract, motivate and retain high quality staff) 	M	H	<ul style="list-style-type: none"> • Professional training for staff and managers • Routine performance evaluations and feedback • Robust communications with employees 	President OHR Director	Ops. & Regs. Com.	4/7/14	
<ul style="list-style-type: none"> ■ Information Management (failure to collect and share vital information) 	M	H	<ul style="list-style-type: none"> • Create a common data portal for collection and sharing of grantee data 	Vice President for Grants Management (VPGM) CIO	Ops. & Regs. Com.		
<ul style="list-style-type: none"> ■ Acquisitions Management (higher contract costs and possible areas of fraud, waste and abuse) 	M	H	<ul style="list-style-type: none"> • Periodically review and strengthen procurement and contracting policies • Routine training of employees on policies 	Vice President for Legal Affairs (VPLA) Controller	Ops. & Regs. Com.	7/20/14	1/15
Conflicts of Interest/Ethics Violations	L	M	<ul style="list-style-type: none"> • Training on ethics code • Reminders, emphasis on ethics 	Ethics Officer	Audit Com.		1/15

RISK TO LSC RESOURCES – FUNDING							
Risks			Strategies	Who is responsible?		Last report to Board	Next report to Board
	Probability	Severity		Management	Board		
Adequacy of Basic Field Funding -- Insufficient funding to accomplish LSC’s mission of providing equal access to justice -- Funding cut so severely that programs must close altogether or radically cut back services	H	H	<ul style="list-style-type: none"> Public education Strengthen congressional relationships Develop stronger data to support funding requests, including data on outcomes and economic benefits of legal aid 	Government Relations/ Public Affairs (GRPA) Director	Finance Com.	7/20/14	10/14
	H	H	<ul style="list-style-type: none"> Develop crisis-mode messaging and network 	GRPA Director			
Adequacy of MGO Funding -- Insufficient Management and Grants Oversight funding	H	H	<ul style="list-style-type: none"> Strengthen congressional relationships Emphasize quantifying return on investment from oversight funding Emphasize grants oversight function Respond to and implement GAO recommendations 	GRPA Director	Finance Com.	7/20/14	10/14
					Gov. & Perform. Review Com.	7/20/14	10/14

			<ul style="list-style-type: none">Continue to assess MGO expenses to reduce any unnecessary duplication and inefficiencies	VPGM			
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RISK TO LSC RESOURCES –ASSETS							
Risks			Strategies	Who is responsible?		Last report to Board	Next report to Board
	Probability	Severity		Management	Board		
Internal Fraud	L	H	<ul style="list-style-type: none"> • Effective internal controls • IG oversight • Annual corporate audit 	Treasurer	Audit Com.		
			<ul style="list-style-type: none"> • Staff training on ethics 	Ethics Officer			
Internal Financial Controls -- Failures at LSC	L	H	<ul style="list-style-type: none"> • Management accountability • Annual audit • Board oversight • Regular review/update of Accounting Manual • Implement GAO recommendations and OMB guidance 	Treasurer	Audit Com.	10/20/13	
Litigation -- Employment	M	M	<ul style="list-style-type: none"> • Regular training of managers • Clear-cut policies and uniform application 	OHR Director	Ops. & Regs. Com.		
			<ul style="list-style-type: none"> • Effective negotiation and use of releases 	VPLA			
Integrity of electronic data/information -- Potential for Problems -- Security of electronic data	M	H	<ul style="list-style-type: none"> • Effective system back-ups • Effective disaster recovery • Regular staff training • Maintain qualified IT staff • Effective document and system security • Maintain up-to-date 	CIO	Audit Com.	7/20/14	

RISK TO LSC RESOURCES –ASSETS							
Risks			Strategies	Who is responsible?		Last report to Board	Next report to Board
	Probability	Severity		Management	Board		
			technology				
Accuracy of grantee data -- Potential for Problems	M	H	<ul style="list-style-type: none"> Data validation protocols (electronic analysis) Clear guidance/training on grantee reporting Improve grantee Activity Reports to receive better data 	VPGM Director OPP Director OCE	Ops. & Regs. Com.		
LSC Records Management -- Potential for Problems	L	M	<ul style="list-style-type: none"> Update records management policy, including statement on the handling of confidential information Train staff in new policy Effective FOIA procedures Stay abreast of best practices Maintain effective computer back-ups Maintain effective security on electronic information access <i>(continued on next page)</i> Improve internal access to key records 	CIO VPLA	Ops. & Regs. Com.		

RISK TO LSC RESOURCES –ASSETS							
Risks			Strategies	Who is responsible?		Last report to Board	Next report to Board
	Probability	Severity		Management	Board		
			<ul style="list-style-type: none"> improve public access to records Ensure compliance with legal requirements 				
Preservation of LSC interest in grantee property -- Potential for loss	L	L	<ul style="list-style-type: none"> Maintain up to date Property Acquisition Manual Remind grantees of LSC policy Pursue remedies as necessary 	VPLA	Ops. & Regs. Com.		
Continuation of Operations & Organizational Resilience	L	H	<ul style="list-style-type: none"> Effective COOP plan 	Chief of Staff	Ops. & Regs. Com.		
	L	H	<ul style="list-style-type: none"> Computer network back-up 	CIO			

RISK TO LSC RESOURCES – GRANTEES							
Risks			Strategies	Who is responsible?		Last report to Board	Next report to Board
	Probability	Severity		Management	Board		
Grantee Oversight by LSC & IPAs -- Preventing lapses	M	H	<ul style="list-style-type: none"> • Rigorous Compliance oversight • Maintain comprehensive procedures manuals • Well-defined workplans for program visits • Careful review of grantee reports to LSC • Communications between offices • Internal training • Regular communications with programs • Monitoring media reports 	VPGM	Ops & Regs. Com. Del. Of Legal Serv. Com.		
Interpretations of regulations by LSC Staff -- Preventing inconsistencies	L	H	<ul style="list-style-type: none"> • Joint meetings and trainings • Joint work groups by topic • Feedback from grantees 	VPGM	Ops & Regs. Com.		

RISK TO LSC RESOURCES – GRANTEES							
Risks			Strategies	Who is responsible?		Last report to Board	Next report to Board
	Probability	Severity		Management	Board		
Grantee Operations				VPGM	Del. Of Legal Serv. Com.	7/20/14 (board composition and client board members)	
-- Major misuse of grant funds	M	H	<ul style="list-style-type: none"> • Rigorous selection process for grantees • Enforcement of regulations 	Director OPP			
-- Failure of leadership	L	H	<ul style="list-style-type: none"> • Grant assurances • Grant conditions • Advisories 	Director OCE		4/7/14 (financial planning & budgeting)	
-- Failure of internal controls	M	H	<ul style="list-style-type: none"> • Program letters • Compliance/Fiscal visits 			1/24/14 (Board governance – fiscal and financial oversight)	
-- Lack of board oversight	M	H	<ul style="list-style-type: none"> • LSC Resource Information • Training of grantee staff • Performance Criteria 			10/21/13 (Performance Criteria)	
-- Leadership transitions	H	M	<ul style="list-style-type: none"> • Outreach to local boards • Local board education 			4/15/2013 Comprehensive legal needs assessments	
-- Restriction violations	M	H	<ul style="list-style-type: none"> • Outreach to Access to Justice community in region • Review/redefine services 			1/25/2013 Succession planning and leadership development	
-- Poor records management	M	M	<ul style="list-style-type: none"> • Seek interim provider 				
-- Poor Quality legal services	L	H	<ul style="list-style-type: none"> • Work with programs to improve compliance and reduce chances that they will violate restrictions or otherwise require the imposition of sanctions 				
-- Need to replace program	L	H					

RISK TO LSC RESOURCES – GRANTEES							
Risks			Strategies	Who is responsible?		Last report to Board	Next report to Board
	Probability	Severity		Management	Board		
			<ul style="list-style-type: none"> • Periodic review of regulations • OLA opinions 	VPLA			

Responsibilities for Risk Management

Board of Directors

- Sets strategic goals and objectives, adopts annual operating budget, and approves risk management plan.
- Reviews operational reports to monitor progress towards goals as defined in *Strategic Directions* and assure compliance with organizational requirements.
- Adopts and establishes policies and regulations.
- Reviews the organization's risk management plan (RMP).
- Maintains working relationship with members of Congress.
- Board Committees to review implementation of RMP.

President

- Has overall responsibility for the effective implementation of the RMP.
- Assigns staff to design and carry out risk management activities.
- Assigns staff to perform annual review of the risk management activities.
- Approves all grants for the Corporation.
- Executes major contracts for the organization.
- Keeps the Board apprised of emerging threats and opportunities facing the organization.
- Leads the Executive Team in periodic review and update of the risk management plan.
- Gives final approval to the plan.
- Maintains effective relationship with members of Congress and staff.

Vice President for Legal Affairs

- Serves as advisor to the Board of Directors in legal matters, consulting outside counsel on an as needed basis.
- Advises senior staff on contracts; reviews contracts on an as needed basis.
- Monitors implementation of risk management program.
- Recommends any necessary modifications.

Vice President for Grants Management

- Supervises oversight of grantee operations and compliance.

Treasurer/Comptroller

- Establishes, conducts, and maintains internal controls for financial transactions.
- Purchases D&O insurance.

Executive Team

- Oversees organization-wide effort to protect the vital assets of LSC
- Convenes periodically to review the Corporation's priority risks and corresponding risk management strategies.

Office Directors

- Review and recommend modifications to corporate risk management program.
- Supervise implementation of risk management strategies within their area of responsibility.

Office of Inspector General Referrals to the Office of Compliance & Enforcement

STATUS OF OPEN or RECENTLY CLOSED REFERRALS FROM OIG AUDIT DIVISION TO OCE (Thru September 9, 2014)

State	Grantee	Date of OIG Onsite/ Review	Date of OIG Report	Date of Referral to OCE	OIG Referral - Issues and Amounts	LSC Action	Amount Disallowed by LSC	Resolution	Date Closed
AL	Legal Services Alabama	10/16-24/13	6/9/14	6/11/14	OIG referred \$29,914.03 in questioned costs: \$3,462 for unallowable charges; \$6,569 for unsupported charges; \$15,179 for insufficiently supported costs; and \$4,704.03 related to matching costs.	OCE contacted the OIG to request supporting documentation. After reviewing the available material, OCE submitted a memorandum of recommended action to the Vice President for Grants Management on June 25, 2014. On June 27, 2014, LSA contacted OCE - on its own - to ask if it could provide additional documentation in response to the OIG's report. The information was received via email the same day and was reviewed in order to determine if the recommendation to the VP should be modified. On July 30, 2014, the Vice President for Grants Management issued a Notice of Questioned Costs in the amount of \$19,717.01 (\$3,605.25 for unallowable charges; 2,184.49 for unsupported charges; \$9,224.24 for insufficiently supported charges; and \$4,704.03 related to matching costs). By email dated August 27, 2014, LSA requested an extension of time to respond to the Notice. LSA's response was received on September 19, 2014.	To be determined after review of LSA's response.		Pending
OR	Legal Aid Services of Oregon	1/8-15/13 and 11/4-5/13	7/30/14		OIG referred \$4,789.08 in questioned costs related to bar fees incorrectly charged to LSC funds in 2009, 2010, and 2011 due to fees being paid out of a pooled (non-LSC and LSC) funding account: amounts questioned were \$1,453.50 for 2009, \$1,731.58 for 2010, and \$1,604.00 for 2011.	OCE staff is in the process of reviewing the OIG's referral and has contacted LASO's Executive Director to obtain additional information regarding the exact dates of the payments made during 2009. OCE will be conducting an onsite review of LASO during the week of October 6, 2014 and will use that opportunity to obtain any additional or clarifying information it may need in order to present the Vice President for Grants Management with a recommendation regarding next action steps - whether to attempt to resolve via informal negotiations or to initiate a questioned cost proceeding.			Pending
NV	Nevada Legal Services, Inc.	11/11-15/13	8/7/2014	8/18/2014	OIG referred \$1,375 in questioned costs: \$1,246 for unallowable charges and \$129 for inadequately supported costs. (OIG's referral originally indicated an additional \$599 of inadequately supported costs were to be questioned. The number was resolved as being only \$129 via email from the OIG's office dated September 5, 2014.)	OCE has been in contact with the OIG to obtain supporting documentation and clarifying information. OCE has recommended a course of action to the Vice President for Grants management which will include attempting informal negotiation regarding the questioned costs and requiring program submission of sufficient documentation to demonstrate corrective actions taken in regard to its: cash disbursements policies and procedures to ensure that LSC funds are not used for prohibited purposes; its contracting policies and procedures to ensure they address all elements required by LSC's fundamental criteria, including training of staff on those policies/procedures.			Pending

RESOLVED REFERRALS (Involving Questioned Costs) FROM OIG AUDIT DIVISION TO OCE (June 2011 - September 23, 2014)

State	Grantee	Date of OIG Onsite/ Review	Date of OIG Report	Date of Referral to OCE	OIG Referral	OCE Action	Resolution & Reasoning	Date OIG advised of Closure
CA	California Indian Legal Services	??	8/4/11	2011	The OIG referred \$27,600 in questioned costs for attorney incentive payments which had been improperly charged to CILS' Native American grant.	Contacted program in October 2011 and determined that appropriate action had been taken in 2008.	No recoupment necessary; LSC fund had already been restored.	11/07/11
NC	Legal Aid North Carolina	1/31 - 2/11/11	9/30/11	2011	OIG referred 2 findings/recommendations which the program had not adequately addressed: the need for policies and procedures related to the use of LSC funds for non-business purposes and process for conducting year end comparisons of individual grants to actual cost allocations. No questioned costs were referred.	1.OCE contacted the program to discuss the two pending recommendations and, by letter dated 3/8/12, new policies and procedures were provided. In addition, based on the information in the report, on 1/12/12, OCE initiated a questioned costs proceeding for \$7,506.	1.Policies and procedures submitted were reviewed and found to be responsive. 2. By decision dated 2/24/12, LSC determined to recoup \$2,985.93.	03/13/12
MT	Montana Legal Services Association	11/09-7/10	12/8/10	4/27/11	OIG referred \$15,000 in TIG costs due to third-party sustainability plan being inappropriately funded.	OCE conducted a review of all relevant information available at LSC and determined that LSC Management was aware of the deficiencies and potential conflicts of interest at the time the TIG awards were issued. As LSC Management was aware of these issues, and had since made changes to ensure they did not occur in the future, OCE determined not to punish the recipients, therefore no costs were questioned or recouped.	LSC Management took corrective action to increase the pre-award, competition, and post-award oversight of the TIG process. These steps included implementing a conflict of interest policy for all TIG awards.	09/30/11
MT	Montana Legal Services Association	11/09-7/10	12/8/10	4/27/11	OIG referred \$226,500 in TIG costs due to apparent conflicts of interest not being identified.			
VA	Virginia Legal Aid Society	11/09-7/10	12/8/10	4/27/11	OIG referred \$141,500 in TIG costs due to apparent conflicts of interest not being identified.			
IL	Land of Lincoln Legal Assistance Foundation	11/09-7/10	12/8/10	4/27/11	OIG referred \$503,673 in TIG costs due to apparent conflicts of interest not being identified.			
KY	Appalachian Legal Services Corporation	3/1-10/11	8/22/11	8/22/11	OIG referred \$257,057 in questioned costs due to internal control weaknesses including unsupported or inadequately supported disbursements. The costs referred included: \$94,199.50 related to unsupported payments to consultants; \$70,000 for unsupported purchase; \$16,755.76 for unsupported disbursements; \$13,186.24 for unreasonable/unnecessary insurance payments; and \$62,916 for unsupported costs related to student loan repayments	OCE initiated a questioned cost proceeding in the amount of \$218,339.95 on 12/8/11. The costs referred included: \$72,824.50 related to unsupported payments to consultants (the program provided documentation prior to the proceeding being initiated); \$52,941.77 for unsupported purchase (program provided evidence of the purchase but failed to request LSC's prior approval pursuant to 45 CFR Part 1630); \$16,471.44 (program provided support for \$284.32 prior to initiation of the proceeding) for unsupported disbursements; \$13,186.24 for unreasonable/unnecessary insurance payments; and \$62,916 for unsupported costs related to student loan repayments	By decision dated 2/22/12, LSC determined to recoup \$20,036.95. The program was able to provide OCE with copies of receipts and other documentation to support costs related to \$198,303 of the costs referred by the OIG. These included records that had been either housed in off site storage or were recreated by contacting the responsible vendors and contractors for copies. The program provided evidence including: documentation to support \$74,000 in payments to consultants; evidence indicating the unsupported purchase (\$52,941.77) had been charged to non-LSC funds; documentation related to \$9,878.53 in previously unsupported disbursements (leaving \$6,592.91 as questioned); evidence related to the necessity of the a portion of the referred insurance payments (leaving \$1,825.50 as questionable); and evidence indicating \$51,2297.46 of the referred costs related to student loan repayments was either charged appropriately to LSC or charged to non-LSC funds (leaving \$11,618.54 as questioned) for a total disallowance of \$20,036.95.	03/30/12

RESOLVED REFERRALS (Involving Questioned Costs) FROM OIG AUDIT DIVISION TO OCE (June 2011 - September 23, 2014)

State	Grantee	Date of OIG Onsite/ Review	Date of OIG Report	Date of Referral to OCE	OIG Referral	OCE Action	Resolution & Reasoning	Date OIG advised of Closure
AR	Center for Arkansas Legal Services		2/27/12	2/27/12	OIG referred \$82,300 in questioned costs due to failure to adequately document personnel and fringe benefit expenditures related to TIG awards.	OCE initiated a questioned cost proceeding in the amount of \$82,300 on 12/3/12.	By decision dated 3/3/13, LSC determined not to recoup any funds because, although the program did not document and track the costs at issue in strict compliance with 45 CFR 1628.3(g) and 1630.3(d) etc., the program was able to provide other contemporaneously maintained documentation (personnel activity reports generated after the fact but supported by contemporaneous timesheets, personnel action forms, employment agreements etc.) that reasonably supported the costs being questioned and demonstrated that those costs should, for equitable, practical, or other reasons be allowed.	3/15/2013
LA	Southeastern Louisiana Legal Services		7/12/12	7/10/12	OIG referred \$55,741 in questioned costs due to failure to adequately document personnel and fringe benefit expenditures related to TIG awards.	OCE initiated a questioned cost proceeding in the amount of \$36,747 on 12/5/12. This amount was less than the OIG's referral as \$18,994 of the amount referred was outside of the 5 year period allowed for recoupment pursuant to 45 CFR Part 1630.	By decision dated 3/1/13, LSC determined to recoup \$4,275 because, although the program did not document and track the costs at issue in strict compliance with 45 CFR 1628.3(g) and 1630.3(d) etc., the program was able to provide other contemporaneously maintained documentation (personnel activity reports generated after the fact but supported by contemporaneous timesheets, personnel action forms, employment agreements etc.) that reasonably supported the majority (\$28, 199) of the costs being questioned and demonstrated that those costs should, for equitable, practical, or other reasons be allowed. LSC determined that, in order to recoup an equitable portion of the costs, but to not create a fiscal burden on the program or hinder its ability to complete its ongoing TIG, it would recoup 50% of the remaining costs (\$8,548).	4/18/2013
MO	Legal Services of Southern Missouri		7/20/12	7/20/12	OCE referred \$3,659 in questioned costs due to failure to adequately document personnel expenditures related to TIG awards.	OCE initiated a questioned cost proceeding in the amount of \$3,659 on 10/25/12.	The program declined to respond to the Notice so, by decision dated 12/19/12, LSC determined to recoup \$3,659.	2/11/2013
MS	North Mississippi Rural LS	9/12-16/11	3/30/12	3/30/12	OIG referred \$17,351 in questioned costs based on the program's failure to obtain prior approval before using more than \$10,000 in LSC funds to purchase personal property and related services. The \$17,351 was comprised of: \$8,530.04 for the purchase of accounting software; \$6,689.00 for training, set-up, data transfer, and remote consulting; and \$2,132.51 for a maintenance contract.	On 4/25/12, OCE requested an OLA opinion regarding whether the cost of related services needed to be included in determining \$10,000 limit for needing LSC prior approval.	Based on OLA opinion (AO-2013-01) issued on 1/17/13, OCE determined that the OIG's inclusion of services was an inaccurate application of the Property Acquisition and Management Manual. As such, the personal property acquisition amount was limited to \$8,530 so LSC prior approval was not necessary so no costs were questioned.	1/23/2013

RESOLVED REFERRALS (Involving Questioned Costs) FROM OIG AUDIT DIVISION TO OCE (June 2011 - September 23, 2014)

State	Grantee	Date of OIG Onsite/ Review	Date of OIG Report	Date of Referral to OCE	OIG Referral	OCE Action	Resolution & Reasoning	Date OIG advised of Closure
CA	Inland Counties Legal Services, Inc.	1/11-15/11 and 8/1- 5/11	7/25/12 revision provided on 11/15/12	8/6/12	The OIG originally referred questioned costs in the amount of \$1,384,670 for stipends and other benefits charged to the LSC fund. This amount was reduced to \$1,367,480 by memo dated 11/15/12 and was comprised of: \$291,629 for costs incurred in 2006; \$301,989 for costs incurred in 2007; \$336,873 for costs incurred in 2009; and \$436,989 for costs incurred in 2010.	On 9/30/13, a Notice of Questioned Costs in the amount of \$252,069.33 was issued. This amount was based on the following: 1) pursuant to LSC regulation 45 CFR Part 1630, \$291,629 of the amount referred was not questionable at the time of the OIG's referral; 2) pursuant to LSC regulation, an additional \$301,989 was not questionable within 6 weeks of the OIG's resolution and notification of final amount to be questioned; 3) of the remaining \$773,862, OCE determined that it should only question that portion of the allocated funds as the use of stipends was allowable and reasonable but only to the extent that the LSC grant was benefited. As LSC provided 68.5% and 66.6% of ICLS' funding, respectively in 2009 and 2010, the amount questioned was calculated as the 31.5% and 33.4% of the stipends that should have been allocated to non-LSC funding sources for 2009 and 2010, respectively.	By decision dated January 29, 2014, LSC determined to recoup \$252,069.33. On April 14, 2014, the LSC President upheld that decision in full. The amount recouped was based on subtracting the \$291,629 expended in 2006 (unquestionable pursuant to 1630 at time of referral as outside of 5 year period allowed by regulation) and \$301,989 expended in 2007 (realistically not questionable at time of referral) from \$1,367,480, leaving a total of \$773,862 (expended in 2009 and 2010) as potentially questionable. As OMB Circulars allow for the use of funds for stipends/incentive pay, OCE determined that a portion of the funds expended were allocable to LSC funds and determined to question only that portion of the stipends that should have been allocated to non-LSC funds. These funds are being recouped by withholding funds from the program's 2014 disbursement checks.	04/18/14
TX	Lone Star Legal Aid	5 visits between 8/10 and 1/11	1/15/13 revision provided on 2/22/13	1/24/13	OIG originally referred \$45,762 in questioned costs due to unallowable expenses (\$2,481), unsupported credit card charges (\$2,157), purchases exceeding \$10,000 for which LSC prior approval was not obtained (\$40,458), and physical inventory items that could not be located (\$665). That amount was reduced by \$27,280 on 2/22/13. The remaining \$13,178 for failing to request prior approval and the other costs (unallowable expenses, unsupported credit card charges and missing inventory items) remained questioned for a total of 18,482.	On 2/28/14, a Notice of Questioned Costs in the amount of \$5,303 was issued. This amount was based on unallowable expenses (\$2,481) unsupported credit card charges (\$2,157) and missing personal property (\$665). An OLA opinion issued in February opined that the software purchase of \$13,178 was not personal property and was therefore not subject to prior approval requirements.	By decision dated April 28, 2014, LSC determined to recoup \$2,116. This amount was comprised of \$1,451 for unallowable expenses (the program provided evidence that the remaining \$1,030 in unallowable expenses took place outside of the 5 year period allowed by 45 CFR Part 1630) and \$665 for missing property. Additionally, the program provided evidence supporting \$660 in credit card charges and argued, correctly, that the remaining \$1,497 was outside of the 5 year recoupment period.	5/2/2014

RESOLVED REFERRALS (Involving Questioned Costs) FROM OIG AUDIT DIVISION TO OCE (June 2011 - September 23, 2014)

State	Grantee	Date of OIG Onsite/ Review	Date of OIG Report	Date of Referral to OCE	OIG Referral	OCE Action	Resolution & Reasoning	Date OIG advised of Closure
ID	Idaho Legal Services		4/1/13	4/1/13	OIG referred \$215,051 in questioned costs related to TIG expenditures. Of that amount \$211,011 was questioned due to failure to adequately document personnel and fringe benefit expenditures and \$4,040 was noted to be unexpended funds that were not returned to LSC at the completion of the grant.	Based on OCE's experience in initiating questioned costs on three (3) earlier TIG referrals from the OIG, it was decided to contact the program regarding the types of evidence it would be able to submit in response to a 1630 proceeding. Based on the information received LSC, determined that it would not question the \$211,011 in personnel and fringe benefit expenditures but would require the program to return \$3,409 in unexpended TIG funds pursuant to 45 CFR Part 1628. (The program was able to verify an additional \$631 in expenditures thus reducing the unexpended fund balance amount.)	The program submitted a check in the amount of \$3,409 on 3/4/14.	3/4/2014
VA	Central Virginia Legal Services		9/30/13	9/30/13	OIG referred \$909 in questioned costs: \$241.20 in unallowable costs for purchases of flowers or donations in lieu of; \$129.61 in unsupported costs for credit card charges without supporting documentation; and \$538.61 in unapproved costs for in office supply purchases that did not have purchase orders as required by the grantee's policy.	Due to the minimal amount in question, LSC entered into informal negotiations to settle this referral. As a result, the program reimbursed LSC for \$241.20 and provided evidence of receiving benefits for the remaining \$748.22 in question, as well as evidence of changes in policy/procedure to ensure future documentation or process deficiencies do not occur.	The program submitted a check in the amount of \$241.20 on 3/13/14.	3/19/2014
IN	Indiana Legal Services, Inc.		9/30/13	9/30/13	OIG referred \$4,159 in questioned costs: \$363 in Unallowable costs for purchases of flowers for bereaved employees and \$304 for late fee charges on credit/gas cards (Total = \$667) and unsupported costs in the amounts of \$55 for conference; \$13 for lunch; \$546 for lunches without business purpose/attendee names on receipt (\$614); and \$2,878 for moving expenses without statement of work detailing the number of hours/workers required to complete (Total = \$3,492).	Due to the minimal amount in question, LSC entered into informal negotiations to settle this referral. As a result, the program demonstrated that it had used non LSC funds to reimburse LSC for the \$667 in unallowable charges and the \$614 in unsupported costs that had been identified. Additionally, the program provided sufficient supporting evidence for the \$2,878 that the OIG questioned, as well as evidence of changes in policy/procedure to ensure future deficiencies do not occur. As a result no costs were questioned but the LSC funding line was reimbursed \$1,281.	LSC funding line was reimbursed \$1,281.	3/7/2014

Recently Closed or Pending Closure OIG Referrals from Audited Financial Statements FYE 6/30/11 to date

		Grantee Name	Referral Number	Date of Referral	OIG's Finding Description	OIG's Justification for Referral	Mgmt. Response Date	OCE's Determination	OIG Assessment of OCE Determination	Status of Referral
1	MT	Montana Legal Services Association	2012-927000-01	6/17/2012	Grantee did not fully comply with grant condition requiring minimum level of client-eligible representation on Board of Trustees: 5 required, 2 currently filled.	OIG referral noted that this appears to be an on-going issue that needs LSC oversight.	6/25/2014	Closed CAP On March 18, 2014, MLSA informed its Office of Program Performance liaison that it had filled the open Board positions and was now in compliance with 45 CFR Part 1607.	OIG Agreed - Corrective Action Closed	As MLSA has demonstrated that it is now in compliance with the pertinent regulation, this referral is deemed closed by OCE. OPP will continue to monitor all grantees regarding Board composition and compliance with 45 CFR Part 1630.
			2013-927000-01	9/10/2013	Grantee did not fully comply with grant condition regarding representation on Board of Trustees.	OIG noted that this was a prior year finding, remains unresolved. Referred to OCE for follow-up to ensure corrective action is taken.	6/25/2014	Closed CAP On March 18, 2014, MLSA informed its Office of Program Performance liaison that it had filled the open Board positions and was now in compliance with 45 CFR Part 1607.	OIG Agreed - Corrective Action Closed	
2	TN	Memphis Area Legal Aid	2014-643030-01	6/27/2014 8/28/14	Grantee employees did not timely submit or approve timesheets	OIG referral noted that the IPA found numerous examples of timesheets submitted in an untimely fashion and/or not timely approved by managers.	9/2/2014	Closed CAP	OIG Agreed - Corrective Action Closed	MALS provided documentation regarding new policies and procedures implemented to address these issues, as well as evidence of staff training. Based on this information OCE recommended that the referral be closed. OCE has noted this information in its risk assessment chart for follow-up during the next OCE review.
			2014-643030-02	6/27/2014 8/28/14	Grantee miscoded case files and/or timesheets.	OIG referral noted that 20% of cases tested by the IPA indicated a funding code that did not match the funding code noted on the employee's timesheet.	9/2/2014	Closed CAP	OIG Agreed - Corrective Action Closed	
			2014-643030-02	6/27/2014 8/28/14	Grantee did not demonstrate sufficient controls over attorneys' fees and settlements	OIG referral noted that IPA found 1 in 4 case files did not contain a copy of settlement award check or a signed receipt from the client.	9/2/2014	Closed CAP	OIG Agreed - Corrective Action Closed	

		Grantee Name	Referral Number	Date of Referral	OIG's Finding Description	OIG's Justification for Referral	Mgmt. Response Date	OCE's Determination	OIG Assessment of OCE Determination	Status of Referral
1	KY	Appalachian Research and Defense Fund of Kentucky	2012-618030-01	8/13/2012	Two case files were lacking required documentation out of eighty case files reviewed	OIG reported that grantee mgmt. said they would implement the IPA's recommendation to ensure that personnel responsible for maintaining case files review LSC documentation requirements and determine that all case files are in compliance. OIG referred for OCE follow-up to ensure adequate response had occurred as this was a prior year finding.		Under Review LSC will continue to provide this grantee with any necessary technical assistance and training.		OCE conducted an onsite Technical Assistance Review in October 2012 and an onsite Compliance Review in Spring 2013. OCE is continuing to work with and provide technical assistance to this program. The program's 2014 LSC funding has several Special Grant Conditions attached to it to assist OCE and OPP in overseeing this program's ongoing process to come into compliance with LSC regulations and guidance. On May 7, 2014, AppalReD provided additional information/ documentation related to Required Corrective Actions that arose from the Spring 2013 Compliance Review. The information was reviewed by OCE and determined to be sufficient to close all but 3 of the remaining Required Corrective Actions. The information specifically noted that the program's timekeeping policy had been updated and communicated to staff. OCE continues to work with this program and will provide the new Executive Director, once selected, with an opportunity to participate in a webinar targeted to new Executive Directors.
	2012-618030-02		8/13/2012	Many audit adjustments were needed in order to present the financial statements in conformity with GAAP	OIG noted that grantee mgmt. stated they would implement enhanced financial review and monthly closing procedures to improve their financial reporting. OIG referred for OCE follow-up to determine if the planned procedures have been implemented.		Under Review LSC will continue to provide this grantee with any necessary technical assistance and training.			
	2013-618030-01		9/10/2013	For the second straight year, there was a prior period adjustment required	OIG noted that, for the second straight year, there was a prior period adjustment required due to improper recording of unearned grant revenue. Referred to OCE for follow-up to ensure corrective action is taken.		Under Review LSC will continue to provide this grantee with any necessary technical assistance and training.			
	2013-618030-02		9/10/2013	The Organization does not have a formal written policy that was effectively communicated to staff	OIG reported that time keeping requirements were not met because the grantee lacked a formal written policy which was effectively communicated to staff. Grantee management stated that they would implement policies. Referred to OCE for follow-up to ensure corrective action is taken.		Under Review LSC will continue to provide this grantee with any necessary technical assistance and training.			

		Grantee Name	Referral Number	Date of Referral	OIG's Finding Description	OIG's Justification for Referral	Mgmt. Response Date	OCE's Determination	OIG Assessment of OCE Determination	Status of Referral
			2013-618030-03	10/3/2013	Time keeping requirements were not met in that the grantee lacked a formal written policy which was effectively communicated to staff.	OIG noted that grantee management stated that the would develop a written time keeping requirements policy in accordance with Legal Services Corporation regulations and ensure that the policy is effectively communicated to staff. Referred to OCE for follow-up to ensure corrective action is taken.		Under Review LSC will continue to provide this grantee with any necessary technical assistance and training.		
2	AZ	DNA Peoples Legal Services	2014-703068-01	6/3/2014	IPA noted numerous material audit adjustments were required at year-end. Thus, the unadjusted General Ledger was not materially correct under accounting principles accepted in the United States.	OIG noted that grant allocation information should be accurate and timely so it properly reflects the operations of the organization.		Under Review		This information has been noted in OCE's risk assessment chart. OCE is also offering the program New Executive Director Orientation training to assist the program with fiscal oversight. OCE recommended that a targeted Special Grant Condition, related to budgetary controls and processes, be imposed on the program's 2014 grant. Senior Management accepted that recommendation. OCE continues to work with DNA's Director of Finance to ensure that new policies, procedures, and practices are put into place to ensure adequate and timely oversight of the allocation processes.
			2014-703068-02	6/3/2014	OIG noted a segregation of duties concern relating to bank reconciliations where they are being reviewed by the same staff who prepares them without prior review by the ED.	OIG noted that this was a finding in prior years and it poses a risk for fraud.		Under Review		This information has been noted in OCE's risk assessment chart. Additionally, during the July 2013 onsite review, OCE was provided with information regarding DNA's Fraud Risk Prevention Policy and training programs that had taken place and found. when taking into account the small number of program staff, the policy and the training to be sufficient to alleviate concerns such as those expressed by the IPA. OCE will follow-up with DNA to determine what additional preventive measures have already or can be taken.
			2014-703068-03	6/3/2014	OIG noted that DNA holds Certificates of Deposit (CD) but the Board of Directors did not permit this. Further, DNA's depreciation schedule did not track property purchased with LSC funds.	OIG noted that the CD issue was noted in prior years, and that the depreciation schedule should track property purchased with LSC funds.		Under Review		This information has been noted in OCE's risk assessment chart. OCE will contact the program to determine whether the Board of Directors prohibits the use of CDs or whether they did not affirmatively approve the purchase. Additionally, OCE will advise the program as to the LSC Accounting Guides' requirements for accounting for personal property purchased with LSC funds.

		Grantee Name	Referral Number	Date of Referral	OIG's Finding Description	OIG's Justification for Referral	Mgmt. Response Date	OCE's Determination	OIG Assessment of OCE Determination	Status of Referral
3	CA	Inland Counties Legal Services, Inc.	2012-805230-01	8/13/2012	Internal Controls over cash accounts were not adequate.	OIG noted that grantee management accepted the finding and stated that a new controller had been hired. Referred to OCE for follow-up to ensure that controls over cash accounts have been implemented.		Under Review. OCE is reviewing documents submitted by ICLS to assess for sufficiency of actions taken.		OCE is reviewing documents submitted by ICLS to assess for sufficiency of actions taken. As the IPA continues to express concerns regarding ICLS and its fiscal policies and practices, OCE will include conducting a Focused Fiscal Review of ICLS in its work plan for CY 2015.
			2012-805230-02	8/13/2012	Policies and procedures for use of the accounting software and preparing transactions and reconciliations was not adequately documented. The new controller did not expend a significant effort to understand the system.	OIG noted that grantee management stated that they would strive to have that accounting manual updated in 2012 by the new controller. Referred to OCE for follow-up needed to determine if accounting manual was updated.		Under Review. OCE is reviewing documents submitted by ICLS to assess for sufficiency of actions taken.		
			2012-805230-03	8/13/2012	Grantee did not obtain all necessary documentation from subrecipients to provide reasonable assurance that federal awards were properly administered and to ensure that performance goals were achieved.	OIG noted that grantee stated that full charge bookkeeper had been hired to review monthly subgrantee submissions & that subgrantees have been notified of their deficiencies. Referred to OCE for follow-up to ensure on-going implementation.		Accept CAP. This issue was addressed via follow-up correspondence with grantee in which ICLS submitted documentation regarding improved/increased oversight of subgrantee activities.		Open pending resolution of #10 and #11. This issue was addressed via follow-up correspondence with grantee.
			2013-805230-01	6/26/2013	Policies & procedures for use of the accounting software and preparation of monthly, quarterly and annual transactions & reconciliations were not adequately documented. There were also account reconciliations that were not updated or thoroughly analyzed.	OIG noted that grantee management stated that continual turnover of key accounting personnel resulted in the condition. Grantee had stated that they would have the accounting manual updated by 2012. Referred to OCE for follow-up to ensure corrective action is taken as this was a prior year finding.		Accept CAP. ICLS submitted a revised/updated accounting manual containing the requested policies and procedures.		Open pending resolution of ICLS referral 2013-805230-02.

		Grantee Name	Referral Number	Date of Referral	OIG's Finding Description	OIG's Justification for Referral	Mgmt. Response Date	OCE's Determination	OIG Assessment of OCE Determination	Status of Referral
			2013-805230-02	6/27/2013	The grantee did not maintain effective oversight over its retirement plan. The grantee did not always obtain signed payroll deduction forms authorizing payroll deductions to repay retirement plan loans and the form was outdated.	OIG noted that grantee management stated that they will develop a written protocol/checklist of actions necessary when a plan administrator leaves the program to be included in the accounting manual being updated. Referred to OCE for follow-up to ensure corrective action is taken.		OPEN		OCE is reviewing documents submitted by ICLS to assess for sufficiency of actions taken. As the IPA continues to express concerns regarding ICLS and its fiscal policies and practices, OCE will include conducting a Focused Fiscal Review of ICLS in its work plan for CY 2015.
			2014-805230-01	6/3/2014	IPA noted grantee did not have a system in place to verify whether vendors were suspended or disbarred.	According to the IPA, the grantee stated that written protocols would be put in place to ensure that when considering bids for procurement in excess of \$25,000, a debarment and suspension check would be conducted. Referred to OCE for follow-up to ensure corrective action is taken.		Under Review		This information has been noted in OCE's risk assessment chart. As the IPA continues to express concerns regarding ICLS and its fiscal policies and practices, OCE will include conducting a Focused Fiscal Review of ICLS in its work plan for CY 2015.
			2014-805230-02	6/3/2014	IPA noted that 5 clients who had expired immigration cards received legal services.	The IPA noted that the program is reviewing and revising their policies to ensure compliance with 45 CFR Part 1626. The OIG referred the issue to OCE to ensure necessary actions are undertaken.		Under Review		Once LSC has confirmed whether these instances were violations of 45 CFR Part 1626, and whether the program's policy is consistent with this part, it will take appropriate follow-up action. This will be part of the OCE onsite review in 2015.
4	MO	Legal Aid of Western Missouri	2013-526010-01	6/27/2013	Initial testing and follow-up testing showed that the vast majority of the organization's staff members comply with LSC timekeeping requirements. There are, however, a small number of staff members who are not in compliance.	OIG reported that grantee mgmt. fully understands the nature of the requirement and will take necessary steps to ensure that all staff is in compliance. OIG further noted that grantee mgmt. states that upon being informed by the IPA of the issue; they took action to address the issue. Referred to OCE for follow-up to ensure corrective action taken.		Under Review		An OCE Compliance Review was conducted in November 2013. This issue was noted and will be addressed, as necessary, in the Draft Report.

		Grantee Name	Referral Number	Date of Referral	OIG's Finding Description	OIG's Justification for Referral	Mgmt. Response Date	OCE's Determination	OIG Assessment of OCE Determination	Status of Referral
5	AL	Legal Services Alabama, Inc.	2013-601037-01	10/3/2013	One difference was noted for payroll time entry used for cost allocation purposes.	OIG referred this as a repeat finding which requires OCE follow-up.		Under Review		OCE has noted this deficiency in its risk assessment chart.
6	NM	New Mexico Legal Aid	2013-732010-01	6/26/2013	Improper Board Composition	OIG noted that this was repeat finding from 2011. The ED and the Human Board Composition Resources Director have been working with Board members and management staff to identify potential new client members and qualified appointing organizations willing to nominate them. Referred to OCE for follow-up to ensure corrective action is taken.		Accept CAP. OCE is waiting for official documentation from NMLA before advising the OIG that this finding should be closed.		As previously noted, LSC formed a multi-divisional working group to address the issue of Board Composition. NMLA has indicated that it will bring itself into compliance with 45 CFR Part 1607 by September 27, 2014.
7	VA	Central Virginia Legal Services, Inc.	2014-447030-01 26	2/25/2014	Recipient must state who prepares monthly bank reconciliations, who reviews the reconciliations, and who approves & certifies the reconciliations. Due dates for each steps to be established. Follow-up by LSC management needed to ensure implementation.	OIG noted based upon inquires with management that bank reconciliations and reviews were not being performed on a timely basis. OIG also noted that management during their review was not tracing bank reconciliation totals back to the trial balance and General Ledger.		By letter dated March 7, 2014, OCE requested specific information regarding the IPA's findings. The program responded on March 21, 2014. OCE reviewed the information received and found it sufficient to close #2014-447030-03 but not ## 2014-447030-01, 2014-447030-02 and 2014-447030-05. OCE continues to work with the program to close these referrals. OCE conducted a Technical Assistance Review of this program on August 18-20, 2014 .		This information has been noted in the OCE Risk Assessment Chart. Additionally, as OCE received a copy of the AFS during the competition cycle for 2014 funding, OCE recommended that several targeted Special Grant Conditions be imposed on the program's 2014 grant. Senior Management accepted that recommendation. OCE was in contact with the program in March, May, and June of 2014 to obtain information required by the 2014 Special Grant Conditions. OCE conducted a Technical Assistance Review of this program on August 18-20, 2014 and will continue to provide additional oversight and training as necessary.
			2014-447030-02 27	2/25/2014	This is a repeat finding from the prior year. The CA mentions a payroll module being added to the case management system but does not mention a timeframe.	Based upon inquires with management and review of time records OIG noted instances were attorneys had not contemporaneously inputted a portion of their time into CVLAS' time keeping system by case matter and supporting activities.		By letter dated March 7, 2014, OCE requested specific information regarding the IPA's findings. The program responded on March 21, 2014. OCE reviewed the information received and found it sufficient to close #2014-447030-03 but not ## 2014-447030-01, 2014-447030-02 and 2014-447030-05. OCE continues to work with the program to close these referrals. OCE conducted a Technical Assistance Review of this program on August 18-20, 2014 .		

	Grantee Name	Referral Number	Date of Referral	OIG's Finding Description	OIG's Justification for Referral	Mgmt. Response Date	OCE's Determination	OIG Assessment of OCE Determination	Status of Referral
		2014-447030-03 28	2/25/2014	OIG indicated that LSC Management may want to follow-up on this requirement as 12 of 25 selections made by the IPA did not contain notice to the funding source. The CA mentions sending letters will be the sole responsibility of the ED, does not mention when the action will be put into place.	OIG noted instances where CVLAS had not provided to the source of funds written notification of LSC prohibitions and conditions.		By letter dated March 7, 2014, OCE requested specific information regarding the IPA's findings. The program responded on March 21, 2014. OCE reviewed the information received and found it sufficient to close #2014-447030-03 but not ## 2014-447030-01, 2014-447030-02 and 2014-447030-05. OCE continues to work with the program to close these referrals. OCE conducted a Technical Assistance Review of this program on August 18-20, 2014 .		
		2014-447030-04 29	2/25/2014	Incorrect cost and time allocations can lead to possibly incorrect revenues and expenses for grants/contracts. Program management should make decisions based on revenues/expenses. The CA should be followed up on.	Cost allocations are not being performed on a timely basis. Also timesheet are not being properly monitored by management and adjusted when funding sources have been eliminated or depleted. Also the funds in the accounting system need to be utilized.		This issue is being addressed via the Special Grant Conditions. OCE has also scheduled a Technical Assistance Review of this program for August, 2014.		
		2014-447030-05 30	2/25/2014	Based on review of the CA OIG feels LSC Management should ensure that the CA s being followed and follow-up on whether the Board approved the drafted policy mentioned.	OIG noted during inquires with management and review of credit card files instances were credit card receipts were not being properly maintained.		By letter dated March 7, 2014, OCE requested specific information regarding the IPA's findings. The program responded on March 21, 2014. OCE reviewed the information received and found it sufficient to close #2014-447030-03 but not ## 2014-447030-01, 2014-447030-02 and 2014-447030-05. OCE continues to work with the program to close these referrals. OCE conducted a Technical Assistance Review of this program on August 18-20, 2014 .		

		Grantee Name	Referral Number	Date of Referral	OIG's Finding Description	OIG's Justification for Referral	Mgmt. Response Date	OCE's Determination	OIG Assessment of OCE Determination	Status of Referral
8	ME	Pine Tree Legal Assistance, Inc.	2014-120000-02	6/3/2014	OIG noted the IPA found a significant amount of equipment was fully depreciated. The IPA recommended that program management review the inventory annually and that disposed of assets should be removed from the General Ledger.	IPA recommended the asset list be evaluated annually and compared to a physical inventory count.		Under Review		This information has been noted in OCE's risk assessment chart.
9	IL	LAF (Legal Assistance Foundation)	2014-514020-01	6/3/2014	The IPA noted it found that 45 CFR Part 1636 written statements of fact were not obtained for each represented plaintiff in three (3) cases.	OIG noted that since this is a compliance requirement, OCE should follow-up to ensure compliance with 45 CFR Part 1636.		Under Review		OCE conducted an onsite review of this program in April, 2014. Draft findings indicate that out of 756 case files reviewed, 2 did not fully comply with 45 CFR Part 1636. Through the report process, OCE will follow-up with the program to ensure that required corrective action is taken.
10	SD	East River Legal Services	2014-542026-01	6/3/2014	OIG noted the organization does not have an internal control system to support the preparation of audited financial statements. The IPA was requested to draft financial statements and notes accompanying financial statements.	OIG noted this was a finding in prior years.		Under Review		OCE conducted an onsite review of grantee in April, 2014. Preliminary findings indicate that grantee's internal controls are generally sufficient given the small number of staff, however, some improvements are warranted. OCE will follow-up with grantee on this issue as well as any deficiencies found during the onsite review as part of the report process.

403(b) Thrift Plan



OFFICE OF HUMAN RESOURCES

MEMORANDUM

TO: The Audit Committee
FROM: Traci L. Higgins
DATE: September 9, 2014
SUBJECT: LSC 403(b) Thrift Plan – 3rd Quarter 2014 Update

403 (b) Plan Performance

Through the first eight months of 2014, twenty-four of our twenty-five funds showed growth and positive gains. BMO Small-Cap Growth and Columbia Small Cap Index, two funds highlighted last quarter for lackluster performance, registered positive returns of 2.20% and 3.12%, respectively for the three-month period of June, July, and August 2014, although BMO's year-to-date return still remains negative (-0.18%). Columbia now has a positive year-to-date return (1.40%). BMO is the only fund with a negative year-to-date return. American Funds Europacific Growth registered a negative return (-0.51%) during the current three-month review period, but remains positive for the year (2.03%).

Lord Abnett Value Opportunities, a fund we have watched for some time now, improved its performance during this review period (1.54% return), and now has a year-to-date performance of 5.53%, up from 3.93%. Although its performance has improved, Lord Abnett's market rankings are still unfavorable. Similarly, Alger Capital Appreciation Institutional, which had no returns during the March through May review period, had a 7.07% return during the current review period and improved its performance for the year (10.57%, up from 3.27%). In addition, our advisor, Dave Ponder, continues to monitor the T. Rowe Price Equity Income Fund because its rankings remain unfavorable; its performance has improved (6.38%, up from 3.68%).

A report detailing fund performance through August 31, 2014 is attached.

Proposed fund additions

Dave Ponder believes that now is a good time for LSC to consider adding more index funds to the portfolio. These would be additional options and not offered in the place of already existing funds. Whereas traditional funds hire fund managers to actively select which stocks or bonds a fund will hold, an index fund buys all (or a representative sample) of the securities in a specific index, like the S&P 500. Index funds generally have lower management costs, reduce risk by offering greater diversification, and, because they do not trade as actively as managed funds, they typically generate less taxable income, which keeps costs lower. Adding new funds would

not increase our expenses or change the management of our portfolio. Employees would receive the requisite thirty-day notice required by AUL before the funds would be available for investment.

Mr. Ponder recommends that we add the following three funds:

- Columbia Mid Cap Index A. This fund would offer an alternative to the Lord Abbett Value Opportunities fund which, as noted above, is underperforming.
- TIAA-CREF Large Cap Value Index Retirement. This fund would offer an alternative to the T. Rowe Price Equity Income Advantage fund, which also is underperforming.
- TIAA-CREF Large Cap Growth Index Retirement.

LSC management has made the decision to accept Mr. Ponder's recommendation. A report detailing the performance of these funds through August 31, 2014 is attached.

403 (b) Plan Distributions

A total of \$ \$1,455,272 in distributions were made during the period June 22, 2014 – August 31, 2014, with roll-over pay-outs to two former employees accounting for approximately \$1,046,697 of the total. A modest roll-over pay-out to a former employee, a cash-out of a non-vested former employee, and installment payments to a former employee accounted for approximately \$20,000, with the in-service withdrawals of four current and one former employee accounting for the approximately \$389,000 balance.

Please let me know if you have any questions or require additional information.

Summary:

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Release Date: 08-31-2014

Fund Name	Morningstar Category	Ticker	Prospectu Net Exp Ratio	Tot Ret 1 Mo	Tot Ret 3 Mo	Tot Ret YTD	Tot Ret 12 Mo	Tot Ret Annlzd 3 Yr	Tot Ret Annlzd 5 Yr	Tot Ret Annlzd 10 Yr	Tot Ret Annlzd 15 Yr	% Rank Cat 3 Mo	Primary Rank:	○ Morningstar Category
													Secondary Rank:	
1 American Funds Capital World Gr&Inc R4	World Stock	RWIEX	0.80	2.21	1.21	6.57	20.77	15.47	11.59	9.38	8.92	68		
2 American Century One Choice 2050 Inv	Target Date 2046-2050	ARFVX	0.98	3.19	3.51	7.63	19.32	14.96	13.69	-	-	12		
3 American Century One Choice 2045 Inv	Target Date 2041-2045	AROIX	0.97	3.08	3.34	7.46	18.83	14.62	13.43	8.24	-	11		
4 American Century One Choice 2040 Inv	Target Date 2036-2040	ARDVX	0.93	2.96	3.12	7.12	17.80	13.90	12.97	-	-	31		
5 American Century One Choice 2035 Inv	Target Date 2031-2035	ARYIX	0.90	2.69	2.82	6.73	16.55	12.99	12.27	7.82	-	44		
6 American Century One Choice 2030 Inv	Target Date 2026-2030	ARCVX	0.87	2.49	2.66	6.52	15.48	12.04	11.50	-	-	38		
7 American Century One Choice 2025 Inv	Target Date 2021-2025	ARWIX	0.85	2.33	2.47	6.35	14.51	11.19	10.86	7.29	-	30		
8 American Century One Choice 2020 Inv	Target Date 2016-2020	ARBVX	0.82	2.20	2.37	6.10	13.55	10.44	10.24	-	-	17		
9 American Century One Choice 2015 Inv	Target Date 2011-2015	ARFIX	0.79	2.10	2.17	5.78	12.68	9.80	9.63	6.72	-	7		
10 BMO Small-Cap Growth Y	Small Growth	MRSCX	1.42	2.76	2.20	-0.18	14.44	18.48	19.54	12.49	9.73	90		
11 Columbia Small Cap Index A	Small Blend	NMSAX	0.50	4.24	3.12	1.40	18.10	20.15	18.19	10.10	9.60	52		
12 American Century One Choice In Ret Inv	Retirement Income	ARTOX	0.77	2.00	2.07	5.68	12.34	9.56	9.23	6.21	-	19		
13 Nuveen Real Estate Securities A	Real Estate	FREAX	1.25	2.90	3.95	21.75	24.67	14.15	18.79	10.55	12.92	30		
14 Prudential Jennison Natural Resources Z	Natural Resources	PNRZX	0.87	1.94	4.15	15.08	22.42	3.26	9.55	13.05	14.47	23		
15 Goldman Sachs Mid Cap Value Instl	Mid-Cap Value	GSMCX	0.74	5.25	5.49	11.52	25.25	20.86	18.06	10.65	11.45	9		
16 Lord Abbett Value Opportunities A	Mid-Cap Blend	LVOAX	1.28	3.28	1.54	5.53	20.92	17.48	15.66	-	-	93		
17 T. Rowe Price Equity Income Adv	Large Value	PAFDX	0.94	2.86	2.61	6.38	19.00	18.68	14.60	7.62	6.64	87		
18 TIAA-CREF Growth & Income Retire	Large Growth	TRGIX	0.70	4.37	5.10	8.68	25.38	20.63	16.25	10.02	5.56	50		
19 Alger Capital Appreciation Instl I	Large Growth	ALARX	1.19	4.59	7.07	10.57	29.09	20.61	17.49	13.39	6.12	10		
20 State Street Equity 500 Index Adm	Large Blend	STFAX	0.21	4.00	4.63	9.72	24.92	20.33	16.61	8.18	-	34		
21 PIMCO Total Return Admin	Intermediate-Term Bond	PTRAX	0.71	1.09	0.89	4.14	5.86	4.03	5.37	5.85	6.60	44		
22 American Century Infl Adj Bond A	Inflation-Protected Bond	AIAXV	0.72	0.33	0.60	5.50	4.78	1.39	4.60	4.30	5.90	46		
23 Prudential High-Yield Z	High Yield Bond	PHYZX	0.58	1.76	1.23	5.76	10.38	10.16	11.76	8.33	6.96	14		
24 American Funds Europacific Growth R4	Foreign Large Blend	REREX	0.84	0.68	-0.51	2.03	17.37	10.72	8.57	8.80	6.52	40		
25 Oppenheimer Developing Markets Y	Diversified Emerging Mkts	ODVYX	1.05	3.00	6.15	8.84	22.72	8.97	12.22	16.03	15.90	40		

Summary:

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Release Date: 08-31-2014

Fund Name	Primary Rank:						Morningsstar Category						Sharpe Ratio	Alpha 3 Yr
	% Rank Cat YTD	% Rank Cat 12 Mo	% Rank Cat 3 Yr	% Rank Cat 5 Yr	% Rank Cat 10 Yr	% Rank Cat 15 Yr	Annual Return 2013	Annual Return 2012	Annual Return 2011	Annual Return 2010	Annual Return 2009	Annual Return 2008		
1 American Funds Capital World Gr&Inc R4	35	31	29	65	27	12	24.86	19.12	-7.55	7.71	32.29	-38.41	1.22	7.43
2 American Century One Choice 2050 Inv	13	49	36	8	-	-	21.58	15.39	-0.96	15.70	26.66	-	1.32	-0.05
3 American Century One Choice 2045 Inv	12	59	47	18	20	-	21.08	15.00	-0.78	15.50	26.36	-33.64	1.33	0.05
4 American Century One Choice 2040 Inv	26	60	46	24	-	-	19.69	14.50	-0.27	14.99	25.95	-	1.34	0.11
5 American Century One Choice 2035 Inv	36	82	64	44	16	-	17.92	13.62	0.37	14.28	24.31	-30.58	1.36	0.27
6 American Century One Choice 2030 Inv	36	70	54	43	-	-	15.86	12.79	1.04	13.39	22.88	-	1.37	0.33
7 American Century One Choice 2025 Inv	38	67	60	57	16	-	14.04	12.14	1.77	12.57	21.24	-25.02	1.39	0.43
8 American Century One Choice 2020 Inv	31	55	39	42	-	-	12.58	11.47	2.50	11.70	20.11	-	1.41	0.55
9 American Century One Choice 2015 Inv	35	46	31	35	12	-	11.53	10.59	3.16	10.84	18.26	-20.10	1.46	0.87
10 BMO Small-Cap Growth Y	51	55	36	18	4	22	42.25	12.06	-3.82	35.59	46.81	-42.50	0.98	-9.02
11 Columbia Small Cap Index A	66	49	26	25	27	52	40.60	15.96	0.58	25.71	25.19	-31.00	1.27	-4.45
12 American Century One Choice In Ret Inv	20	24	21	27	5	-	11.11	10.13	3.58	10.07	16.42	-16.57	1.51	1.09
13 Nuveen Real Estate Securities A	5	25	25	16	7	3	1.04	18.07	7.69	30.24	30.18	-34.96	0.93	2.86
14 Prudential Jennison Natural Resources Z	8	17	57	48	8	1	10.08	-2.43	-18.54	28.14	73.74	-52.73	0.25	-15.77
15 Goldman Sachs Mid Cap Value Instl	11	29	43	35	20	11	32.97	18.54	-6.26	24.85	33.19	-36.47	1.51	-1.28
16 Lord Abbett Value Opportunities A	72	69	78	78	-	-	36.07	9.73	-4.18	24.50	33.82	-27.77	1.14	-6.57
17 T. Rowe Price Equity Income Adv	89	88	61	61	51	40	29.44	16.92	-0.94	14.87	25.40	-35.88	1.58	-0.86
18 TIAA-CREF Growth & Income Retire	29	38	18	47	19	31	34.01	16.17	2.79	12.91	26.52	-35.12	1.62	-0.29
19 Alger Capital Appreciation Instl I	11	10	18	23	1	21	34.81	18.11	-1.03	13.48	49.12	-43.89	1.44	-2.25
20 State Street Equity 500 Index Adm	26	31	33	25	37	-	31.97	15.84	1.79	14.81	26.25	-36.89	1.66	-0.21
21 PIMCO Total Return Admin	78	56	37	45	9	6	-2.17	10.08	3.91	8.56	13.55	4.55	1.02	0.58
22 American Century Infi Adj Bond A	53	54	65	63	52	70	-9.31	6.44	12.64	5.24	10.33	-1.38	0.28	-3.39
23 Prudential High-Yield Z	18	27	31	22	12	36	7.23	14.16	5.07	14.72	48.35	-22.14	1.82	7.73
24 American Funds Europacific Growth R4	46	26	35	40	15	16	20.17	19.22	-13.61	9.39	39.13	-40.56	0.77	2.01
25 Oppenheimer Developing Markets Y	52	16	7	2	1	1	8.68	21.29	-17.85	27.39	82.10	-47.84	0.58	-0.68

Summary:

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Release Date: 08-31-2014

Primary Rank: Morningstar Category
Secondary Rank:

Fund Name	Beta 3 Yr	R2 3 Yr	Std Dev 3 Yr	% US Stoc	% Non-US Stocks	% Bonds	% Cash	% Other	Total Number Holdings	Turnove c Ratio	Manager Tenure (Average)
1 American Funds Capital World Gr&Inc R4	0.77	93.80	12.42	39.94	49.43	0.55	5.02	5.06	379	24	8.7
2 American Century One Choice 2050 Inv	1.38	96.86	11.02	62.80	17.65	16.68	1.56	1.31	14	4	3.5
3 American Century One Choice 2045 Inv	1.33	97.28	10.66	61.29	16.94	18.88	1.66	1.22	14	3	3.9
4 American Century One Choice 2040 Inv	1.26	97.46	10.08	56.91	15.46	22.49	4.00	1.14	15	5	3.5
5 American Century One Choice 2035 Inv	1.16	97.70	9.29	52.25	14.03	26.07	6.59	1.05	16	3	3.9
6 American Century One Choice 2030 Inv	1.07	97.91	8.55	48.15	12.23	31.41	7.22	0.99	17	5	3.5
7 American Century One Choice 2025 Inv	0.98	98.10	7.84	44.57	10.36	36.59	7.56	0.92	17	3	3.9
8 American Century One Choice 2020 Inv	0.91	98.07	7.21	41.74	8.22	39.18	9.98	0.88	17	6	3.5
9 American Century One Choice 2015 Inv	0.82	97.56	6.51	39.02	6.22	41.35	12.53	0.89	17	6	3.9
10 BMO Small-Cap Growth Y	1.43	74.75	19.17	86.46	10.96	0.00	2.58	0.00	84	153	8.4
11 Columbia Small Cap Index A	1.23	85.73	15.46	97.67	0.17	0.00	2.16	0.00	602	15	4.1
12 American Century One Choice In Ret Inv	0.77	97.48	6.16	38.19	5.95	41.94	13.03	0.89	16	11	3.9
13 Nuveen Real Estate Securities A	0.82	50.44	15.52	98.43	0.55	0.00	0.79	0.24	129	89	9.2
14 Prudential Jennison Natural Resources Z	1.55	75.33	23.94	73.23	21.03	0.00	3.08	2.66	113	21	8.1
15 Goldman Sachs Mid Cap Value Instl	1.09	92.13	13.12	97.67	0.92	0.00	1.41	0.00	105	103	12.7
16 Lord Abbett Value Opportunities A	1.22	88.02	15.13	96.46	2.52	0.00	1.02	0.00	100	66	7.7
17 T. Rowe Price Equity Income Adv	0.96	96.92	11.30	85.44	5.75	0.56	7.51	0.74	117	10	28.9
18 TIAA-CREF Growth & Income Retire	1.02	96.02	12.06	87.87	11.29	0.00	0.64	0.20	194	146	9.5
19 Alger Capital Appreciation Instl I	1.13	91.58	13.68	88.64	10.00	0.00	1.18	0.17	139	124	9.9
20 State Street Equity 500 Index Adm	1.00	99.98	11.58	92.59	4.47	0.00	2.94	0.00	506	4	6.3
21 PIMCO Total Return Admin	1.19	64.52	3.90	0.00	0.34	133.63	-35.32	1.34	18894	227	27.3
22 American Century Infl Adj Bond A	1.70	75.19	5.16	0.00	0.00	105.26	0.00	-5.26	145	17	7.5
23 Prudential High-Yield Z	0.73	12.52	5.40	0.09	0.00	96.44	2.20	1.28	637	55	6.0
24 American Funds Europacific Growth R4	0.92	95.93	14.64	1.47	82.96	0.21	9.55	5.82	414	28	10.1
25 Oppenheimer Developing Markets Y	1.07	91.28	17.52	0.00	91.92	0.00	5.82	2.26	126	29	7.4

Summary:

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Fund Name	Morningstar Category	Ticker	Prospectus Net Exp Ratio	Primary Rank:		Secondary Rank:		Morningstar Category					% Rank Cat 3 Mo
				Tot Ret 1 Mo	Tot Ret 3 Mo	Tot Ret YTD	Tot Ret 12 Mo	Tot Ret Annlzd 3 Yr	Tot Ret Annlzd 5 Yr	Tot Ret Annlzd 10 Yr	Tot Ret Annlzd 15 Yr		
1 American Funds Capital World Gr&Inc R4	World Stock	RWIEX	0.80	2.21	1.21	6.57	20.77	15.47	11.59	9.38	8.92	68	
2 BMO Small-Cap Growth Y	Small Growth	MRSCX	1.42	2.76	2.20	-0.18	14.44	18.48	19.54	12.49	9.73	90	
3 Columbia Small Cap Index A	Small Blend	NMSAX	0.50	4.24	3.12	1.40	18.10	20.15	18.19	10.10	9.60	52	
4 Nuveen Real Estate Securities A	Real Estate	FREAX	1.25	2.90	3.95	21.75	24.67	14.15	18.79	10.55	12.92	30	
5 Prudential Jennison Natural Resources Z	Natural Resources	PNRZX	0.87	1.94	4.15	15.08	22.42	3.26	9.55	13.05	14.47	23	
6 Goldman Sachs Mid Cap Value Instl	Mid-Cap Value	GSMCX	0.74	5.25	5.49	11.52	25.25	20.86	18.06	10.65	11.45	9	
7 Lord Abbett Value Opportunities A	Mid-Cap Blend	LVOAX	1.28	3.28	1.54	5.53	20.92	17.48	15.66	-	-	93	
8 Columbia Mid Cap Index A	Mid-Cap Blend	NTIAX	0.46	5.05	4.65	7.77	22.66	19.24	18.25	10.72	-	36	
9 TIAA-CREF Large-Cap Value Idx Retire	Large Value	TRCVX	0.32	3.65	4.48	10.11	23.95	21.12	16.22	7.88	-	33	
10 T. Rowe Price Equity Income Adv	Large Value	PAFDX	0.94	2.86	2.61	6.38	19.00	18.68	14.60	7.62	6.64	87	
11 TIAA-CREF Large-Cap Gr Idx Retire	Large Growth	TRIRX	0.32	4.55	4.92	9.24	25.86	19.54	17.43	8.81	-	54	
12 TIAA-CREF Growth & Income Retire	Large Growth	TRGIX	0.70	4.37	5.10	8.68	25.38	20.63	16.25	10.02	5.56	50	
13 Alger Capital Appreciation Instl I	Large Growth	ALARX	1.19	4.59	7.07	10.57	29.09	20.61	17.49	13.39	6.12	10	
14 State Street Equity 500 Index Adm	Large Blend	STFAX	0.21	4.00	4.63	9.72	24.92	20.33	16.61	8.18	-	34	
15 PIMCO Total Return Admin	Intermediate-Term Bond	PTRAX	0.71	1.09	0.89	4.14	5.86	4.03	5.37	5.85	6.60	44	
16 American Century Infl Adj Bond A	Inflation-Protected Bond	AIAVX	0.72	0.33	0.60	5.50	4.78	1.39	4.60	4.30	5.90	46	
17 Prudential High-Yield Z	High Yield Bond	PHYZX	0.58	1.76	1.23	5.76	10.38	10.16	11.76	8.33	6.96	14	
18 TIAA-CREF International Eq Idx Retire	Foreign Large Blend	TRIEK	0.32	0.30	-1.33	2.40	16.36	11.27	8.09	6.82	-	64	
19 American Funds Europacific Growth R4	Foreign Large Blend	REREX	0.84	0.68	-0.51	2.03	17.37	10.72	8.57	8.80	6.52	40	
20 Oppenheimer Developing Markets Y	Diversified Emerging Mkts	ODVYX	1.05	3.00	6.15	8.84	22.72	8.97	12.22	16.03	15.90	40	
21 TIAA-CREF Emerging Markets Eq Idx Reti	Diversified Emerging Mkts	TEQSX	0.50	2.72	6.57	9.45	19.35	3.42	-	-	-	34	

Summary:

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Release Date: 08-31-2014

Fund Name	Primary Rank: O Morningstar Category						Annual Return 2013	Annual Return 2012	Annual Return 2011	Annual Return 2010	Annual Return 2009	Annual Return 2008	Sharpe Ratio	Alpha 3 Yr
	% Rank Cat YTD	% Rank Cat 12 Mo	% Rank Cat 3 Yr	% Rank Cat 5 Yr	% Rank Cat 10 Yr	% Rank Cat 15 Yr								
1 American Funds Capital World Gr&Inc R4	35	31	29	65	27	12	24.86	19.12	-7.55	7.71	32.29	-38.41	1.22	7.43
2 BMO Small-Cap Growth Y	51	55	36	18	4	22	42.25	12.06	-3.82	35.59	46.81	-42.50	0.98	-9.02
3 Columbia Small Cap Index A	66	49	26	25	27	52	40.60	15.96	0.58	25.71	25.19	-31.00	1.27	-4.45
4 Nuveen Real Estate Securities A	5	25	25	16	7	3	1.04	18.07	7.69	30.24	30.18	-34.96	0.93	2.86
5 Prudential Jennison Natural Resources Z	8	17	57	48	8	1	10.08	-2.43	-18.54	28.14	73.74	-52.73	0.25	-15.77
6 Goldman Sachs Mid Cap Value Instl	11	29	43	35	20	11	32.97	18.54	-6.26	24.85	33.19	-36.47	1.51	-1.28
7 Lord Abbett Value Opportunities A	72	69	78	78	-	-	36.07	9.73	-4.18	24.50	33.82	-27.77	1.14	-6.57
8 Columbia Mid Cap Index A	45	45	59	35	25	-	32.92	17.31	-2.14	26.05	36.79	-36.26	1.27	-4.65
9 TIAA-CREF Large-Cap Value Idx Retire	22	23	21	21	44	-	32.03	17.09	0.05	15.20	19.41	-37.01	1.66	0.09
10 T. Rowe Price Equity Income Adv	89	88	61	61	51	40	29.44	16.92	-0.94	14.87	25.40	-35.88	1.58	-0.86
11 TIAA-CREF Large-Cap Gr Idx Retire	21	32	34	23	44	-	33.03	14.90	2.31	16.29	36.92	-38.67	1.54	-1.25
12 TIAA-CREF Growth & Income Retire	29	38	18	47	19	31	34.01	16.17	2.79	12.91	26.52	-35.12	1.62	-0.29
13 Alger Capital Appreciation Instl I	11	10	18	23	1	21	34.81	18.11	-1.03	13.48	49.12	-43.89	1.44	-2.25
14 State Street Equity 500 Index Adm	26	31	33	25	37	-	31.97	15.84	1.79	14.81	26.25	-36.89	1.66	-0.21
15 PIMCO Total Return Admin	78	56	37	45	9	6	-2.17	10.08	3.91	8.56	13.55	4.55	1.02	0.58
16 American Century Infl Adj Bond A	53	54	65	63	52	70	-9.31	6.44	12.64	5.24	10.33	-1.38	0.28	-3.39
17 Prudential High-Yield Z	18	27	31	22	12	36	7.23	14.16	5.07	14.72	48.35	-22.14	1.82	7.73
18 TIAA-CREF International Eq Idx Retire	39	40	22	51	47	-	21.67	18.73	-12.31	7.41	29.25	-42.33	0.77	2.18
19 American Funds Europacific Growth R4	46	26	35	40	15	16	20.17	19.22	-13.61	9.39	39.13	-40.56	0.77	2.01
20 Oppenheimer Developing Markets Y	52	16	7	2	1	1	8.68	21.29	-17.85	27.39	82.10	-47.84	0.58	-0.68
21 TIAA-CREF Emerging Markets Eq Idx Reti	45	50	58	-	-	-	-3.44	18.29	-19.38	-	-	-	0.27	-6.38

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Principia™ for Mutual Fund

Summary:

Page 3 of 3

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Release Date: 08-31-2014

Fund Name	Beta 3 Yr	R2 3 Yr	Std Dev 3 Yr	% US Sto	% Non-US Stocks	% Bonds	% Cash	% Other	Total Number of Holdings	Turnover Ratio	Manager Tenure (Average)	Primary Rank:	Morningstar Category
												Secondary Rank:	
1 American Funds Capital World Gr&Inc R4	0.77	93.80	12.42	39.94	49.43	0.55	5.02	5.06	379	24	8.7		
2 BMO Small-Cap Growth Y	1.43	74.75	19.17	86.46	10.96	0.00	2.58	0.00	84	153	8.4		
3 Columbia Small Cap Index A	1.23	85.73	15.46	97.67	0.17	0.00	2.16	0.00	602	15	4.1		
4 Nuveen Real Estate Securities A	0.82	50.44	15.52	98.43	0.55	0.00	0.79	0.24	129	89	9.2		
5 Prudential Jennison Natural Resources Z	1.55	75.33	23.94	73.23	21.03	0.00	3.08	2.66	113	21	8.1		
6 Goldman Sachs Mid Cap Value Instl	1.09	92.13	13.12	97.67	0.92	0.00	1.41	0.00	105	103	12.7		
7 Lord Abbett Value Opportunities A	1.22	88.02	15.13	96.46	2.52	0.00	1.02	0.00	100	66	7.7		
8 Columbia Mid Cap Index A	1.20	89.39	14.72	97.26	0.10	0.00	2.64	0.00	401	14	4.1		
9 TIAA-CREF Large-Cap Value Idx Retire	1.02	96.72	12.03	95.72	2.80	0.00	1.14	0.34	687	19	4.7		
10 T. Rowe Price Equity Income Adv	0.96	96.92	11.30	85.44	5.75	0.56	7.51	0.74	117	10	28.9		
11 TIAA-CREF Large-Cap Gr Idx Retire	1.02	95.17	12.14	97.18	1.97	0.00	0.83	0.01	674	19	4.7		
12 TIAA-CREF Growth & Income Retire	1.02	96.02	12.06	87.87	11.29	0.00	0.64	0.20	194	146	9.5		
13 Alger Capital Appreciation Instl I	1.13	91.58	13.68	88.64	10.00	0.00	1.18	0.17	139	124	9.9		
14 State Street Equity 500 Index Adm	1.00	99.98	11.58	92.59	4.47	0.00	2.94	0.00	506	4	6.3		
15 PIMCO Total Return Admin	1.19	64.52	3.90	0.00	0.34	133.63	-35.32	1.34	18894	227	27.3		
16 American Century Infl Adj Bond A	1.70	75.19	5.16	0.00	0.00	105.26	0.00	-5.26	145	17	7.5		
17 Prudential High-Yield Z	0.73	12.52	5.40	0.09	0.00	96.44	2.20	1.28	637	55	6.0		
18 TIAA-CREF International Eq Idx Retire	0.96	95.30	15.39	0.05	98.73	0.00	0.21	1.02	917	3	4.7		
19 American Funds Europacific Growth R4	0.92	95.93	14.64	1.47	82.96	0.21	9.55	5.82	414	28	10.1		
20 Oppenheimer Developing Markets Y	1.07	91.28	17.52	0.00	91.92	0.00	5.82	2.26	126	29	7.4		
21 TIAA-CREF Emerging Markets Eq Idx Reti	1.14	87.28	19.16	0.12	92.92	0.00	3.12	3.83	839	13	2.1		

Governance and Performance Review Committee

Agenda

GOVERNANCE AND PERFORMANCE REVIEW COMMITTEE

October 6, 2014

Agenda

OPEN SESSION

1. Approval of agenda
2. Approval of minutes of the Committee's Open Session meeting of July 20, 2014
3. Report on progress in implementing GAO Recommendations
 - Carol Bergman, Director of Government Relations & Public Affairs
4. Report on Board and Committee evaluations
 - Carol Bergman
5. Report on LSC research agenda
 - Public Welfare Foundation Grant
Jim Sandman, President
 - Margaret Cargill Foundation Grant
Jim Sandman
6. Consider and act on other business
7. Public comment
8. Consider and act on motion to adjourn meeting

**Draft Minutes of the July 20, 2014
Open Session Meeting**

**Legal Services Corporation
Meeting of the Governance and Performance Review Committee**

Open Session

Sunday, July 20, 2014

DRAFT

Committee Chair Martha L. Minow convened an open session meeting of the Legal Services Corporation's ("LSC") Governance and Performance Review Committee ("the Committee") at 4:47 p.m. on Sunday, July 20, 2014. The meeting was held at the Des Moines Marriott Downtown, 700 Grand Avenue, Des Moines, Iowa 50309.

The following Committee members were present:

Martha L. Minow, Chair
Sharon L. Browne
Charles N.W. Keckler
Julie A. Reiskin
John G. Levi, ex officio

Other Board members present:

Robert J. Grey, Jr.
Harry J.F. Korrell
Victor B. Maddox
Laurie Mikva
Father Pius Pietrzyk
Gloria Valencia-Weber

Also attending were:

James J. Sandman	President
Lynn Jennings	Vice President for Grants Management
Ronald S. Flagg	Vice President for Legal Affairs, General Counsel, and Corporate Secretary
Carol A. Bergman	Director, Office of Government Relations and Public Affairs (GRPA)
Carol Rauscher	Director of Media Relations, Office of Government Relations and Public Affairs (GRPA)
Marcos Navarro	Office of Government Relations and Public Affairs (GRPA)
Wendy Long	Executive Assistant, Office of Government Relations and Public Affairs (GRPA)

David Richardson	Comptroller and Treasurer, Office of Financial and Administrative Services
Jeffrey E. Schanz	Inspector General
David Maddox	Assistant Inspector General for Management and Evaluation, Office of the Inspector General (OIG)
Thomas Coogan	Assistant Inspector General for Investigations, Office of the Inspector General (OIG)
John Seeba	Assistant Inspector General for Audit, Office of the Inspector General (OIG)
Lora M. Rath	Director, Office of Compliance and Enforcement (OCE)
Julia Kramer	Program Counsel, Office of Compliance and Enforcement (OCE), Executive Office
Janet Labella	Director, Office of Program Performance (OPP)
Althea Hayward	Deputy Director, Office of Program Performance (OPP)
Herbert S. Garten	Non-Director Member, Institutional Advancement Committee
Frank Strickland	Non-Director Member, Institutional Advancement Committee
Allan J. Tanenbaum	Non-Director Member, Finance Committee
Robert E. Henley, Jr.	Non-Director Member, Finance Committee
Dennis Gronenboom	Executive Director, Iowa Legal Aid
Patrick McClintock	Iowa Legal Aid
Chris Luzzie	Iowa Legal Aid
Terry Brooks	American Bar Association, Standing Committee on Legal Aid and Indigent Defendants (SCLAID)

The following summarizes actions taken by, and presentations made to, the Committee:

Committee Chair Minow called the meeting to order.

MOTION

Mr. Keckler moved to approve the agenda. Ms. Reiskin seconded the motion.

VOTE

The motion passed by voice vote.

MOTION

Ms. Reiskin moved to approve the minutes of the Committee's meeting of April 6, 2014. Ms. Browne seconded the motion.

VOTE

The motion passed by voice vote.

Ms. Bergman reported on LSC's progress in implementing the 2010 GAO recommendations. She reported LSC had one open recommendation remaining. Ms. Bergman answered Committee members' questions.

President Sandman gave a progress report on the Public Welfare Foundation grant. He reported on two items (1) LSC's own data collection and analysis project; and (2) other projects related to research subjects that are funded by the Public Welfare Foundation. President Sandman answered Committee members' questions.

Mr. Flagg discussed revisions made to LSC's non-discrimination and anti-harassment policy. Mr. Flagg answered questions from the Committee members'.

MOTION

Ms. Reiskin moved to recommend approval of the LSC's non-discrimination and anti-harassment policy, as amended to reflect the substance of the Committee's discussion. Ms. Browne seconded the motion.

VOTE

The motion passed by voice vote.

Mr. Flagg briefed the Committee on the revision made to Resolution 2004-001, regarding Board members attendance to program visits. He answered questions from the Committee members'.

MOTION

Mr. Levi moved to recommend approval of revised Resolution 2004-001. Ms. Browne seconded the motion.

VOTE

The motion passed by voice vote. Ms. Reiskin abstained.

Mr. Tanenbaum briefed the Committee on his presentation given at the ABA, Legal Access Job Corps.

Committee Chair Minow invited public comment and received none

There was no other business to consider.

MOTION

Ms. Browne moved to adjourn the meeting. Ms. Reiskin seconded the motion.

VOTE

The motion passed by voice vote.

The Committee meeting adjourned at 5:45 p.m.

GAO

**Final Status Report and
Tracking Document**

LEGAL SERVICES CORPORATION:

Improvements Needed in Controls over Grant Awards and Grantee Program Effectiveness

GAO-10-540: Published: Jun 11, 2010. Publicly Released: Jul 13, 2010.

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The Legal Services Corporation (LSC) was created as a private, nonprofit corporation to support legal assistance for low-income individuals on civil legal matters, primarily through federal grants and is primarily funded through federal appropriations. Effective internal controls over grant awards and oversight of grantees' performance are critical to LSC's mission. GAO and the LSC Inspector General have previously reported weaknesses and made recommendations. GAO's objectives for this report were to determine the extent to which LSC (1) implemented key internal controls in awarding and overseeing grantees, (2) measured its performance, (3) evaluated staffing needs, and (4) adhered to its budget execution processes. GAO analyzed key records and prior recommendations as well as interviewed LSC officials regarding LSC's internal control and performance frameworks, staffing, and contract processes.

Although LSC's controls over reviewing and awarding grants are intended to help ensure fair and equitable consideration, they need improvement. Final award and fund decisions are documented and approved; however, LSC's grant application evaluation process and associated decisions were not documented, including key management discussions in the evaluation process. This lack of documentation of factors considered in making these decisions increases the risk that grantee application evaluation and funding decisions may not consider all key relevant information and makes it difficult to describe the basis for decisions later. In addition, LSC has no requirement for carrying out and documenting managerial review and approval of competitive grant evaluations or renewals, limiting its ability to identify gaps or incompatible data in applications. Although LSC has efforts underway to ensure it visits all grantee sites at least once every 3 years, LSC did not consistently or explicitly document the application of risk criteria when selecting which grantees to visit, complete timely site visit reports, or track the recommendations from the site visits. These weaknesses hindered LSC's ability to effectively oversee grantees. LSC is not required to follow the Government Performance and Results Act but has developed a Strategic Directions document with some performance measures. However, these measures do not reflect all of LSC's core activities and are not linked to its two primary offices for awarding and overseeing grants. Therefore, LSC cannot effectively measure its performance in several key dimensions, such as identifying and targeting resources in addressing the most pressing civil legal needs of low-income individuals across the nation. LSC has not systematically assessed its long-term staffing needs to achieve strategic goals and objectives, which could help ensure it has the staff capabilities needed to meet its short- and long-term goals. LSC has not consistently provided performance reviews for all of its staff, limiting opportunities to encourage high performance, identify training needs, and communicate with staff. At times, LSC did not adhere to its budget execution process in awarding contracts supporting its key grant-making responsibilities. Because officials did not follow LSC's approval controls for two contracts and there was a breakdown in tracking funds, LSC had a budget shortfall of \$70,000 in 2009. Missing or flawed internal controls limit LSC's ability to effectively manage its grant award and grantee performance oversight responsibilities. Although LSC has taken steps to address all 17 GAO recommendations identified in prior work, several have yet to be fully addressed. In the near term, it will be important for LSC leadership to address both current and continuing weaknesses. For the long term, LSC will need to focus on strengthening its overall system of internal controls in order to establish a solid basis for effectively accomplishing its core mission.

Recommendations for Executive Action

Recommendation: In order to improve key control processes over grant awards and monitoring of grantee program performance and grantee compliance, the President of LSC, and the Vice President for Programs and Compliance should develop and implement procedures to provide a complete record of all data used, discussions held, and decisions made on grant applications.

Agency Affected: Legal Services Corporation

Status: Closed - Implemented

Comments: In a 2010 audit of Legal Services Corporation (LSC) grant awards and grantee program effectiveness, GAO found that LSC procedures did not require, nor did the staff maintain, a comprehensive record documenting (1) the extent to which management held discussions and considered all available, relevant information in the grant funding decision-making process for each applicant and (2) that a complete record of the deliberative process (i.e., inputs, discussions, decisions made) was used by LSC in making grant application decisions. Therefore, GAO recommended that the President of LSC and the Vice President for Programs and Compliance develop and implement procedures to provide a complete record of all data used, discussions held, and decisions made on grant applications. In fiscal year 2010, LSC responded to our recommendations and modified the LSC Grants system to provide a listing of grant documents that must be reviewed, as applicable. LSC Grants system was further modified to require the Office of Program Performance management to certify that meeting(s) were held with staff reviewers to discuss data and other inputs used in the evaluation process, the reviewers' recommendations, and management's decision of a final funding recommendations. The list of grant documents reviewed combined with the manager's certification serves to document that discussions were held and available, relevant information was considered, and, therefore, provides a more complete record of the deliberative process for all grant applications. In addition, management's final decision of a funding recommendation

for each grant application is also now recorded in LSC Grants system. As a result, LSC's documentation of grantee selection is more comprehensive and improves the transparency of the grantee selection process.

Recommendation: In order to improve key control processes over grant awards and monitoring of grantee program performance and grantee compliance, the President of LSC, and the Vice President for Programs and Compliance should develop and implement procedures to carry out and document management's review and approval of the grant evaluation and award decisions.

Agency Affected: Legal Services Corporation

Status: Closed - Implemented

Comments: In a 2010 audit of Legal Services Corporation (LSC) grant awards and grantee program effectiveness, GAO found that LSC procedures did not require, nor did the staff maintain, a comprehensive record documenting (1) the extent to which management held discussions and considered all available, relevant information in the grant funding decision-making process for each applicant and (2) that a complete record of the deliberative process (i.e., inputs, discussions, decisions made) was used by LSC in making grant application decisions. GAO recommended that LSC develop and implement procedures to carry out and document management's review and approval of the grant evaluation and award decisions. In fiscal year 2010, LSC modified the LSC Grants system to provide a listing of grant documents that must be reviewed, as applicable, and to require the Office of Program Performance management to certify that meeting(s) were held with staff reviewers to discuss data and other inputs used in the evaluation process, the reviewers' recommendations, and management's decision of a final funding recommendations. The list of grant documents reviewed, management's decision of a final funding decision and the manager's certification serves to document management's review and approval of the grant evaluation and award decision, and, therefore, provides a more complete record of the deliberative process for all grant applications. As a result, LSC's documentation of grantee selection is more comprehensive and improves the transparency of the grantee selection process.

Recommendation: In order to improve key control processes over grant awards and monitoring of grantee program performance and grantee compliance, the President of LSC, and the Vice President for Programs and Compliance should conduct and document a risk-based assessment of the adequacy of internal control of the grant evaluation and award and monitoring process from the point that the Request for Proposal is created through award, and grantee selection.

Agency Affected: Legal Services Corporation

Status: Closed - Implemented

Comments: In a 2010 audit of Legal Services Corporation (LSC) grant awards and grantee program effectiveness, GAO found that LSC controls over reviewing grantee applications and awarding grants were deficient in (1) documenting grant award decisions, (2) carrying out and documenting management review of grant applications, and (3) using automated grantee data available in the LSC Grants system. Therefore, GAO recommended that the President of LSC and the Vice President for Programs and Compliance conduct and document a risk-based assessment of the adequacy of internal control of the grant evaluation and award and monitoring process from the point that the Request for Proposal is created through award, and grantee selection. In fiscal year 2012, LSC responded to our recommendation and hired an outside consulting firm to analyze and assess the effectiveness of LSC's internal controls in its grant making processes from the submission of grant applications through the review, appraisal, grant selection, and award. Further, the consulting firm made additional recommendations to help LSC to more effectively meet federal standards for internal controls and achieve the objectives outlined by the LSC Fiscal Oversight Task Force and the LSC Strategic Plan. Upon completing its review in November 2012, the consulting firm credited LSC for making improvements to its grant processes based on GAO's audit report. Further, the consulting firm concluded that the LSC Grants system, and the underlying internal processes currently in use, meet the basic requirements for effective internal controls. As a result, the completion of this risk-based assessment should improve LSC's ability to maintain effective and adequate internal controls over its grant application and award process.

Recommendation: In order to improve key control processes over grant awards and monitoring of grantee program performance and grantee compliance, the President of LSC, and the Vice President for Programs and Compliance should conduct and document a cost benefit assessment of improving the effectiveness of application controls in LSC Grants such that the system's information capabilities could be utilized to a greater extent in the grantee application evaluation and decision-making process.

Agency Affected: Legal Services Corporation

Status: Closed - Implemented

Comments: LSC agreed with our recommendation. In regards to conducting a cost benefit assessment, in July 2011, LSC responded that it had technical expertise on its staff to make improvements in the LSC Grants application controls. Its Senior Developer/Grants Systems Project Manager, who had experience working on grants applications, worked closely with other LSC information technology staff to make improvements in the LSC Grants application controls. Among the improvements they made were to add application controls (1) to identify when Office of Program Performance staff have entered incomplete or incompatible data into LSC Grants and (2) to identify when reviewers have not completed certain mandatory data fields. Therefore, LSC met the intent of our recommendation by taking action to improve its application controls instead of merely performing a cost benefit assessment.

Recommendation: In order to improve key control processes over grant awards and monitoring of grantee program performance and grantee compliance, the President of LSC, and the Vice President for Programs and Compliance should develop and implement procedures to ensure that grantee site visit selection risk criteria are consistently used and to provide for summarizing results by grantee.

Agency Affected: Legal Services Corporation

Status: Closed - Implemented

Comments: LSC agreed with our recommendation. In October 2013, LSC officially adopted procedures which describe the risk-based assessment processes which OPP and OCE use to select grantees for site visits, as well as the documentation of the site selection results. For the 2013 grant selection cycle, which started in 2012, LSC put in place spreadsheets which capture the various risk factors used by OPP and OCE in their site selection process and document the results of its selection, summarized by grantee.

Recommendation: In order to improve key control processes over grant awards and monitoring of grantee program performance and grantee compliance, the President of LSC, and the Vice President for Programs and Compliance should establish and implement procedures to monitor Office of Compliance and Enforcement (OCE) grantee site visit report completion against the 120 day time frame provided in the OCE Procedures Manual.

Agency Affected: Legal Services Corporation

Status: Closed - Implemented

Comments: Legal Services Corporation (LSC) established and implemented procedures to monitor Office of Compliance and Enforcement (OCE) grantee site visit report completion against the 120 day time frame provided in the OCE Procedures Manual. Specifically, in 2009, LSC updated their site visit tracking report to include information on the 120 day goal. In addition, on a quarterly basis, LSC's Board of Directors is now receiving a quarterly report on the timeliness of report issuance as

Recommendation: In order to improve key control processes over grant awards and monitoring of grantee program performance and grantee compliance, the President of LSC, and the Vice President for Programs and Compliance should execute a study to determine an appropriate standard timeframe for Office of Legal Affairs (OLA) opinions to be developed and issued. Develop and implement procedures to monitor completion of OLA opinions related to OCE site visits against the target time frame for issuing opinions.

Agency Affected: Legal Services Corporation

Status: Closed - Implemented

Comments: In a 2010 audit of Legal Services Corporation (LSC) grant awards and grantee program effectiveness, GAO found that LSC did not have specific procedures for overseeing Office of Compliance and Enforcement (OCE) receipt of Office of Legal Affairs (OLA) opinions on LSC Act compliance issues. LSC also did not have procedures for defining expected time frames for OCE to receive OLA opinions. Delays in legal opinions delay OCE site visit reports, because findings can not be determined until the OLA opinion(s) are received. Therefore, GAO recommended that the President of LSC and the Vice President for Programs and Compliance execute a study to determine an appropriate standard time frame for OLA opinions to be developed and issued and to develop and implement procedures to monitor completion of OLA opinions related to OCE site visits against the target time frame for issuing opinions. In August 2010, responding to our recommendation, LSC issued a memorandum setting out required procedures and time frames for opinions from LSC's OLA. The memorandum also provided specific time frames for OLA to complete opinions and provided a benchmark for when OCE should receive opinions. As a result, the new procedures will help ensure that LSC's legal opinions should be more timely and thereby enabling OCE to complete site visits and related OCE compliance reports which rely on these opinions.

Recommendation: In order to improve key control processes over grant awards and monitoring of grantee program performance and grantee compliance, the President of LSC, and the Vice President for Programs and Compliance should develop and implement procedures to provide a centralized tracking system for LSC's recommendations to grantees identified during grantee site visits and the status of grantees' corrective actions.

Agency Affected: Legal Services Corporation

Status: Closed - Implemented

Comments: In a 2010 audit of Legal Services Corporation (LSC) grant awards and grantee program effectiveness, GAO found that LSC did not require tracking or documenting its process for tracking and assessing actions in response to site visit recommendations and corrective actions. The absence of required documented procedures for tracking Office of Program Performance (OPP) and Office of Compliance and Enforcement (OCE) recommendations and corrective actions reduces LSC's assurance that findings from grantee site visits are monitored to ensure that recommendations and corrective actions are addressed by the grantee and so other cognizant LSC component organizations are aware of recommendations' status. Therefore, GAO recommended that the President of LSC and the Vice President for Programs and Compliance develop and implement procedures to provide a centralized tracking system for LSC's recommendations to grantees identified during grantee site visits and the status of grantees' corrective actions. In response to our recommendations, in fiscal year 2011, LSC issued procedures for tracking grantee recommendations and associated corrective actions. For grantee recommendations, the new procedures provide that the LSC Grants system is to be used as the mechanism to track recommendations and their status. For corrective actions, the new procedures provide that the LSC's OCE is to use the Required Corrective Actions Tracking Worksheet. These two methods of tracking open recommendations and corrective actions address our recommendation to develop and implement procedures for tracking LSC's recommendations to grantees and the status of corrective actions. If fully and effectively implemented, LSC's monitoring of open recommendations should be enhanced through LSC developing and implementing methods for tracking recommendations and status of corrective actions, which thereby improves LSC grantee oversight.

Recommendation: In order to improve key control processes over grant awards and monitoring of grantee program performance and grantee compliance, the President of LSC, and the Vice President for Programs and Compliance should develop and implement procedures to link performance measures (1) to specific offices and their core functions and activities, and (2) to LSC's strategic goals and objectives.

Agency Affected: Legal Services Corporation

Status: Closed - Implemented

Comments: LSC agreed with our recommendation. In October 2013, the LSC President implemented procedures requiring each office to submit office goals and performance measures linked to LSC's Strategic Plan. By May 2014, LSC offices completed their first quarterly status update assessing how well they had performed against their established performance measures.

Recommendation: In order to improve key control processes over grant awards and monitoring of grantee program performance and grantee compliance, the President of LSC, and the Vice President for Programs and Compliance should develop and implement procedures for periodically assessing performance measures to ensure they are up-to-date.

Agency Affected: Legal Services Corporation

Status: Closed - Implemented

Comments: LSC agreed with our recommendation. In October 2013, the LSC President implemented procedures, which include (1) a quarterly assessment by each office Director and the LSC President to review the office's progress in meeting its goals using the performance measures, at which time the President may revise the office's goals and performance measures in light of the circumstances, and (2) an annual review process by the LSC President of each office's goals and performance measures by December 31st of each year to ensure goals and performance measures are appropriate and up-to-date.

Recommendation: In order to improve key control processes over grant awards and monitoring of grantee program performance and grantee compliance, the President of LSC, and the Vice President for Programs and Compliance should develop and implement procedures to provide for assessing all LSC component staffing needs in relation to LSC's strategic and strategic human capital plans.

Agency Affected: Legal Services Corporation

Status: Closed - Implemented

Comments: LSC agreed with our recommendation. In October 2013, LSC's management approved its Strategic Human Capital Plan (the Plan) for 2013-2016, which is in line with its mission and goals as stated in LSC's overall strategic plan. As part of the Plan, LSC requires an annual "skills gap analysis" to (1) identify competency gaps among current LSC staff and (2) shape LSC's future hiring needs in areas critical to meeting LSC's strategic goals and objectives. LSC began gathering information on its needed skills from managers and staff in 2012 and plans to continue to do so as part of the annual "skills gap analysis" going forward.

Recommendation: In order to improve key control processes over grant awards and monitoring of grantee program performance and grantee compliance, the President of LSC, and the Vice President for Programs and Compliance should develop and implement a mechanism to ensure that all LSC staff receive annual

Agency Affected: Legal Services Corporation

Status: Closed - Implemented

Comments: LSC agreed with our recommendation. In March 2014, LSC began taking several measures to roll out its new performance management process, one of which included a performance assessment tracking mechanism as we had recommended.

Recommendation: In order to improve key control processes over grant awards and monitoring of grantee program performance and grantee compliance, the President of LSC, and the Vice President for Programs and Compliance should develop and implement a process to monitor contract approvals to ensure that all proposed contracts are properly approved before award.

Agency Affected: Legal Services Corporation

Status: Closed - Implemented

Comments: During our 2009 Legal Services Corporation (LSC) audit of controls over LSC contracts and grants, we found that LSC did not have documentation showing that the required contract approvals were obtained before contracts were awarded. To help LSC improve its internal control over contract approvals, we recommended that LSC management (1) develop and implement a process to monitor contract approvals to ensure that all proposed contracts are properly approved before award; (2) develop and implement procedures for contracts at or above established policy thresholds, to ensure the LSC president provides written approval in accordance with policy before contract award; and, (3) develop and implement procedures to ensure budget funds are available for all contract proposals before contracts are awarded. During September 2009, LSC updated Part II of its Administrative Manual to require (1) the President and Vice President, Chief Administrative Officer or the Office Directors are to authorize all procurement of goods, (2) purchases greater than \$10,500 are to be approved by the President, (3) the Vice Presidents and Chief Administrative Officer are to approve purchases up to \$10,500 and (4) Directors up to \$3,500. Further, in September 2009, LSC implemented a new contract approval form to document the Comptroller's concurrence (that all procedural requirements to that point have been satisfied). In 2011 we reviewed documentation evidencing (1) the process whereby the LSC Comptroller communicated funding availability to the requesting organization prior to the Comptroller signing the contract and (2) a sample of contracts showed properly authorized contract approvals were obtained prior to award. Our review verified that appropriate approvals were given and documented based on threshold amounts provided in the updated Administrative Manual. With these actions, LSC has developed and implemented procedures which, if fully and effectively implemented, should better enable LSC to document that all contracts are properly authorized before award.

Recommendation: In order to improve key control processes over grant awards and monitoring of grantee program performance and grantee compliance, the President of LSC, and the Vice President for Programs and Compliance should develop and implement procedures for contracts at or above established policy thresholds, to ensure the LSC President provides written approval in accordance with policy before contract award.

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Agency Affected: Legal Services Corporation

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Recommendation: In order to improve key control processes over grant awards and monitoring of grantee program performance and grantee compliance, the President of LSC, and the Vice President for Programs and Compliance should develop and implement procedures for providing and periodically updating training for LSC management and staff on applicable internal controls necessary to effectively carry out LSC's grant award and grantee performance oversight responsibilities.

Agency Affected: Legal Services Corporation

Status: Closed - Implemented

Comments: During our 2010 audit of Legal Services Corporation (LSC), we found that existing procedures were flawed in several key respects concerning staffing

needs assessments, evaluating performance, and providing appropriate internal control training. Specifically, LSC did not provide formal training for current and incoming staff on internal controls necessary to effectively carry out LSC's grant award and grantee performance oversight responsibilities. GAO's Standards for Internal Controls in the Federal Government provides that all personnel are to possess and maintain a level of competence enabling them to effectively accomplish their assigned duties. As a result, we recommended that LSC's President and Vice President for Program and Compliance develop and implement procedures for providing and periodically updating training for LSC management and staff on applicable internal controls necessary to effectively carry out LSC's grant award and grantee performance oversight responsibilities. In response to our recommendation, in July 2012, LSC developed and implemented training procedures for internal controls related to grant award and grantee performance oversight activities. In addition, also in July 2012, LSC updated its accounting procedures manual to include a section on training staff on the grant process which 1) specifies that the training will be conducted annually with the staff responsible for the grant process, and 2) identifies training topics that are to be covered annually. These actions should reduce the risk of deficient internal controls over LSC's grant award and grantee performance responsibilities.

Recommendation: In order to improve key control processes over grant awards and monitoring of grantee program performance and grantee compliance, the President of LSC, and the Vice President for Programs and Compliance should establish a mechanism to monitor progress in taking corrective actions to address recommendations related to improving LSC grants award, evaluation, and monitoring.

Agency Affected: Legal Services Corporation

Status: Closed - Implemented

Comments: Legal Services Corporation (LSC) established a mechanism to monitor progress in taking corrective actions to address recommendations related to improving LSC grants award, evaluation, and monitoring. Specifically, in 2010, LSC developed a document that formally tracks recommendations and LSC's action plans to address each recommendation. In addition, a designated staff person is responsible for monitoring and regularly updating the document.

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**Status of GAO Recommendations from June 2010 Report
 “Improvements Needed in Controls over Grant Awards & Grantee Program Effectiveness”**

#	Grant Application Processing and Award	Date Document ation Submitted to GAO	Proposed Evidence Needed by GAO (Col. Added by GAO)	LSC Implementation	Current Status
1	Develop and implement procedures to provide a complete record of all data used, discussions held, and decisions made on grant applications.	<p>June 2010</p> <p>August 2010</p> <p>June 2010</p>	<p>Real time observation of LSC Grants</p> <p>Real time observation of LSC Grants</p> <p>Real time observation of LSC Grants</p>	<p>Changes to the LSC Grants software program have been implemented and include:</p> <ul style="list-style-type: none"> • The home page of the LSC Grants review module has been revised to include a listing of grant documents that must be reviewed (if applicable). The final page of the review module requires the reviewer to certify, by entering the reviewer’s name, that all applicable grant documents have been reviewed in completing the grant application evaluation. • LSC grants includes a page for OPP management to use in certifying the meeting(s) held with staff reviewers to discuss data used in the evaluation process, the reviewer’s recommendations, and management’s final funding recommendation for the grant applicant. • The evaluation module of LSC grants is modified to designate certain reviewer data fields as required, which prohibits a reviewer from submitting an application evaluation that is incomplete. As an example, the field that reviewers use to certify that all required grant documents have been reviewed is a required field. Also, data fields linked to particular responses provided in other data fields are designated as required fields. 	Closed by GAO on 3.15.13.

#	Grant Application Processing and Award	Date Document ation Submitted to GAO	Proposed Evidence Needed by GAO (Col. Added by GAO)	LSC Implementation	Current Status
2	Develop and implement procedures to carry out and document management's review and approval of the grant evaluation and award decisions.	December 2010	Real time observation of LSC Grants	<p>The following changes were incorporated for the 2011 grant decision cycle:</p> <p>LSC grants has been revised to include a page for the LSC Vice President for Programs and Compliance and a page for the LSC President to use in certifying the meeting(s) held with OPP and OCE management to discuss the evaluation process, and OPP and OCE management recommendations.</p> <ul style="list-style-type: none"> The Vice President's page includes a funding recommendation for the grant Applicant and the President's page includes a line for certifying the funding decision for each Applicant. Funding decisions were completed in December 2010. 	Closed by GAO on 3.15.13.
3	Conduct and document a risk-based assessment of the adequacy of internal control of the grant evaluation and award and monitoring process from the point that the Request for Proposal is created through award, and grantee selection.	Ongoing.	Documentation of the risk based internal control assessment of the process and any related risk remediation efforts.	<p>LSC has engaged an outside expert to develop and perform a full evaluation and assessment of the competitive grants process.</p> <p>This includes conducting a risk-based assessment of the internal control of the grant evaluation, award, and monitoring process; recommendations of additional internal control options; recommendations for maximizing information reporting capabilities; and a report on internal controls and options implemented.</p>	Closed by GAO on 3.15.13.
4	Conduct and document a cost benefit assessment of improving the effectiveness of application controls in LSC Grants such that the system's information capabilities could be utilized to a greater extent in the grantee application evaluation and decision-making process.	November 2010	<p>Cost benefits assessment.</p> <p>Real time observation of the required fields, certs etc. in LSC Grants</p> <p>Evidence of the continuous internal evaluation by staff.</p>	<p>LSC implemented the use of the required fields, certifications required by reviewers documenting the review process, and certifications by management and the Executive Office documenting the process for reaching final funding recommendations and funding decisions.</p> <p>LSC Grants will undergo a continuous internal evaluation by staff and management to assess the effectiveness of the control features implemented, and consider additional control feature options.</p>	Closed by GAO on 8.12.13.

#	Grant Application Processing and Award	Date Document ation Submitted to GAO	Proposed Evidence Needed by GAO (Col. Added by GAO)	LSC Implementation	Current Status
Grantee Oversight Activities					
5	Develop and implement procedures to ensure that grantee site visit selection risk criteria are consistently used and to provide for summarizing results by grantee.	August 16, 2010	Evidence of outside labor counsel review and implementation.	LSC policy reflecting risk criteria used by OPP and OCE for selecting grantee site visits has been issued and posted on LSC website. Both offices have prepared summarized results of the selection process by grantee for the 2013 grant cycle.	Closed by GAO on 3.4.14.
6	Establish and implement procedures to monitor OCE grantee site visit report completion against the 120 day time frame provided in the OCE Procedures Manual.	April 2012	Evidence of outside labor counsel review and implementation.	OCE has developed an annual tracking document that includes comprehensive information on grantee site visits, and reporting date and issuance (OCE/OPP combined visit list). Outside labor counsel has reviewed LSC's response.	Closed by GAO on 3.15.13.
7	Execute a study to determine an appropriate standard timeframe for OLA opinions to be developed and issued. Develop and implement procedures to monitor completion of OLA opinions related to OCE site visits against the target time frame for issuing opinions.	August 20, 2010	Copy of study and new OLA Opinions Protocol. Also, evidence of implementation of the new protocol.	Office of Legal Affairs (OLA) issued a new Opinions Protocol that sets forth the procedures and processes to be followed in the development and issuance of both Advisory and Internal Opinions. As part of this effort, OLA implemented appropriate timeframes for response to requests for opinions.	Closed by GAO on 3.15.13.

#	Grant Application Processing and Award	Date Document ation Submitted to GAO	Proposed Evidence Needed by GAO (Col. Added by GAO)	LSC Implementation	Current Status
8	Develop and implement procedures to provide a centralized tracking system for LSC's recommendations to grantees identified during grantee site visits and the status of grantees' corrective actions.	August 2011	Evidence of procedures and implementation of the centralized tracking system for LSC recommendations.	Both OPP and OCE currently monitor recommendations and corrective actions through separate processes in each office. LSC has implemented a method of monitoring the status of top tier recommendations from OPP program quality visits in LSC Grants. The system requires grantees to discuss the status of the implementation of the report recommendations in their annual competition or renewal applications.	Closed by GAO on 3.15.13.
Performance Management					
9	Develop and implement procedures to link performance measures (1) to specific offices and their core functions and activities, and (2) to LSC's strategic goals and objectives.	Ongoing	Evidence of procedures and sustainable implementation.	<p>The LSC Board of Directors has developed a new strategic plan for the Corporation which will include linking performance measures to LSC's strategic goals and objectives.</p> <p>LSC has drafted department procedures to identify performance measures for each office within LSC annually and to link these measures to LSC's strategic goals and objectives.</p>	Closed by GAO on 7.21.2014.
10	Develop and implement procedures for periodically assessing performance measures to ensure they are up-to-date.	Ongoing	Evidence of implementation.	<p>LSC will develop and implement procedures to periodically assess performance measures after a new strategic plan is finalized.</p> <p>LSC has drafted procedures to identify departmental performance measures that include a schedule for assessing performance measures and ensuring they are up to date.</p>	Closed by GAO on 7.21.2014.
Staffing Needs Assessment					
11	Develop and implement procedures to provide for assessing all LSC component staffing needs in relation to LSC's strategic and strategic human capital plans.	Ongoing	Evidence of procedures and their sustainable implementation.	<p>LSC will develop and implement a human capital plan consistent with the new strategic goals the Board adopts.</p> <p>LSC has drafted a Strategic Human Capital Plan for use in assessing LSC's staffing needs.</p>	Closed by GAO on 3.4.14.

#	Grant Application Processing and Award	Date Document ation Submitted to GAO	Proposed Evidence Needed by GAO (Col. Added by GAO)	LSC Implementation	Current Status
12	Develop and implement a mechanism to ensure that all LSC staff receives annual performance assessments.	Ongoing	<p>Evidence of procedures and their sustainable implementation e.g., most recent actual performance assessments for all OPP and OCE employees.</p> <p>Also list of OPP and OCE staff on board at time of performance assessment cycle.</p>	<p>LSC has drafted a performance management system process that will replace the performance management process described in LSC's Employee Handbook.</p> <p>GAO has notified LSC that it does not require a two consecutive years of implementation before close-out. GAO has confirmed that the only remaining requirement needed to close out this recommendation is that LSC submit a performance management system plan.</p>	Closed by GAO on 8.25.2014.
Budget Controls					
13	Develop and implement a process to monitor contract approvals to ensure that all proposed contracts are properly approved before award.	October 2009	Evidence of process design and implementation.	Recommendation completed. LSC implemented new Administrative Manual procedures to better monitor contract approvals and ensure that funds are available and all contracts receive appropriate approvals prior to issuance. This policy and practice was in place prior to GAO's completing their fieldwork for this report, and a review of LSC's practices since October 1, 2009 will show that the procedures are being followed and all contracts are now being properly approved.	Closed by GAO on 10.13.2011.
14	Develop and implement procedures for contracts at or above established policy thresholds, to ensure the LSC President provides written approval in accordance with policy before contract award.	October 2009	Evidence of procedures and their implementation.	<p>Recommendation completed. LSC implemented new Administrative Manual procedures to better monitor contract approvals and ensure that funds are available and all contracts receive appropriate approvals prior to issuance.</p> <p>This policy and practice was in place prior to GAO's completing their fieldwork for this report, and a review of LSC's practices since October 1, 2009 will show that the procedures are being followed and all contracts are now being properly approved.</p>	Closed by GAO on 10.13.2011.

#	Grant Application Processing and Award	Date Document ation Submitted to GAO	Proposed Evidence Needed by GAO (Col. Added by GAO)	LSC Implementation	Current Status
15	Develop and implement procedures to ensure budget funds are available for all contract proposals before contracts are awarded.	October 2009	Evidence of sustainable implementation.	<p>Recommendation completed. LSC implemented new Administrative Manual procedures to better monitor contract approvals and ensure that funds are available and all contracts receive appropriate approvals prior to issuance.</p> <p>This policy and practice was in place prior to GAO's completing their fieldwork for this report, and a review of LSC's practices since October 1, 2009 will show that the procedures are being followed and all contracts are now being properly approved.</p>	Closed by GAO on 10.13.2011.
Internal Control Environment					
16	Develop and implement procedures for providing and periodically updating training for LSC management and staff on applicable internal controls necessary to effectively carry out LSC's grant award and grantee performance oversight responsibilities.	Ongoing	Evidence demonstrating implementation of procedures for providing and periodically updating training for LSC management and staff on applicable internal controls necessary to effectively carry out LSC's grant award and grantee performance oversight.	<p>LSC developed training procedures for LSC management and staff regarding internal controls to carry out grant award competition and grantee oversight responsibilities.</p> <p>LSC management received first of a 3-part training series on this topic on September 6, 2012. Second session scheduled for October.</p>	Closed by GAO on 10.13.2011.

Updated 8.25.2014

#	Grant Application Processing and Award	Date Document ation Submitted to GAO	Proposed Evidence Needed by GAO (Col. Added by GAO)	LSC Implementation	Current Status
17	Establish a mechanism to monitor progress in taking corrective actions to address recommendations related to improving LSC grants award, evaluation, and monitoring.	October 2010	Evidence of implementation of the monitoring of corrective actions taken to address recommendations related to improving LSC grant award.	LSC has established a formal process to monitor and track actions taken by LSC in response to recommendations from the Government Accountability Office. This written procedure identifies the Office of Government Relations and Public Affairs as the office responsible for maintaining the tracking system and includes quarterly reporting on the status of any remediation efforts to the Board of Directors.	Closed by GAO on 10.13.2011.

Total Number of Recommendations: 17

Total Number Closed: 17

Board and Committee Evaluations

Legal Services Corporation Board of Directors Committee Protocols*

2014

Roles and Responsibilities of Committee Chairs

It is the responsibility of committee chairs to:

- Work with the Board leadership, members, and LSC management to develop meeting agendas to assure appropriate agenda items for each committee meeting and sufficient time on the agenda for thorough review and discussion;
- Annually, in conjunction with committee membership and the committee liaison, set a schedule of agenda subjects to be discussed for the ensuing year;
- Annually, assure that committees conduct self-evaluations;
- Annually, develop specific measurable targets and objectives for conducting committee self-evaluations;
- Coordinate with the LSC President to determine appropriate LSC staff or consultants to attend meetings;
- Set and communicate policies regarding meeting participation and attendance by both Board members and management;
- Work with management to develop appropriate communication practices;
- Regularly inform the Chairman of the Board and full Board about matters of significant strategic and financial importance that come before committees;
- Communicate any concerns regarding Board or management conduct directly and promptly to the Chairman of the Board; and
- Keep meetings focused and on schedule.

Committee Meetings

- Meetings should consist of high-level analyses and address only matters of strategic importance to the committee or the Legal Services Corporation.
- Committee Chairs, in consultation with the Chairman of the Board and members of committees, will determine the frequency and length of committee meetings.
- Committee meetings will be conducted in full accordance with the Government in the Sunshine Act [5 U.S.C. 552(b)].
- Closed committee sessions will be scheduled when necessary, in accordance with applicable laws and regulations and in full consultation with the LSC General Counsel.

Committee Meeting Materials

- Meeting materials should consist of high-level analyses and address only matters of strategic importance to the committee or the Legal Services Corporation.
- Meeting materials will be sent to committee members and the full Board no later than 7 days in advance of a meeting.

Roles and Responsibilities of Committee Members

It is the responsibility of committee members to:

- Read all materials prior to attending a meeting to conserve meeting time and focus discussion on questions or comments committee members have about the materials.
- Coordinate requests for more information on and questions regarding meeting materials with committee chairs.
- Consult with the committee chairs regarding committee members' trips or visits to LSC programs or headquarters on the behalf of the committee. (Note that Board travel must be approved by the Corporate Secretary.)

Roles and Responsibilities of Committees

Each committee will:

- Maintain an accurate committee charter which outlines the committee's duties, responsibilities, and procedures.
- Review its committee charter annually.
- Any recommendation for changes/improvements to the charter will be voted on by the committee and, if approved, forwarded to the full Board for approval.
- Annually, conduct an evaluation of its performance and report findings to the Governance and Performance Review Committee. The evaluation should include the annual review of the committee charter, and the committee members' evaluations.
- To protect the confidentiality of individual committee members, the self-evaluations may be completed without identification and only aggregate committee scores will be reported to the Governance and Performance Review Committee.

*Based on the General Board Committee Protocols of the American Red Cross Board of Governors, 2009



Legal Services Corporation

Board of Directors Board-Evaluation*

*Adapted from a form written by Carter McNamara, MBA, PhD, Authenticity Consulting, LLC. Copyright 1997-2008. Field Guide to Developing and Operating Your Nonprofit Board of Directors.

November 2014

LSC Board of Directors Evaluation Tool*

Please indicate your level of agreement or disagree with the following statements:

Use the following scale: 1=Strongly Agree; 2=Agree; 3=Disagree; 4=Strongly Disagree

- 1. The Board has a full and common understanding of LSC’s mission and procedures, and the roles and responsibilities of the Board; Board members are involved and interested in the Board’s work.
Comments:

- 2. The structural pattern of LSC’s governance (Board, Committees, President, Officers, and staff) is clear.
Comments:

- 3. The Board has clear goals and measurements resulting from relevant and realistic strategic planning; the Board regularly monitors and evaluates progress toward strategic goals and program performance.
Comments:

- 4. The Board receives regular and timely reports on finances, budgets, program performance, grantee issues, and other important matters.
Comments:

- 5. The Board provides input to and annually approves the budget request to Congress.
Comments:

- 6. The Board effectively represents LSC to the community.
Comments:

- 7. Board meetings facilitate focus and progress on important organizational matters
Comments:

- 8. The Board has an adequate opportunity to evaluate the LSC President, Officers and Inspector General annually.
Comments:

- 9. Board adheres to standards of ethics and conduct.
Comments:

- 10. Board members possess the skills and knowledge to carry out their duties.
Comments:

LSC Board of Directors Evaluation Tool*

Please list three to five areas/issues on which you believe the board should focus its attention in the next year. (Please be as specific as possible.)

1.

2.

3.

4.

5.

LSC Board of Directors Evaluation Tool*

Self-Evaluation

- | | Yes | No |
|--|-----------------------|-----------------------|
| 1. Do I understand LSC’s mission? | <input type="radio"/> | <input type="radio"/> |
| 2. Am I knowledgeable about LSC’s programs and services? | | |
| 3. Do I follow trends and important developments related to LSC? | <input type="radio"/> | <input type="radio"/> |
| 4. Do I read and understand LSC’s financial statements? | | |
| 5. Do I have a good working relationship with the LSC Board Chair? | <input type="radio"/> | <input type="radio"/> |
| 6. Do I have a good working relationship with the LSC President? | | |
| 7. Do I prepare for and participate in board meetings and committee meetings? | <input type="radio"/> | <input type="radio"/> |
| 8. Do I act as a goodwill ambassador for LSC in my community? | | |
| 9. Do I find serving on the Board to be a satisfying and rewarding experience? | <input type="radio"/> | <input type="radio"/> |

What factors contributed to my performance or lack of performance in the areas above? *(Please be specific.)*

What would I need to maintain/increase my level of board commitment?

Other comments or suggestions that will help the board increase its effectiveness.



Legal Services Corporation

Board of Directors Committee Evaluation*

*Based on the General Board Committee Protocols of the American Red Cross Board of Governors, 2009

November 2014

Self Evaluation Tool*

Goals or Purpose of Committee

1. Committee members understand the goals and purpose of our committee; committee members agree on the goals and purpose of the committee.

1 2 3 4
Strongly Agree Strongly Disagree

Comments:

2. There is alignment between our committee's goals and purposes and the actions taken and/or the decisions made by the committee.

1 2 3 4
Strongly Agree Strongly Disagree

Comments:

3. Our committee has responded effectively and appropriately to issues of immediate concern brought before it; our committee has made significant progress on long-term strategic issues related to its goals and purposes.

1 2 3 4
Strongly Agree Strongly Disagree

Comments:

Support for the Committee

4. Our committee has adequate resources (for example, staff time and expertise) to support its function.

1 2 3 4
Strongly Agree Strongly Disagree

Comments:

Time and Location of Meetings

5. Our committee meetings are held regularly and with appropriate frequency.

1 2 3 4
Strongly Agree Strongly Disagree

Comments:

6. The length of our committee meetings is appropriate and respectful of the agenda. We consistently use our meeting time well; issues get the time and attention proportionate to their importance.

1 2 3 4
Strongly Agree Strongly Disagree

Comments:

Self Evaluation Tool*

Page 2

7. We receive the meeting agenda and materials sufficiently in advance of the meeting to allow for appropriate review and preparation.

1 2 3 4
 Strongly Agree Strongly Disagree

Comments:

Recording/Minutes

8. The minutes of our meetings are accurate and reflect the discussion, next steps and/or action items articulated by the members.

1 2 3 4
 Strongly Agree Strongly Disagree

Comments:

Membership

9. Our committee membership represents the talents and skills required to fulfill the goals and purposes of the committee. Our committee members come to meetings prepared and ready to contribute.

1 2 3 4
 Strongly Agree Strongly Disagree

Comments:

10. Our committee members treat each other with respect and courtesy.

1 2 3 4
 Strongly Agree Strongly Disagree

Comments:

11. As a general rule, when I speak I feel listened to and that my comments are valued.

1 2 3 4
 Strongly Agree Strongly Disagree

Comments:

General Comments

12. What I like the most about our committee meetings?

13. What I would like to see improve at our committee meetings?

14. What areas should the committee focus on in the future?

Cargill Foundation Grant



September 9, 2014

Contact: Carl Rauscher

202-295-1615

FOR IMMEDIATE RELEASE

rauscherc@lsc.gov

LSC AWARDED TWO-YEAR \$1.2 MILLION GRANT FOR MIDWEST LEGAL/DISASTER COORDINATION PROJECT

President

James J. Sandman

Board of Directors

John G. Levi
Chicago, IL
Chairman

Martha Minow
Cambridge, MA
Vice Chair

Sharon L. Browne
Sacramento, CA

Robert J. Grey, Jr.
Richmond, VA

Charles N. W. Keckler
Arlington, VA

Harry J. F. Korrell
Seattle, WA

Victor B. Maddox
Louisville, KY

Laurie Mikva
Chicago, IL

Fr. Pius Pietrzyk, OP
Zanesville, OH

Julie A. Reiskin
Denver, CO

Gloria Valencia-Weber
Albuquerque, NM

WASHINGTON – The Legal Services Corporation announced plans today to use a \$1.2 million two-year grant to foster strong and sustainable relationships between disaster-preparedness organizations and legal service providers in the Midwest.

LSC grantees in ten Midwestern states will be eligible to apply for funding to create a disaster-response plan, and will be selected through a competitive application process.

The subgrants will allow each of the successful applicants to hire a disaster coordinator, who will engage with local community service providers to create a disaster response plan. LSC will also coordinate nationally with FEMA, the American Red Cross, National Volunteer Organizations Active in Disaster, the American Bar Association, and others to launch a national response network integrating legal services with traditional disaster relief.

This project is made possible in part by a grant from the Margaret A. Cargill Foundation.

"This project will allow LSC and its grantees to continue our important work in disaster response in the Midwest," said LSC Board Chairman John G. Levi. "The funds will also help LSC collaborate with other national stakeholders to make sure that legal services are routinely included in disaster relief efforts."

The grant will assist LSC grantees in creating sustainable solutions that address the growing need for civil legal aid in the aftermath of a disaster.

"Legal aid is critical for disaster victims who need to replace identification and other legal documents, resist unlawful evictions, obtain home repairs, avoid consumer scams, and access insurance and other benefits," said LSC President James J. Sandman. "Integrating these services into disaster relief is a smart and strategic way to get communities and individuals on the road to recovery quickly."

Legal Services Corporation was established by the Congress in 1974 to provide equal access to justice and to ensure the delivery of high-quality civil legal assistance to low-income Americans. The Corporation currently provides funding to 134 independent non-profit legal aid programs in every state, the District of Columbia, and U.S. territories.

Institutional Advancement Committee

Agenda

INSTITUTIONAL ADVANCEMENT COMMITTEE

October 6, 2014

Agenda

OPEN SESSION

1. Approval of agenda
2. Approval of minutes of the Committee's Open Session meeting of July 20, 2014
3. Report on September 40th Anniversary Conference
4. Communications Subcommittee report
 - Julie Reiskin, Chairperson Communications Subcommittee
 - Carl Rauscher, Director of Communications and Media Relations
5. Public comment
6. Consider and act on other business

CLOSED SESSION

1. Approval of minutes of the Committee's Closed Session meeting of July 20, 2014
2. Consider and act on prospective funders
3. Donor report
4. 40th Anniversary Follow-Up
5. Consider and act on adjournment of meeting

**Draft Minutes of the July 20, 2014
Open Session Meeting**

**Legal Services Corporation
Meeting of the Institutional Advancement Committee**

Open Session

Sunday, July 20, 2014

DRAFT

Chairman John G. Levi convened an open session meeting of the Legal Services Corporation's ("LSC") Institutional Advancement Committee ("the Committee") at 3:33 p.m. on Sunday, July 20, 2014. The meeting was held at the Des Moines Marriott Downtown, 700 Grand Avenue, Des Moines, Iowa 50309.

The following Committee members were present:

John G. Levi, Chairman
Martha L. Minow
Robert J. Grey, Jr.
Charles N.W. Keckler
Father Pius Pietrzyk
Herbert S. Garten, (Non-Director Member)
Frank B. Strickland (Non-Director Member)

Other Board members present:

Sharon L. Browne
Harry J. J. Korrell, III
Victor B. Maddox
Laurie Mikva
Julie A. Reiskin
Gloria Valencia-Weber

Also attending were:

James J. Sandman	President
Wendy Rhein	Chief Development Officer (by telephone)
Ronald S. Flagg	Vice President for Legal Affairs, General Counsel, and Corporate Secretary
Stefanie Davis	Assistant General Counsel, Office of Legal Affairs (OLA), (by telephone)
David Richardson	Comptroller and Treasurer, Office of Financial and Administrative Services
Jeffrey Schanz	Inspector General
Rebecca Fertig Cohen	Special Assistant to the President (by telephone)

Minutes: July 20, 2014: DRAFT Open Session Meeting of the Institutional Advancement Committee
Page 1 of 3

Carol Bergman	Director, Office of Government Relations and Public Affairs (GRPA)
Carl Rauscher	Director of Media Relations, Office of Government Relations and Public Affairs (GRPA)
Marcos Navarro	Office of Government Relations and Public Affairs (GRPA)
Wendy Long	Executive Assistant, Office of Government Relations and Public Affairs (GRPA)
Allan Tanenbaum	Non-Director Member, Finance Committee
David Maddox	Assistant Inspector General for Management and Evaluations, Office of the Inspector General (OIG)
John Seeba	Assistant Inspector General for Audit, Office of the Inspector General (OIG)
Lora M. Rath	Director, Office of Compliance and Enforcement (OCE)
Julia Kramer	Program Counsel, Office of Compliance and Enforcement, Executive Office
Robert E. Henley, Jr.	Non-Director Member, Finance Committee
Bernie Brady	Travel Coordinator
Dennis Gronenboom	Executive director, Iowa Legal Aid
Patrick McClintock	Iowa Legal Aid
Chris Luzzie	Iowa Legal Aid
Terry Brooks	American Bar Association Standing Committee on Legal Aid and Indigent Defendants

The following summarizes actions taken by, and presentations made to, the Committee:

Chairman Levi called the meeting to order.

MOTION

Mr. Keckler moved to approve the agenda.

VOTE

The motion passed by voice vote.

MOTION

Mr. Strickland moved to approve the minutes of the Committee's meeting of April 6, 2014. Mr. Keckler seconded the motion.

VOTE

The motion passed by voice vote.

Chairman Levi and Ms. Rhein led the discussion. Chairman Levi reported the full board is committed to LSC's 40th anniversary campaign; and gave an update on planned events for the 40th anniversary. He briefed the Committee on the importance of the 40th anniversary campaign and suggested Committee members consider reaching out to National Law Firms and Corporate America who are interested in learning more about LSC's 40th anniversary.

Ms. Rhein briefed the Committee on the progress of events for the 40th anniversary; she outlined the social media components being used to promote LSC's 40th anniversary, and she reported on the invitation process. Ms. Rhein answered Committee members' questions.

Next, Ms. Rhein presented the In-kind Contributions Protocol. She answered Committee members' questions.

MOTION

Father Pius moved to recommend approval of the revised In-kind Contributions Protocol, as amended to reflect the substance of the Committee's discussion. Dean Minow seconded the motion.

VOTE

The motion passed by voice vote.

Chairman Levi and Ms. Rhein briefed the Committee on the scheduled 40th anniversary planned events. Chairman Levi and Ms. Rhein answered Committee members' questions.

Chairman Levi invited public comments and received none.

There was no other business to consider.

The Committee continued its meeting in closed session at 4:05 p.m.

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40th Anniversary Twitter Recap



LSC's 40th Anniversary Kick-Off Conference

9.14.2014, Washington D.C. - LSC's 40th year kicks off with Vice President Joe Biden, former Secretary of State Hillary Clinton, U.S. Supreme Court Justices Elena Kagan and Antonin Scalia, and more than 100 other legal aid leaders and supporters.

by  LSCTweets @LSCTweets

a day ago · 206 total views ·

[</> Embed](#)

[Legal Services Corporation](#) (LSC), the single largest funder of civil legal aid in the country, commemorated its milestone 40th anniversary with a 3-day event bringing together a wide range of legal, government, corporate, and philanthropic leaders to shine a light on the challenges and opportunities facing civil legal aid in America.



Legal Aid Cleveland

@LegalAidCLE

Follow

happy anniv. to @LSCtweets -last year, their grantees helped 1.8 million ppl access basic needs & the justice system lsc40.lsc.gov/event/40th-ann...

7:16 AM - 9 Sep 2014

1 RETWEET



Legal Services Corporation celebrates birthday, and survival | Latest National Headlines | Star-Telegram.com

The Legal Services Corporation is a survivor. Long in the crosshairs of conservative lawmakers, who have tried repeatedly to kill or at least cripple it, the Legal Services Corporation has instead endured to the point where it is celebrating its 40th anniversary this week with a gaggle of luminaries.

[STAR-TELEGRAM](#)



Overview > A New Era for Civil Legal Aid

September 10, 2014 "Every day across America, victims of domestic violence seeking protection, veterans trying to avoid homelessness, and consumers facing wrongful evictions or foreclosures are forced to navigate the legal system alone because they can't afford a lawyer," said LSC President James Sandman in observing the 40 th anniversary.

[PUBLICWELFARE](#)

In the weeks leading up to LSC's 40th anniversary conference, leaders of LSC grantee organizations also wrote op-eds for their local papers to raise awareness about the need for legal aid in their communities:



Marking 40 years of free legal aid

Celebrating the 40th anniversary of Legal Services, the largest federally chartered entity that provides funding to 134 nonprofit law firms throughout the nation that provide legal services in civil cases. Phyllis Holmen is executive director of the Georgia Legal Services Program.

[DAILYREPORTONLINE](#)



Access to justice for all

Although individuals involved in the criminal justice system are entitled to court-appointed counsel if they cannot afford an attorney, no such right exists for families with low incomes who are coping with serious civil legal needs. Instead, they must rely on nonprofit legal aid providers or proceed without legal representation.

 BANGORDAILYNEWS



New program helps NM vets with free legal help

New Mexico is home to about 170,700 veterans. Many of these veterans return to difficult financial situations. They face the threat of homelessness. They struggle to access basic necessities like food, shelter, medical care and legal support.

ED MARKS / EXECUTIVE DIRECTOR, NEW MEXICO LEGAL AID AND JIM SANDMAN / PRESIDENT, LEGAL SERVICES CORPORATION

Legal aid funding for Miss.'s poor declining

Legal Services marks 40th with budgets as slim as those of the poor people they represent. Two weeks before he resigned the presidency in August 1974, Richard Nixon signed the Legal Services Act, which funds civil legal assistance for the poor.

 CLARIONLEDGER

LSC's Glenn Rawdon, Technology Initiative Grants Program Counsel, also wrote an article about innovation within legal aid:

15 Years of Fostering Innovation: LSC's Technology Initiative Grants

The Legal Services Corporation this year marks the 40th anniversary of its founding and the 15th birthday of a program that has made it a leader in legal technology: Technology Initiative Grants (TIG). Since 2000, legal aid organizations across the country have filed more than 850 TIG grant applications.

 LSC

Social media users were encouraged to use the hashtag "[#LSC40](#)" to communicate in real-time about all the events on Twitter and Facebook.



Legal Services Corp.

@LSCtweets

Follow

Stay updated on LSC's 40th Anniversary conference panels/sessions live with [#LSC40](#) (if attending, include hashtag in tweets)

9:53 AM - 15 Sep 2014

6 RETWEETS 1 FAVORITE

The 40th anniversary conference kicked off on Sunday, September 14th with an opening afternoon panel on LSC's creation and remarks by U.S. Supreme Court Justice Elena Kagan.



Ariane de Vogue

@Arianedevogue

Follow

"The inability of low income Americans to get legal aid " Justice Kagan said "undermines the legitimacy of courts" 40th anni of LSC

5:52 PM - 14 Sep 2014

15 RETWEETS 4 FAVORITES



Ariane de Vogue 

@Arianedevogue

 Follow

Justice Kagan w/ Harvard's Martha Minow for 40th anni of Legal Services Corporation

5:36 PM - 14 Sep 2014

6 RETWEETS 2 FAVORITES



Patrick J. Murphy 
@PatrickMurphyPA

 Follow

'Equal Justice Under Law'-4 words on side of Supreme Court-Justice Elena Kagan: @LSCtweets lives this daily but cuts=1 mill still denied

5:45 PM - 14 Sep 2014

2 RETWEETS 2 FAVORITES



Pine Tree Legal

@PineTreeLegal

 Follow

[@PineTreeLegal](#)'s Executive Director is celebrating the 40th anniversary of [@LSCtweets](#) with Justice Kagan!

9:41 AM - 15 Sep 2014

4 RETWEETS 3 FAVORITES

LSC's 40th anniversary conference continued Monday morning, with attendees encouraged to grab informational materials about featured legal aid programs.



Legal Services Corp.

@LSCtweets

 Follow

Stop by the registration desk for more info on [#legalaids](#) programs across the country. [#LSC40](#)

10:28 AM - 15 Sep 2014



Legal Services Corp.

@LSCtweets

 Follow

Great start to [#LSC40](#) anniversary conference with first panel of day "Current Congressional Climate".

9:46 AM - 15 Sep 2014

2 RETWEETS

For the duration of the morning panels, legal aid leaders discussed different ways to stimulate innovation, increase funding and lead their organizations to increase access to justice.



Legal Services Corp.

@LSCtweets

 Follow

"We look to the broader [#antipoverty](#) community to build more support." - Alex Gulotta, ED, [@BayLegalJustice](#) [#LSC40](#)

9:54 AM - 15 Sep 2014

6 RETWEETS 1 FAVORITE



 **Legal Services Corp.**
@LSCtweets

 Follow

Current Panel: Expanding and Diversifying Sources of #LegalAid Funding #LSC40

11:03 AM - 15 Sep 2014



Michael Brown
@MBrownCY

 Follow

Terrific discussion on expanding & diversifying sources of funding, thanks @LSCtweets for inviting me to sit on this engaging panel. #LSC40

11:55 AM - 15 Sep 2014

2 RETWEETS 1 FAVORITE

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the Legal Services
Corporation



ABA Journal Access to
Justice Hackathon 2014



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40th Anniversary Press Clips

Press Clips—40th Anniversary, Pro Bono Innovation Fund

Contra Costa Times

Guest commentary: Forty years later, the fight for equal justice under the law continues

By John Grisham and Alex R. Gulotta, guest commentary © 2014 Bay Area News Group

POSTED: 09/20/2014 04:00:00 PM PDT0

COMMENTS<http://www.contracostatimes.com/opinion/ci_26568280/guest-commentary-forty-years-later-fight-equal-justice#disqus_thread>

Equal justice under law is a fundamental American value, engraved on the Supreme Court building and taught in classrooms across the country. But as the national news spotlights domestic violence and families being evicted just so landlords can turn a bigger profit, it illustrates that despite the high stakes of these civil legal matters, there is no right to an attorney.

Eviction, child custody, veterans' benefits, foreclosure -- all these matters can be processed in a courtroom with an attorney representing the landlord, the abuser, the bank, but not the tenant, the victim or the homeowner.

Unrepresented litigants are left to navigate complex legal situations on their own, and risk significant losses, including of a home, a job and even a child. Judges report that many valid claims are lost, simply because unrepresented people do not present evidence or understand the law.

All too often, the unrepresented party simply cannot afford to pay for the legal advice they desperately need.

Recognizing this, President Richard Nixon established the Legal Services Corporation (LSC) in 1974. LSC funds civil legal assistance to the nation's poor, including here in the Bay Area.

Bay Area Legal Aid serves Bay Area residents of all backgrounds and ages, including those who face the toughest civil legal challenges: exploited youth, veterans, seniors, people with disabilities, and victims of domestic violence.

Legal Aid also works with local governments and agencies to prevent systemic problems and ensure efficient solutions. San Francisco, like 130 other metropolitan regions throughout the nation, is in the midst of privatizing more than 4,500 units of public housing (known as the Rental Assistance Demonstration program, or RAD).

BayLegal is committed to working with local government, other tenant advocacy groups, and nonprofit housing providers to ensure public housing tenants' rights are upheld and no erroneous evictions are filed during the transition to RAD.

Civil legal aid provides important return on investment for taxpayers, businesses and communities. Several studies have shown that investing in civil legal aid saves money in the long run.

Chief Judge Jonathan Lippman of New York said recently that for every dollar spent on civil legal services, \$5 is returned to the state.

This month marks LSC's 40th anniversary. Hillary Clinton, the LSC board chair under Jimmy Carter; U.S. Supreme Court Justice Elena Kagan; U.S. Attorney General Eric Holder; and White House Counsel W. Neil Eggleston joined leaders from business, government and the legal community last week in Washington, D.C. ,to mark the anniversary, share innovations in civil legal aid and highlight the importance of fairness in the justice system.

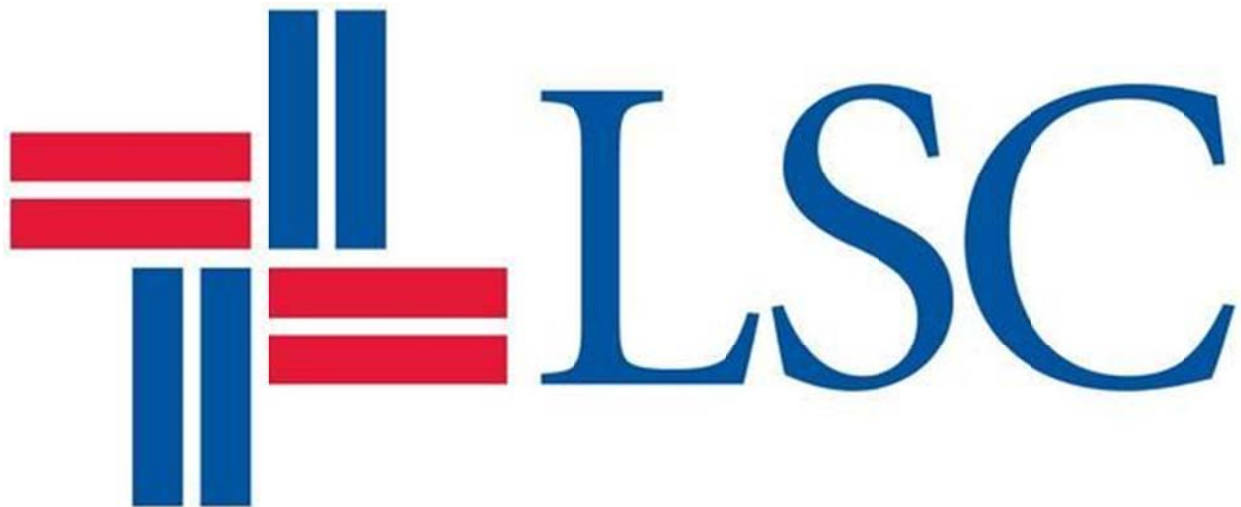
We encourage all citizens to promote, support and invest in civil legal aid, which

achieves concrete results that help create stability for individuals and families, strengthen communities, and promote a fair system of justice that is truly "for all."

John Grisham is a best-selling novelist and attorney and Alex R. Gulotta is executive director of Bay Area Legal Aid.

Cleveland Plain Dealer

Legal Services celebrating 40 years: James J. Sandman and Colleen M. Cotter



By Guest Columnist/cleveland.com

on September 20, 2014 at 6:24 AM, updated September 20, 2014 at 6:25 AM

Seventh-grader Mike Jones is a gifted pianist and good student. His sister, Sally, is a talented ballerina.

Their family was homeless. Their mother, Betsy Jones, contacted The Legal Aid Society of Cleveland when she was denied admission to public housing. She proudly shared with Legal Aid attorney Maria Smith a video of Mike performing piano to a captivated audience and a picture of both children smiling next to Cleveland Mayor Frank Jackson.

As a result of Legal Aid's representation, the housing authority approved Betsy Jones' application. She was now able to afford a safe home and create a stable living environment that would enable her to keep a job and her children to stay in their school.

The Joneses (name changed to protect client's privacy) were three of the more than 22,000 people The [Legal Aid Society of Cleveland](#) helped last year.

Theirs is an example of the impact achieved every day by legal aid organizations funded by the [Legal Services Corp.](#), which is marking its 40th anniversary this year.

This past week in Washington, we attended a three-day conference sponsored by the Legal Services Corp. to mark this important milestone.

Hillary Clinton, the LSC board chair under President Jimmy Carter; U.S. Supreme Court Justices Elena Kagan and Antonin Scalia; U.S. Attorney General Eric Holder; and White House Counsel W. Neil Eggleston were among leaders from business, government and the legal community at the event. Created in 1974 as one of the last acts of the Nixon administration, LSC is the largest single funder of civil legal aid in the country.

Cleveland's Legal Aid is the fifth oldest legal aid in the country and one of 134 independent legal aid organizations funded by LSC serving every county in the United States. Cleveland Legal Aid serves five counties: Ashtabula, Cuyahoga, Geauga, Lake and Lorain.

Every day, low-income Americans seek help from LSC-funded organizations with civil legal matters that go to the very heart of their safety and security. They are fighting to avert unlawful foreclosure, or to escape domestic violence. They are grandparents seeking legal guardianship of a grandchild in need of

life-saving surgery, or they are veterans returning from overseas and facing legal issues.

Here in Cleveland, Legal Aid's clients are low-income people who are confronted with a legal problem that if left unresolved will result in loss of housing, education, income, food, safety or family stability. These clients have legal rights, but without an attorney, those rights will not be enforced. At Legal Aid, we use the power of the law to make sure that those without power get a fair shake.

LSC's funding in Northeast Ohio is leveraged by Legal Aid: for every dollar of federal investment in Cleveland Legal Aid's work, Legal Aid raises an additional three dollars to fund its operation of 42 full-time attorneys and 1,500 volunteers. The outcomes of that investment are even more significant. Based on data tracked for cases Legal Aid closed in Northeast Ohio, assets and income were increased and debt was reduced for Legal Aid's clients by a combined \$25 million last year. The small federal investment is multiplied many times, helping lift people out of poverty.

Commemorations are a time to look forward as well as back, and as LSC marks 40 years of solid accomplishment, it faces a future full of challenge.

The need for legal services for low-income Americans now stands at an all-time high, with nearly 65 million people – 21 percent of the population – financially eligible for assistance from LSC-funded legal aid organizations. That is a 30 percent increase over 2007, before the recession began.

At the same time, [funding for legal aid via the LSC](#) has remained stagnant in absolute dollars since 2007, and has declined in inflation-adjusted dollars. In fact, in inflation-adjusted dollars spent per eligible person, LSC funding is today at an all-time low.

Through its support of pro bono initiatives and technological innovation, LSC and its grantees are stretching these limited resources.

What is needed in this milestone year for LSC is a national renewal of the core value that it embodies -- access to justice, which, for Legal Aid's clients, means

increased economic security, access to stable housing, and improved safety and health. Legal Aid builds healthy communities where people live in safe, stable homes with adequate food, a sense of security, a good education that connects them with good jobs, and lives of dignity, decency and hope.

Only with increased commitment from all -- government, courts, the bar and the public -- will our country's promise of justice, expressed in the first line of our Constitution and the closing words of the Pledge of Allegiance, be made real for all Americans.

James J. Sandman is president of Washington, D.C.-based Legal Services Corp. Colleen M. Cotter is executive director of The Legal Aid Society of Cleveland.

Hillary Clinton highlights gender as 2016 looms

By KEN THOMAS
The Associated Press
NEW YORK —

[Hillary Rodham Clinton](#)'s 2008 presidential campaign emphasized her experience, competence and preparation to become president. Her 2016 pitch could be simpler: She'd be the first female president.

As Clinton considers a second White House bid in 2016, she is making a pronounced case for female empowerment and the role of women in the nation's economy and politics. From the stage of the annual Clinton Global Initiative to the campaign trail, the former secretary of state has emphasized breaking barriers and the need for female leadership — themes that could resonate in a future campaign in which women voters will be critical.

"Don't let anyone dismiss what you're doing today as women's work," Clinton told a women's leadership forum last week at the Democratic National Committee. "Don't let anyone send you back to the sidelines."

Along with her husband, former President [Bill Clinton](#), the former first lady spent the week highlighting the role of women leaders this week at their family's annual conference. The ex-president spoke to Chilean President Michelle Bachelet about the challenges female leaders face. Other panels featured General Motors CEO Mary Barra and IBM CEO Ginni Rometty, the first female heads at their respective companies.

Mrs. Clinton is raising money for Democratic women running in the 2014 elections and is expected to campaign for Democrats in the coming weeks. In Iowa, she praised Democratic congressional candidate Staci Appel, noting that the early presidential state has never elected a woman to Congress or governor.

During her DNC speech last week, Clinton rattled off the names of 10 Democratic women whom she said gave her hope, from candidates for governor like Mary Burke of Wisconsin and Wendy Davis of Texas to Sens. Mary Landrieu of Louisiana, Kay Hagan of North Carolina and Jeanne Shaheen of New Hampshire.

The former New York senator's remarks frequently touch on a number of policy issues important to women. Clinton called for a "movement" to bring equal pay, access to child care and raising the minimum wage, reminding her audience that two-thirds of minimum wage earners are women.

Anytime she is introduced, speakers invariably mention Clinton's 1995 United Nations speech in Beijing, when she declared that "human rights are women's rights and women's rights are human rights."

Her campaign message to women wasn't always so explicit; her advisers were concerned that being a woman could hurt her with male voters.

When Clinton sought the presidency in 2007 and 2008, her team presented her as a strong leader — in the mold of the late British Prime Minister Margaret Thatcher — with the toughness and experience to lead the nation. One of her most memorable television ads involved a 3 a.m. phone call, which implied her Democratic primary opponent, [Barack Obama](#), wasn't ready to respond to a crisis.

But when she ended her campaign amid praise for her tenacity, Clinton gave what might have been a preview of her approach to the gender question, noting she hadn't shattered the White House's glass ceiling, but had left 18 million cracks in it — a reference to the votes she won in the primaries.

Six years later, one of her main priorities at the Clinton Foundation is a project called, "No Ceilings," aimed at empowering women around the planet.

"There may be new attention to these issues, especially as we've plateaued in some important indicators, but she proposed universal (pre-kindergarten) and national paid leave in '07 and '08 and those issues have only gained in importance in the last few years," said Neera Tanden, a former Clinton policy adviser who leads the Center for American Progress.

In a nod to her past, Clinton's speeches now often include anecdotes emblematic of the barriers many women have faced in the work force.

When she was deciding between Yale and Harvard law schools, Clinton recalled attending a reception at Harvard, where she met a chauvinistic law professor who told her the school didn't need more women. Clinton enrolled at Yale.

At a speech last week to the Legal Services Corp., Clinton recalled meeting an Arkansas judge shortly after moving to the state to teach law and run a legal aid clinic in the 1970s. "I don't have much use for lady law professors and I have no use for legal aid," the judge told Clinton, who responded: "Well, it's great to meet you, judge!"

Before she makes any decisions on her future, Clinton will take on another role. The couple's daughter, Chelsea, is expecting her first child within days and the former first lady has been eagerly anticipating becoming a grandmother.

"When the big moment comes," Clinton said in Iowa, "you can bet that I will drop everything to be there in a flash."

Follow Ken Thomas on Twitter: http://www.twitter.com/AP_Ken_Thomas
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Daily Report

Legal Aid to Expand its Law Hotline Using Retiree Volunteers

Meredith Hobbs09/23/2014



The Atlanta Legal Aid Society is stepping up its efforts to tap into the retired lawyer community for volunteers to help clients over the phone, thanks to a grant from the federal Legal Services Corp.

The LSC has awarded the group \$213,000 over two years to fund a lawyer and a coordinator to organize the effort.

The LSC awarded \$2.5 million in grants to 11 legal aid organizations nationally, including Atlanta Legal Aid, to develop programs that use volunteers to help poor people with civil legal issues. Congress allocated the money to the LSC in fiscal year 2014 as a Pro Bono Innovation Fund.

Atlanta Legal Aid is using its Georgia Senior Legal Hotline as the prototype for legal aid by phone. Last year the hotline fielded 8,400 calls and opened cases for 3,500 people 60 and older. A small staff and about a dozen volunteer lawyers—many of them retired—advise seniors over the phone with writing wills and advanced directives for end-of life medical treatment, fending off debt collectors and securing government benefits for medical care, housing, unemployment and food stamps.

The hotline lawyers offer advice, provide necessary forms and undertake limited intervention, calling and emailing government agencies and lawyers for mortgage companies or landlords.

"We do legal triage. We can't provide full service to everybody," said Steve Gottlieb, Atlanta Legal Aid's executive director. "The vast majority of our clients are not full service."

"We want to use the grant to increase the number of volunteers for the [senior] hotline and other parts of Legal Aid," Gottlieb said.

Helping people over the phone is ideal for retired lawyers, Gottlieb said, because the scheduling is flexible. Volunteers can take a week to go see their grandchildren or take a vacation without worrying about court calendars—and they can take as many or as few calls as they wish.

Gottlieb said having a full-time lawyer and administrator to recruit volunteers and manage the cases are essential to expanding the volunteer pro bono by phone effort.

"That's a reason we haven't been able to do this the way we've wanted to—we have not had anybody whose primary responsibility it is," he said.

The Senior Legal Hotline's manager, Hilary Leland, is its only full-time staff lawyer. There also are five part-time legal aid lawyers, she said, plus the volunteers.

When clients call because their Medicaid or food stamp benefits have been curtailed, Leland said, a lawyer can double-check the decisions, then help callers compose appeal letters. When there is a mistake, she said, the lawyer often can fix it by emailing someone at Medicaid or the Division of Family and Child Services, which houses the food stamp office.

Leland said the new hires will use the hotline model to expand legal aid by phone to Atlanta Legal Aid's other divisions. The effort will start with the Downtown office, which handles domestic relations, health law, landlord-tenant cases, benefits, debt collection and other types of cases.

From there they hope to expand phone law services to the nonprofit's satellite offices in DeKalb, Gwinnett, Cobb and Southside.

Legal Aid also is recruiting volunteer lawyers for follow-up calls to people who have been assisted by phone.

Gottlieb said the group evaluated the Senior Legal Hotline's effectiveness two years ago. He said there is a long-standing debate in the legal aid community about how helpful it is to offer people advice and brief service over the phone.

They called a sample of the people who had been advised through the hotline on end-of-life planning and obtaining public benefits to see if they'd been able to follow the lawyer's advice and if they'd gotten results. "We wanted to see how many people really were taking our advice and being successful," he said.

They discovered that when a lawyer followed up with phone clients, offering additional advice and help, it increased the rate of successful outcomes from 50 percent to 80 percent.

The hotline already makes extensive use of volunteers so it became a natural idea to use volunteers for the follow-up calls, Gottlieb said.

Administrative assistants at Alston & Bird have been logging initial intake calls for the Senior Legal Hotline since 2009. The Atlanta Bar Association's Elder Law section, led by Jay Fox, has started assisting with powers of attorney and advance directives and Troutman Sanders lawyers draft Qualified Income Trusts so that seniors qualify for Medicaid benefits for nursing homes.

As part of the expansion, Gottlieb said, Legal Aid will start calling back clients from the Saturday Lawyer Program clinic run by Atlanta Volunteer Lawyer Foundation, which is staffed by volunteer lawyers in private practice, to offer additional help.

Often someone contacts Legal Aid with one problem and it turns out they have other legal issues, he said.

"With legal aid clients, it's not just one thing—it's 63 things," Gottlieb said. "Someone might come in with a security deposit case and then the lawyer finds out they have a public benefits claim."

But if someone has a stressful domestic relations issue or is being hounded by a debt collector, they need help getting that resolved first before they can focus on applying for food stamps, he said.

Atlanta Legal Aid's new building at 54 Ellis St. will give phone law volunteerism a big boost, Leland said. The new building will have parking and far more space for volunteers than the Senior Legal Hotline's current cramped quarters at 2 Peachtree St. in the State of Georgia Building—plus a cafe.

The hotline is not located at Atlanta Legal Aid's current downtown headquarters because there isn't enough room. "It's a juggling act to find space and parking," Leland said, adding that the office only has five cubicles for people to use to make phone calls.

When clients call because their Medicaid or food stamp benefits have been curtailed, hotline manager Hilary Leland said, a lawyer can double-check the decisions, then help callers compose appeal letters.

Montana Legal Services Association awarded \$141,000 innovation grant

2 hours ago • By [Eddie Gregg](#)

The Montana Legal Services Association has been awarded a two-year, \$141,000 grant to fund the Montana Pro Bono Connect project, an effort aimed at, among other things, using the internet to help lawyers donate their services remotely to low-income Montanans.

The Legal Services Corporation, a Washington, D.C.-based nonprofit founded by Congress, recently announced that [Montana Legal Services](#) is one of 11 groups to be awarded Pro Bono Innovation Fund grants.

Montana Legal Services, which has offices in Billings, Helena and Missoula, is a private, nonprofit law firm that provides civil legal aid around the state, including on the Crow, Northern Cheyenne, Fort Belknap and Rocky Boy's Indian reservations.

There is more demand for pro bono legal work than Montana Legal Services is able to keep up with, according to the group's communication director, Christine Mandiloff.

Last year, the organization received more than 10,000 requests for legal help, but was only able to provide legal assistance in about 2,600 cases, she said.

Montana, which is more than 145,000 square miles in size, has only one attorney for every 14,000 people living in poverty, according to the Legal Services Corporation.

The Montana Pro Bono Connect project is intended to provide expanded training and mentorship for pro bono attorneys and expansion of Montana Legal Services' online resources, including a secure web portal allowing pro bono attorneys to work with clients across the state.

The idea, Mandiloff explained, is to make it easier for an attorney in Missoula, for example, to provide legal help remotely to low-income people anywhere in Montana.

“This grant is really a way to serve those efforts and to enhance those efforts,” Mandiloff said.

ABA JOURNAL

Judges' efforts to pursue funding for unmet civil legal needs garner applause at LSC conference

Posted Sep 17, 2014 03:34 pm CDT

By [Terry Carter](#)

The three-day conference this week celebrating the Legal Service Corporation's 40th anniversary offered up a big portion of lovefest kudos from dignitaries such as Vice President Joe Biden and former Secretary of State Hillary Clinton, as well as plenty of idea-sharing on best approaches ranging from fundraising to technology to finding ways to do ever more with even less.

But in conference rooms and ballrooms at Washington, D.C.'s Omni Shoreham Hotel, much of the greatest and most sustained applause among the 440 people who attended concerned efforts of the judiciary in more and more states to take leadership roles in pursuing what has long been the holy grail of legal services: increased public funding for unmet legal needs.

Despite advances in technology and help from law students and lawyers working pro bono, legal services providers have seen unmet civil legal needs rise from 12 percent in 1974—when the LSC was created by Congress to distribute money to nonprofit legal aid programs around the country—to 21 percent today, New York Court of Appeals Chief Judge Jonathan Lippman said at the conference. The legal profession has, in the words of several speakers gauging progress, failed “to move the needle.”

Lippman led off on a panel of justices Tuesday from nine state supreme courts, all of them leaders in pressing for increased public funding and other ways to stem the crisis of unmet legal needs. Lippman was instrumental in getting his state legislature to increase the judiciary's budget for legal services grants up to \$70 million from \$27.5 million.

Lippman told the gathering that all stakeholders—legal services, law schools, the judiciary and the bar—must get the message out so that “people on the street” begin to believe there should be

a right to counsel in civil matters. He mentioned that some now speak of “civil *Gideon*” and noted that when the U.S. Supreme Court ruled in *Gideon v. Wainwright* in 1963 that counsel must be provided to criminal defendants who can’t afford it, 23 state attorneys general filed a friend-of-the-court briefs in favor of Clarence Earl Gideon.

Continued efforts “can ultimately get us to the promised land, whatever you might call it, we all know what it is,” Lippman said.

The legal services audience was pleasantly surprised at the encomiums tossed their way by Monday’s pre-luncheon speaker, Supreme Court Justice Antonin Scalia. The justice has dissented in two cases—*Legal Services Corp. v. Velazquez* in 2001 and *Brown v. Legal Foundation of Washington* in 2003—that let the LSC challenge existing welfare law and to receive funds from interest on lawyer trust accounts.

Scalia told the luncheon crowd that James Madison, in the Federalist Papers, said that justice is the goal of both government and civil society and will be “pursued until obtained or until liberty is lost in the pursuit.”

Scalia then said the role of lawyers, as officers of the court in our adversarial system, is as important as that of the judge—because if there is “effective adversarial presentation, justice will ensue.

“So this organization pursues the most fundamental of American ideals, and it pursues equal justice in those areas of life most important to our citizens,” Scalia said, listing various ones such as civil legal issues as foreclosures, eviction and child custody.

Harking to statements by Scalia the following day, LSC President James Sandman and LSC board chair John Levi invoked the last phrase of our Pledge of Allegiance, “justice for all.” Chief Justice Ralph Gants of the Massachusetts Supreme Judicial Court said all in the audience should be acting on it, and suggested that the growing role of state judiciaries in pushes for public funding might be expanded.

“I think it’s something that all of us ought to be asking the United States Supreme Court, not only to be talking the talk but also walking the walk,” Gants said, to sustained applause.

Zorza Blog

[Highlights and Thoughts on the LSC 40th Anniversary](#)

Posted on [September 18, 2014](#) by [richardzorza](#)

Earlier this week, LSC had its 40th anniversary shebang in DC.

As I understand it, the primary goal was to establish LSC and federal funding of community-based legal aid as a permanent bi-partisan commitment. It certainly moved us a long way toward this goal, with, for example, speeches by Bush counsel and Supreme Court putative nominee Harriet Miers, and actual Republican Supreme Court Associate Justice Scalia.

More surprising, and very encouraging, was a slowly building focus on innovation. Moreover, this focus was not just on technology and “efficiency” but also on ideas such as system change, and non-lawyer practice. Among the highlights for me:

- Professor Deborah Rhode, after analyzing the excessive lawyer market regulation, and the need for big change, summarizing it with something like: “We need less protection of lawyers and more protection of consumers,” a mantra I suggest we should all internalize
- Massachusetts Chief Justice Ralph Gants, in response to Scalia’s statements about the importance of equality of access to justice, urging that the US Supreme Court should become much more active in promoting access to justice. (I would add what a model for such a role [Canada](#) offers).
- Three of the law school deans (Georgetown, Yale and Chicago) who spoke acknowledging interest in helping in proving training for non-lawyer practice.
- Solicitor General Donald Verrilli talking about the corrosive effect on the bar of its integration with the countries economic inequality.

In the long term, I hope that LSC will be able to follow up with building a bipartisan agenda for access to justice innovation. There is nothing in the [emerging consensus](#) that is not bipartisan.

A final note of disappointment about the media. What a comment on the media, after such an important event, that the main media coverage seems to be entirely about [VP Biden’s use of the word “shylock.”](#) (This is what happens when you Google “[Legal Services Corporation 40th](#)).

But this will be forgotten, and an integrated consensus approach to access, for which this celebration laid the groundwork, will not, because it will touch millions of lives.

THE HILL

Hillary Clinton's commitment to civil rights

By Basil A. Smikle Jr., contributor

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On a subfreezing morning in January 2003, then-Sen. Hillary Clinton (D-N.Y.) walked to the pulpit of Trinity Baptist Church's Martin Luther King Day celebration in the Bronx to make a startlingly rousing speech to their predominantly African-American congregation. Typically, such speeches are principally aspirational — they acknowledge that society has largely rebuked racial discrimination's ugly past but urge steadfastness in tackling challenges that lay ahead. But

it was Clinton's stirring repudiation of Trent Lott, then the Republican Senate Majority Leader from Mississippi who a month earlier praised Strom Thurman's 1948 pro-segregation presidential campaign, that enthused the audience. Her remarks suggested changes in leadership alone will not eradicate racism and discrimination but the rigidity of the pathways to political and economic enfranchisement must acquiesce to the strength inherent in this country's diversity.

She echoed these themes in two important appearances this week at the Legal Aid Corporation's 40th anniversary and a panel on women's economic security at the Center for American Progress. By delving into Clinton's understanding of both the egalitarian principals of the civil rights movement and the need to confront the challenges of systemic inequality, we should be able to forestall skepticism about her social justice agenda.

Back at Trinity Baptist Church, Clinton focused attention on the pernicious behavior of those looking to reduce the rights of individuals seeking to participate in the electoral process. Such concerns have not been completely eradicated and comments during another round of these tactics several years ago seemed to heighten her resolve: "We know that there are still those who do not want every American to vote, and want to make it very difficult for every American to vote. ... The more things change, the more things stay the same. ... There are many insidious efforts under way to intimidate voters, to make it difficult for voters to actually appear at the ballot box and vote."

While in the Senate, she introduced the Count Every Vote Act of 2007 to combat a "history of intimidation." Fighting against voter ID laws, Clinton said that "By trying to require not just photo identification but proof of citizenship — proof that thousands of American citizens can't produce through no fault of their own — cynical Republican lawmakers are trying to build new walls between hundreds of thousands of eligible senior, minority, and low-income Americans and their civil right to choose their own leaders. Republicans claim that these requirements are needed to prevent fraud, but the reality is that they do little more than disenfranchise eligible voters."

In an interesting juxtaposition with Trent Lott's incendiary comments, Clinton, a few months earlier, stood with the widow of Supreme Court Justice Thurgood Marshall at a podium alongside former Detroit Mayor Dennis Archer, who was being sworn in as the first African-American President of the American Bar Association in its 124-year history – 60 years after they lifted a ban on black members. Her appearance this week at the Legal Services Corporation and her board chairmanship of that organization in the early 1970s reaffirmed a longstanding commitment to support low-income communities and people of color in the courtroom and at the highest levels of legal advocacy.

Back in 2007, speaking of the Jena 6 in Louisiana, Clinton said, "I am deeply concerned about reports of potentially disparate treatment of white youths and African-American youths in the criminal justice system. ... And I have long been troubled by a history of disparate treatment of African Americans in our criminal justice system." And regarding the unrest in Ferguson, Mo., her remarks to a mostly white audience were considered some of the most substantive: "Imagine what we would feel, what we would do if white drivers were three times as likely to be searched by police during a traffic stop as black drivers."

While those statements are often in response to highly publicized events, other advocacy work may have been less known but correspondingly transformative. Considering the importance of pathways to opportunity for young people and the deleterious effects of the school-to-prison pipeline, Clinton worked with community leaders in New York affiliated with the organization 100 Black Men to open an all-boys single sex school in the South Bronx. Teaching predominantly black and Latino young men, David Banks, the founding principal, sees his mission as "empowering at risk inner-city young men to become academic achievers, engaged citizens and responsible men." Eagle, now with six high schools in New York City and Newark, N.J., has graduation rate of over 95 percent.

Whether pushing for race to be considered in higher education admissions policies or fighting against the use of race-neutral "percentage plans" in federal affirmative action proposals, there are aspects to Hillary Clinton's activism that exist across multiple policy and political venues as well as at the community level. Experience and broad relationships help dilate corridors to equal opportunity and social justice, which should allay the fears of understandably restive voters concerned about the impact of 2014's elections and beyond.

Smikle is a political analyst and adjunct professor at Columbia University's School of International and Public Affairs and the City University of New York's School of Professional Studies

American Prospect

Tenants Facing Eviction in Era of Skyrocketing Rents Need Legal Assistance

MARTHA BERGMARK

SEPTEMBER 18, 2014

Without legal assistance, tenants often miss crucial steps and find themselves out of a home.



(AP Photo/Ricardo Figueroa)

Years after we've supposedly recovered from the housing crisis, millions of Americans are at risk of losing their homes, and housing is still one of the most troubling aspects of America's growing inequality problem. The evidence is clear: Rents are rising in cities across the country, and the *New York Times* [reported](#) earlier this month that evictions are soaring nationwide. Tenant-landlord standoffs in U.S. cities are also becoming increasingly common—and bitter. But despite this bleak overall picture, some tenants are winning eviction battles and ultimately staying in their homes. How? What's the difference between those who protect their homes and those who are at risk of falling into homelessness? Most often, outcomes depend on one factor: whether tenants have legal help.

Across the country, civil legal aid programs are helping people under threat of evictions understand their rights, navigate the court system, and, most importantly, stay in their homes. It's

just one example of how civil legal aid programs are improving the lives of Americans and increasing access to justice around the country—and it's made possible by vital funding from the [Legal Services Corporation](#) (LSC), which is marking its fortieth anniversary this year. Addressing the evictions crisis has become an urgent priority. [Skyrocketing rents](#) combined with greater demand for rental housing are leaving more and more Americans [without access](#) to affordable homes. In places like [Baltimore](#), public housing units are being privatized without much scrutiny (see report [here](#) by the *Prospect's* Rachel M. Cohen), displacing low-income residents and limiting affordable housing options. Gentrification is transforming life not only on the coasts, but also in unexpected cities [across the nation](#)—from Columbia, South Carolina, to Chattanooga, Tennessee; and from Denver to Dallas. In turn, landlords are trying to capitalize on rising real estate prices by [forcing](#) low-income tenants to move out, often through dubious tactics, like pressuring residents to accept buyout offers or demanding that they provide proof of citizenship.

Two-thirds of low-income tenants who receive full legal representation in eviction cases are able to stay in their homes

Many families that end up in housing court to fight for their homes do so without access to an attorney. This trend is deeply troubling, because research shows how critical it is to have legal help in housing disputes: [Two-thirds](#) of low-income tenants who receive full legal representation in eviction cases are able to stay in their homes, compared to one third of unrepresented tenants.

To deal with the flood of new eviction cases, civil legal aid groups across the country are adopting powerful new advocacy strategies to defend tenants. How exactly you fight an eviction is a complex process that varies state by state. Without the legal assistance, tenants often miss crucial steps and find themselves out of a home. For example, at Legal Services of Greater Miami's Tenants' Rights Project, a dedicated team of attorneys represents tenants who desperately need legal assistance—especially those in subsidized and public housing, who are among the most vulnerable. In Marin City, California, Bay Area Legal Aid was part of a coalition that successfully fought off efforts to make truancy grounds for evictions from public housing—a transparent attempt to criminalize the poorest members of our society in one of America's wealthiest in cities.

In large part, it's because of LSC that organizations like these are able to defend ordinary Americans. Every day, people seek help from civil legal aid programs, many of them funded by LSC, for legal issues that go to the very heart of their safety and security—not just on foreclosures and evictions, but also on domestic violence, child custody hearings, immigration, veterans' issues, and access to healthcare and other vital public benefits. For many who benefit from the counsel of a lawyer through LSC, the alternatives would be dire. A civil legal aid lawyer can mean the difference between keeping a home or being thrown out on the street, or the difference between securing affordable healthcare or coping with injuries and illness on your own.

As we commemorate the Legal Services Corporation's fourth decade, we must renew our commitment to its mission of advocating for the most vulnerable members of our society. In the case of housing, that means doing everything possible to ensure that ordinary homeowners and renters are able to keep their homes. And increased support for civil legal aid is one of the most cost-effective, powerful solutions.

• DAILY KOS

MON SEP 15, 2014 AT 07:32 PM PDT

[Hillary Clinton and the Battle for Equal Justice](#)

by [ScoobyFollow](#)

I have been coming here for more than a decade, and I have never written a diary. Until now. I had an experience this evening that I want to share. I am a legal aid lawyer. I have devoted my career to providing free legal help to folks who otherwise could not afford a lawyer: low-income families facing eviction, survivors of domestic violence desperately trying to escape the cycle of abuse, special needs kids trying to access the educational services that they are entitled to under the law, and so many others. It is immensely rewarding work, although of course not in the financial sense :-). It is also, as you might imagine, work that is not without its political adversaries. From the very beginning, there have been strong forces in the political arena who are opposed to legal aid because they fear that it is contrary to their political agenda or because they don't believe that it is the government's role to help pay for lawyers for poor people. Pretty much every year, there is a bill in Congress to totally defund legal aid. Fortunately, those bills have not succeeded. Yet.

I am currently in Washington DC where the Legal Services Corporation (LSC), the quasi-federal agency that is the primary federal funder of legal aid work around the country, is celebrating its 40th Anniversary. At a reception this evening, Hillary Clinton was the special guest speaker. She spoke with passion and humor about her life-long involvement with legal aid. At Yale, Hillary was one of the first students to work on behalf of poor clients in that school's legal aid clinic. In her late 20's, when she moved to Arkansas and became a professor at the University of Arkansas's Law School, she oversaw the creation of that school's legal aid clinic, and it was a wild success despite the opposition of a powerful local judge who told her at their first meeting that he did not have time for "lady professors" or legal aid. And then, at just 30 years of age, President Carter appointed Hillary to become the Chairman of the Board of LSC, a position she held until the early 80s and in which she helped put the organization on solid footing for the battles that were soon to come in the Reagan years. Among other accomplishments, she helped triple LSC's annual funding to more than \$300 million! When Reagan tried to zero out the funding for LSC early in his first term, and when he subsequently tried to pack the LSC board with ideological opponents, Hillary helped to successfully lead the fight against these moves. And later, as First Lady, she helped lead the fight against the effort to eliminate LSC that was part of the Contract on America.

Almost 20 years later, LSC is still here and it is still a key player in the battle to make Equal Justice for All a reality in this country. And it isn't a stretch to say that for almost the entire 40 years, Hillary Clinton has been a passionate, invaluable general in this battle to make sure that the poor and underprivileged enter the legal arena on equal footing with those who can afford legal counsel. When she spoke tonight of this work, Hillary talked warmly about how it was some of the most important work she has ever done. Just for this fight alone, we owe her a debt of gratitude. I know that I am thankful that she has been on our side.

Miami Herald, Fort Worth Telegram, Raleigh News-Observer,

Legal Services Corporation celebrates birthday, and survival

Posted Monday, Sep. 15, 2014 [comments](#) [PrintReprints](#)

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BY MICHAEL DOYLE

McClatchy Washington Bureau

WASHINGTON — The Legal Services Corporation is a survivor. Long in the crosshairs of conservative lawmakers, who have tried repeatedly to kill or at least cripple it, the Legal Services Corporation has instead endured to the point where it is [celebrating its 40th anniversary this week](#) with a gaggle of luminaries.

In a sign of its institutional stature, the federal legal aid organization has attracted the diverse likes this week of Justice Antonin Scalia, who is speaking at lunch Monday, and Vice President Joe Biden, who is speaking at lunch Tuesday. Justice Elena Kagan spoke Sunday.

The lawmakers who loathe it, meanwhile, have failed to make their case. Most recently, on May 29, the House rejected by a 116 to 290 margin an amendment by Rep. Austin Scott, R-Ga., to eliminate the LSC's \$350 million budget. Tellingly, 104 Republicans joined all 186 voting Democrats to reject the defunding bid.

Scott's efforts to kill the LSC are essentially symbolic at this point, in 2012, [he attracted only 122](#) votes on his amendment to eliminate funding.

The LSC supports local nonprofit organizations via grants for the delivery of civil legal assistance to low-income Americans.

BLOOMBRG NEWS

Attorney General Holder Announces Partnership with Department of Housing and Urban Development to Improve Civil Legal Aid for Juveniles

Attorney General Eric Holder is set to announce a partnership between the Department of Justice's Office of Juvenile Justice and Delinquency Prevention (OJJDP) and the Department of Housing and Urban Development (HUD). HUD will offer new grants to support collaborations between HUD-funded organizations, and civil legal aid programs and public defender offices. The grant funded collaborations will focus on expunging and sealing juvenile records -- improving the chances that reentering youth will be able to obtain degrees, find work and secure housing. The announcement is set to be made this evening during the Attorney General's remarks to the Legal Services Corporation 40 th anniversary celebration.

"Legal aid is nothing less than a professional responsibility, a moral obligation and a national duty," said Attorney General Eric Holder. "Thanks to a partnership between our Office of Juvenile Justice and Delinquency Prevention and the Department of Housing and Urban Development, HUD will offer a new grant to support collaborations between HUD-funded organizations, and civil legal aid programs and public defender offices. These collaborations will focus on expunging and sealing juvenile records -- thus improving the chances that reentering youth will be able to obtain degrees, find work, and secure housing.

"In many cases, having a juvenile record can prevent individuals from accessing employment, housing and other vital services they need to get ahead," said HUD Secretary Julian Castro. "This collaboration between HUD and the Department of Justice will provide resources to civil legal aid programs, public defenders and other HUD-funded organizations that help give people a second chance and a greater opportunity to succeed."

Approximately 60,000 youth are confined in juvenile detention and correctional facilities with hundreds of thousands more on probation. Contact with the juvenile justice system has a significant impact on adolescents' development and their prospects for long-term success. As a result, the juvenile reentry process should start before youth return to their communities, as soon as they come into contact with the juvenile justice system.

In addition to focusing on the expungement and sealing of juvenile records, the juvenile reentry legal assistance program will develop collateral consequences checklists and training on collateral consequences for children who have been in the juvenile justice system, their parents and guardians and for stakeholders in the juvenile justice system including judges, prosecutors, defense attorneys and others. The collateral consequences checklist will provide attorneys, judges, and other juvenile justice professionals with the most current information available on the immediate and long term consequences of juvenile adjudications of delinquency allowing all parties to make informed decisions at every step of the adjudication process.

The approximately \$1.8 million allocated to the program will support these activities in fiscal year 2014 through Public Housing Authorities working with stakeholders in the community including courts, prosecutors, public defenders and community-based organizations.

"At the Office of Juvenile Justice and Delinquency Prevention, we believe that involvement with the justice system should benefit young people and not create additional obstacles in their lives," said OJJDP Administrator Robert L. Listenbee. "Through our partnership with HUD, we are providing youth who are returning to their communities from out of home placement with a fresh start and a chance to earn a degree, find work and secure a place to live."

In addition to the announcement of the OJJDP-HUD partnership, Attorney General Holder will call on Congress to fund the Legal Services Corporation with \$430 million in Fiscal Year

2015, an increase of 18 percent over 2014. Included in the proposed budget is a new \$5 million competitive grant program to support the creation of integrated civil legal aid delivery systems across the country as well as almost \$3 million to build the department's capacity for research and data collection related to civil aid.



SEPTEMBER 17, 2014

- [Harvard Faculty Ask for Open Dialogue and Forum on...](#)

POLICY/SOCIAL CONTEXT

Legal Services Corporation: Four Decades of Service to People and Justice

WRITTEN BY [RUTH MCCAMBRIDGE](#)

CREATED ON TUESDAY, 16 SEPTEMBER 2014 13:58

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September 15, 2014; [Miami Herald](#)

NPQ has [written often](#) about [the critical need for legal services](#) to low-income people, particularly in the wake of the recession. Most local legal services offices are funded through a variety of sources, including IOTA/IOLTA fees, donations, and state grants, but also by [grants from the Legal Services Corporation](#).

Although it has often been the target of conservative attempts to defund it, it is celebrating its 40th anniversary this year with widespread support. Its conference, which ends today, is hosting luminaries like Justice Antonin Scalia, who spoke yesterday, and Vice President Joe Biden, who is speaking at lunch today.

Signed into existence in 1974 by President Richard M. Nixon, the Legal Services Corporation is a nonprofit that distributes funding to 134 other local independent nonprofit legal aid programs with nearly 800 offices. This year, it distributed more than \$300 million, yet it estimates that it still served only approximately half of those who requested and were eligible for service. Federal appropriations [have fallen for the program](#) over the past few years even while the level of need, according to LSC, has risen significantly since 2007 and the Great Recession.

Nixon [described the federal legal services program](#) as “a workhorse” in the effort to secure equal rights in America. At the neighborhood law office, citizens could find help in any effort to seek civil justice:

“Here each day the old, the unemployed, the underprivileged, and the largely forgotten people of our Nation may seek help. Perhaps it is an eviction, a marital conflict, repossession of a car, or misunderstanding over a welfare check—each problem may have a legal solution. These are small claims in the Nation’s eye, but they loom large in the hearts and lives of poor Americans.”

In 1971, Senator Mondale said, during a floor debate on the bill establishing the agency, "If the poor and the powerless do not have free access to our legal system, government by law is a failure."—Ruth McCambridge

Terms:[Human Services](#), [Newswire](#), [Policies and Laws](#)

WASHINGTON POST (More than 200 stories and posts of similar ilk)

[he Fix](#)

Joe Biden stepped in it. Again.

By Jeff Simon September 17 at 11:18 AM

"No one ever doubts that I mean what I say," Vice President Joe Biden told a group of lawyers in a speech before the [Legal Services Corporation](#). "The problem is I sometimes say all that I mean."

The crowd laughed. Then, less than 20 minutes later, he made a remark that was promptly condemned as a "medieval stereotype about Jews" by the Anti-Defamation League.

Biden said soldiers would approach his son, Delaware Attorney General Beau Biden (D), while he was serving a tour of duty in Iraq, and tell him about their experiences navigating the toxic housing market back home.

"People would come to him and talk about what was happening to them at home in terms of foreclosures, in terms of bad loans that were being — I mean,

these Shylocks who took advantage of these women and men while overseas," Biden said.

Shylock is the main character of the Shakespearean play "Merchant of Venice" -- an unrelenting Jewish banker of sorts best known for demanding a "pound of flesh" as repayment for a loan.

"Shylock represents the medieval stereotype about Jews and remains an offensive characterization to this day," ADL national director Abraham Foxman said in a statement, first reported by Yahoo News. "The Vice President should have been more careful."

Update 11:19 a.m.: Biden has now apologized, calling his comments "[a poor choice of words](#)."

Update 3:07 p.m.: Apparently Biden has now done it again, making a reference to "The Orient."

ALBUQUERQUE JOURNAL

New program helps NM vets with free legal help

By [Ed Marks / Executive Director, New Mexico Legal Aid And Jim Sandman / President, Legal Services Corporation](#)

PUBLISHED: Sunday, September 14, 2014 at 12:02 am

New Mexico is home to about 170,700 veterans. Many of these veterans return to difficult financial situations. They face the threat of homelessness. They struggle to access basic necessities like food, shelter, medical care and legal support.

Nonprofit legal services organization New Mexico Legal Aid recently partnered with the New Mexico Department of Veterans Services, the New Mexico Veterans Integration Center and the State Bar Young Lawyers Division to create the Veterans Justice Project. This program provides free legal assistance to low-income veterans and helps them navigate the application process to receive benefits.

For many, this type of assistance could be the difference between sleeping on the streets and having a place to call home.

Protecting veterans is an example of work done every day by legal aid organizations funded by the Legal Services Corporation.

Created in 1974, the Legal Services Corporation is the largest single funder of civil legal aid in the country. It distributes federal funds through competitive grants to 134 independent nonprofits with nearly 800 offices.

Low-income Americans seek help from Legal Services Corporation-funded organizations with civil legal matters that go to the heart of their safety and security. They are fighting to avert unlawful foreclosure, or to escape domestic violence. They are veterans returning from overseas and facing legal issues.

With funding from the corporation and other sources, New Mexico Legal Aid is able to provide assistance and create programs that address pressing needs. Programs like the Veterans Justice Project get other leaders in the community to take notice.

Legal Services Corporation also promotes technology innovation through its Technology Initiative Grants program, which has funded more than 525 projects in the past decade.

The corporation's grant program currently funds New Mexico Legal Aid's Online Intake and Triage project, which partners with ProBono Net and Neota Logic, Inc., to create a web-based system allowing potential clients to apply online for legal services.

By embracing technology, New Mexico Legal Aid and other Legal Services Corporation-funded organizations are entering a new era of providing free legal services that can reach more low-income people with more speed and efficiency.

As the corporation marks 40 years of solid accomplishment, it faces a future full of challenge.

The need for legal services for low-income Americans now stands at an all-time high, with nearly 64 million people – 21 percent of the population – financially eligible for assistance. That is a 30 percent increase over 2007, the last year before the recession began.

But legal aid funding has remained stagnant in absolute dollars since 2007 and has declined in inflation-adjusted dollars. In fact, in inflation-adjusted dollars spent per eligible person, Legal Services Corporation funding is today at an all-time low.

This low funding has forced grantees to close offices and lay off staff even as studies consistently show that only 20 percent of the civil legal needs of low-income people are met.

New Mexico Legal Aid has faced severe budget cuts in the past four years. Although there was a partial restoration of funds in 2014, it is still about \$500,000 behind in combined state and federal funding compared to 2011. The multi-year downturn in funding forced the layoffs of seven paralegals and support staff in 2013.

Money isn't everything, and through its support of pro bono initiatives and technological innovation, Legal Services Corporation and its grantees are stretching limited resources. What is needed, however, in this milestone year is a national renewal of the core value that it embodies — access to justice.

Only with increased commitment from all — government, courts, the bar and the public — will our country's promise of justice, reflected in the first line of our Constitution and the closing words of the Pledge of Allegiance, be made real to all Americans.

PUBLIC WELFARE FOUNDATION

A New Era for Civil Legal Aid

September 10, 2014

Although there is no constitutional right to a lawyer in civil cases, the consequences of not being represented in a child custody dispute or when health benefits are being denied can be enormous, plunging people who are already economically vulnerable further into poverty. That's why the Legal Services Corporation (LSC) was created in 1974 — mainly to provide legal help so that low-income people could have a better chance against some of the everyday obstacles that often prevent them from moving up the economic ladder.

Now, 40 years later, the civil legal aid movement has made great strides, but it continues to face enormous challenges.

"Every day across America, victims of domestic violence seeking protection, veterans trying to avoid homelessness, and consumers facing wrongful evictions or foreclosures are forced to navigate the legal system alone because they can't afford a lawyer," said LSC President James Sandman in observing the 40th anniversary. "LSC's funding of high-quality legal services for low-

income people helps assure fairness in our legal system, and it's never been more needed, or more important, than it is today."

State and national studies show that more than 63 million Americans qualify for LSC-funded civil legal assistance, yet about 80 percent of the serious legal needs of low-income Americans go unmet.

While LSC is the nation's largest single provider of legal aid services, it has had to cope with significant decreases in funding. In fact, federal dollars for LSC are down by 16 percent since 2011. Another major source of funds is the state-based Interest on Lawyers Trust Accounts (IOLTA). But money generated by these accounts to provide legal aid grants decreased by a staggering 62 percent from a peak in 2008 to 2012 – with no likelihood, at least not anytime soon, of higher interest rates that would make more IOLTA funds available.

As a result of this funding crisis, civil legal aid advocates have been actively seeking new and better ways to deliver services, using technology and other innovations.

"Forty years ago, the model was assumed to be providing everyone with a lawyer who didn't have a lawyer," Sandman recently told *The National Law Journal*. "As people have realized that we don't have the resources to do that, the model has evolved to the point where...there are now a variety of additional ways to provide assistance to people who would otherwise get no assistance at all."

Since 2011, the Public Welfare Foundation has supported a special initiative on civil legal aid, investing a total of nearly \$4 million to date. The Kresge Foundation has partnered with Public Welfare on several grants, and both foundations have tried to spur broader philanthropic investment in civil legal aid.

Among the most important pieces of the civil legal aid infrastructure are state-based Access to Justice Commissions, which bring together many stakeholders, including the bar, courts, legal aid providers, law schools, and other justice system participants, as well as new partners in health care, business and other fields. The most effective commissions have been able to mobilize creative and energetic leaders who have credibility and connections within the legal community and beyond in order to raise the visibility of access-to-justice issues, develop approaches to address them, and successfully implement their plans.

With help from Public Welfare and Kresge, the total number of active commissions increased from 26 in early 2012 to 34 as of August, 2014 – with at least two more coming on board by the end of 2014. Commissions have also undertaken innovative models that have been funded in 14 states.

Several such states have been able to reach out to more people with civil legal aid issues through creative online programs. For example, North Carolina's ATJ commission recently launched a website with state-specific legal resources and referral information that helps link

veterans – a vulnerable population that often needs help obtaining benefits – to pro bono attorneys who specialize in representing them.

Other ATJ commissions are reaching out to form new partnerships with health care providers, social workers and others who can help address the broader needs of clients. Maine's commission has launched a coalition that includes legal aid providers, libraries and pro bono attorneys. So far, a network of 60 libraries has become the point of access for legal assistance and information. At "Lawyers in Libraries" events held on Law Day in both 2013 and 2014, approximately 800 clients were able to consult with pro bono attorneys.

In recent years, the thoughtful attention of top judges has elevated the importance of ATJ commissions and, more broadly, access to justice issues. Eric Washington, chief judge of the District of Columbia Court of Appeals and a past president of the Conference of Chief Justices of the U.S., has been a tireless advocate for adequate funding of civil legal aid, which has helped the District's ATJ commission provide attorneys to more clients in landlord-tenant disputes and in child support cases. Similarly, the Texas Supreme Court, led by Chief Justice Nathan Hecht, has made it clear to the State Legislature that legal aid funding is equally important as direct funding for the courts.

As Chief Justice Hecht has written, "The result is a bipartisan consensus on this key principle: that providing assistance for those who cannot afford a lawyer is a critical part of the justice system and essential to the integrity of the rule of law."

Because many people faced with civil legal cases have no hope of being able to afford a lawyer, one new model that could help bridge the gap enables greater assistance from individuals without a law degree.

In 2012, the Washington State Supreme Court approved the Limited License Legal Technician program, which will allow people without law degrees who meet certain educational requirements to advise and assist clients in approved practice areas of law. The program will begin taking applicants in 2015 for the first approved practice area, which is family law.

Earlier this year, New York's Chief Judge Jonathan Lippman, a prominent leader on access to justice issues, announced a new "Court Navigator" program to use specially trained and supervised advocates to provide information and to help unrepresented litigants complete necessary forms required in Housing Court cases in Brooklyn and consumer debt cases in the Bronx and Brooklyn. Most significantly, the Navigators are able to accompany unrepresented litigants into the courtroom. And, while they cannot address the court on their own, they can respond if the judge asks them specific, factual questions.

These two innovative models will be evaluated – and the findings will be shared broadly – under a new, joint project of the American Bar Foundation and the National Center for State Courts, funded by Public Welfare.

Clearly, a key component of expanding effective model programs is to share information nationwide – to the legal aid community, to consumers of legal aid, and to the public at large. To that end, four foundations to date – Public Welfare, Kresge, JPB and Ford – have pooled resources in support of a newly launched communications hub, called Voices for Civil Justice.

A national public opinion study of civil legal aid conducted in 2013 found broad support for the basic principle that all Americans should have access to legal representation or help in civil matters, regardless of financial status. But the study also showed that civil legal aid is largely invisible to the public.

Martha Bergmark, a longtime leader in the field, heads the hub, which aims to make the public more aware of important civil legal aid developments across the country. It is training spokespersons and seeks to generate media attention. For example, a recent column in *The New York Times* examined partnerships between health professionals and civil legal aid lawyers that tackle the health consequences, such as childhood asthma, of legal violations by landlords who don't want to provide proper services, like air conditioning, to their low-income tenants.

Mary McClymont, president of the Public Welfare Foundation, spoke to the need for the hub: “Although civil legal aid touches at the core of many Americans’ basic existence, too many people are simply unaware of its connection to a neighbor’s foreclosure or child custody fight as well as broader issues such as education reform or community development. That’s why we want this communications hub to help elevate civil legal aid and underscore its importance to the public.”

The more broadly information can be circulated about civil legal aid, the better its value can be understood. In turn, the more public and private funding that can be generated, the more likely that the gap between supply and demand can be eliminated.

DENVER POST

Colorado gets federal grant to boost free legal help in remote areas

By [Colleen O'Connor](#)

[The Denver Post](#)

Posted: 09/12/2014 12:01:00 AM MDT [Add a Comment](#) | Updated: a day ago

In a tough competition, Colorado has landed an inaugural grant newly funded this year by Congress — one that will help low-income people in isolated, rural parts of the state get free legal aid they cannot otherwise afford.

"If you're a victim of domestic violence or have a custody fight, your car is repossessed or you're denied Social Security, nobody says, 'You have a right to a lawyer and if you cannot afford a lawyer, one will be appointed,'" said Jonathan Asher, director of [Colorado Legal Services](#), [which landed the two-year grant of nearly \\$174,000](#).

Experts call it "the narrowing justice gap."

Public defenders are not appointed in civil cases, and the need for free legal services by the low-income population has spiked dramatically in recent years — a crisis that spurred Congress to fund the \$2.5 million Pro Bono Innovation Fund for the first time in the fiscal year 2014 budget.

"The number of people eligible for civil legal assistance is at an all-time high — nearly 64 million or about 21 percent of Americans — but funding, in terms of inflation-adjusted dollars per eligible person, is at an all-time low," said Carl Rauscher, spokesman for [the Legal Services Corp.](#), the largest source of funding for civil legal assistance to the nation's poor. "Recent studies have shown that we are now forced to turn away 50 percent or more of those seeking help because of inadequate resources."

Competition for the grant was heated, with nearly 80 applications received. Only [11 legal aid organizations made the cut](#).

Colorado's application "hit all the right notes," said Mytrang Nguyen, program counselor for the Pro Bono Innovation Fund. "It was particularly impressive that they brought in the state bar, so there is a strong statewide partnership."

Colorado Legal Services will partner with the Colorado Bar Association to develop effective ways of duplicating metro-area pro bono clinics in rural areas.

"The grant will also allow us to see whether we can use Denver lawyers more effectively to help hard-to-serve rural areas in the state," Asher said.

They will be able to test what works and what doesn't work in specific areas. "What works in Sterling and Julesburg may not work in Alamosa or Monte Vista," Asher said.

They will also experiment with new technologies like online chats or virtual clinics.

"A lawyer could sit in a firm in Denver and communicate with a client in Yuma or Wray ... without the need for a lawyer to go to Yuma or the client come to Denver," he said.

They'll also experiment with "flying squads," attorneys who travel to rural areas on a regular basis — but this would require working with local judges, because some hearings would need to be scheduled in one day.

Colleen O'Connor: 303-954-1083 or coconnor@denverpo

NEW YORK LAW JOURNAL

Grant Supports Statewide Legal Service Pro Bono Effort

Andrew Keshner, New York Law Journal

September 15, 2014 | [0 Comments](#)



C. Kenneth Perri, LawNY's Executive Director *VLSP Rochester*

A grant worth more than \$300,000 will enable legal service providers across the state to build a program to recruit, train and match pro bono projects to law students and senior attorneys.

When Legal Services Corporation unveiled its inaugural grant recipients in the Pro Bono Innovation Fund last week, it announced that more than \$314,000 would be given to Legal Assistance of Western New York and five other state legal service providers to hire attorneys to build "a new pro bono practice group across organizations."

The grant, which was the largest of Legal Services' 11 awards, comes as New York courts implement a new rule in January 2015 requiring bar applicants to log 50 hours of pro bono service before admission.

Among its access to justice efforts, the courts in 2010 created an Attorney Emeritus Program that links senior attorneys with pro bono work.

The legal services groups will work with advocates looking to fulfill their 50 hour requirements, as well as attorneys in the emeritus program.

Advocates will handle a range of civil legal matters, including benefit assistance, housing law, consumer law, employment law and family law.

The legal service groups' newly-hired attorneys will split their time between working on the project and handling a regular case load.

"Pro bono is not free. You need staffing to set up volunteer programs and help set up the infrastructure," said C. Kenneth Perri, executive director of Legal Assistance of Western New York, who developed the concept of the statewide practice group.

His organization will be leading the effort.

Other recipients are Legal Aid Society of Mid-New York, Legal Aid Society of Northeastern New York, Legal Services of the Hudson Valley, Nassau/Suffolk Law Services Committee and Neighborhood Legal Services.

The organizations have a combined 33 offices that reach all counties in the state outside New York City.

Though each organization had their own programs to link practicing attorneys with pro bono work, Perri said there was no coordinated statewide effort to link law students and emeritus attorneys to civil legal service cases.

"We'll match volunteers with opportunities suitable to them and match where they have skills and interests.

That stuff can't happen effectively and efficiently on an ad hoc basis," Perri said.

In addition to direct volunteer-client placements, Perri said the group will develop other projects, like a remote assistance program, where law students in one part of the state can assist with legal research for a case in another part of the state.

The project will also entail coordination with nine state law schools. Referrals to the organizations will be one of the schools' options when they help students fulfill the 50-hour requirement.

The participating schools are Columbia Law School, Pace Law School, Albany Law School, Cornell Law School, the Maurice A. Deane School of Law at Hofstra University, Syracuse University School of Law, Touro College Jacob D. Fuchsberg Law Center and SUNY Buffalo Law School.

Fordham University School of Law's Feerick Center for Social Justice, which staffs the emeritus program, will be involved in efforts to expand the program.

The 18-month grant begins in October.

When the money runs out, Perri said, the six participating groups are prepared to allocate other funds to make the new positions permanent if the project is a success.

Gauging success will mean meeting certain goals, Perri said. For example, during the pilot phase, the groups aim to recruit about 100 students for the 50-hour requirement and another 30 for full-time summer associate work. They also plan to attract about 60 emeritus attorneys during the pilot phase.

Overall, the goal is to fulfill 18,600 hours of pro bono service during the initial grant phase, Perri said.

In an interview, Mytrang Nguyen, program counsel for Legal Services Corporation's Pro Bono Innovation Fund, said the application "hit the right notes for us." Legal Services Corporation received 79 applications and the process was "very competitive" she said.

The scale of the New York proposal was "exciting and ambitious, looking to do something timely and important," Nguyen added.

Another benefit in the New York grant would be building a demonstration project that providers in other states could tap into when tackling "ambitious pro bono rules."

Nguyen noted at least five or six other states were considering rules similar to New York's 50-hour rule.

"In our application process, we saw folks already trying to do the planning in anticipation of such a rule being implemented," she said.

Andrew Keshner can be reached at akeshner@alm.com. Twitter: [@AndrewKeshner](https://twitter.com/AndrewKeshner).

[VIEW COMMENTS \(0\)](#)

Read more: <http://www.newyorklawjournal.com/id=1202669984468/Grant-Supports-Statewide-Legal-Service-Pro-Bono-Effort#ixzz3DDRqTgVF>

ATLANTA JOURNAL CONSTITUTION

Atlanta Legal Aid Society given \$212,800 grant

The Associated Press

ATLANTA —

The [Atlanta](#) Legal Aid Society, Inc. is being given a 2-year grant worth more than \$212,800 to deliver free legal follow-up services to low-income clients.

The Legal Services Corporation announced the grant allocation in a statement Wednesday. Officials say [Atlanta](#) Legal Aid Society will use pro bono attorneys to do follow-up work with low income clients, which is expected to help improve their case outcomes.

Democratic U.S. Rep. David Scott represents several metro [Atlanta](#) areas and says his office often refers constituents in need of legal help to the organization. He says the group has been an asset for the metro area for 90 years.

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Baghdad residents assess the damage following a round of...

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WSB TV

The Associated Press

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Chicago Law Bullentin:

In [the News](#)



Legal Services Corp. has awarded grants from its new Pro Bono Innovation Fund to 11 legal aid organizations across the country, including Prairie State Legal Services Inc.

Local News

Rural Colorado to benefit from federal grant for free legal help in remote areas

By [Colleen O'Connor](#)

[The Denver Post](#)

Posted: 09/10/2014 10:46:40 AM MDT | Updated: about 2 hours ago

Across rural Colorado, it's hard to find free legal clinics for people who need them — but that may soon change, because Colorado Legal Services has just been named one of 11 recipients of a new competitive grant program funded by Congress.

The Legal Services Corporation on Tuesday announced that Colorado Legal Services will receive more than \$173,800 from a competitive pro bono innovation grant to create effective ways of replicating pro bono clinics that operate successfully in urban areas.

Colorado Legal Services will partner with the Colorado Bar Association to test different clinic structures and technologies to help low-income clients in isolated areas where there are few attorneys.

The grant will help experts gauge the effectiveness of live online chats, virtual clinics, and "flying squads," attorneys who travel to remote rural areas on a regular basis.

Clinics will also be developed to provide pro bono services beyond brief advice, offering more help to clients who choose to represent themselves.

Congress created the Pro Bono Innovation Fund in its 2014 budget to address a crisis in legal services, where at least half of eligible low-income people are turned away after seeking help because there are not enough resources.

The new \$2.5 million grant program is designed to enhance pro bono initiatives throughout the country.

Colorado Legal Services is the only organization to win an innovation grant to develop pro bono clinics in rural areas.



Legal Assistance Of Western New York Receives \$314,068 Pro Bono Innovation Fund Grant

Wednesday, September 10, 2014 - 11:52

[Legal Services Corporation \(LSC\)](#)

The Legal Services Corporation (LSC) announced today that [Legal Assistance of Western New York](#), Inc. (LawNY) will receive an 18-month \$314,068 Pro Bono Innovation grant to deliver free legal follow-up services to low-income clients.

To create the project, LawNY is partnering with five other LSC grantees in the state: Legal Aid Society of Mid-New York, Legal Aid Society of Northeastern New York, Legal Services of the Hudson Valley, Nassau/Suffolk Law Services Committee, and Neighborhood Legal Services of Buffalo.

New York's Chief Judge Jonathan Lippman recently established two major pro bono initiatives: one requiring 50 hours of pro bono for applicants admitted to the New York State Bar on or after January 1, 2015, and another establishing the Attorney Emeritus Program to encourage experienced attorneys to offer their skills to legal aid providers.

In response to those pro bono initiatives, the six LSC grantees will create a new pro bono practice group across organizations to coordinate pro bono opportunities among their 33 offices and nine New York law schools, including the Feerick Center for Social Justice at Fordham University School of Law, which staffs the Attorney Emeritus Program for the Office of Court Administration.

Through the partnership created by the six LSC grantees – which provide legal services to every urban, suburban and rural community outside of New York City – thousands of hours will be donated to help low-income New Yorkers resolve civil legal problems in areas affecting the essentials of life: housing, family matters, subsistence income, and access to health care and education.

LawNY is one of 11 inaugural recipients of LSC's \$2.5 million Pro Bono Innovation Fund, a competitive grant that invests in projects that identify and promote replicable innovations in pro bono for low-income legal aid clients.

Philadelphia Legal Assistance Receives LSC Pro Bono Innovation Grant



The Legal Services Corporation has announced that [Philadelphia Legal Assistance](#) is one of the 11 legal aid organizations selected to receive grants from its new [Pro Bono Innovation Fund](#) to support projects that develop replicable innovations in pro bono services for low-income clients.

The Philadelphia Legal Assistance project will use the network of existing neighborhood public health centers in Philadelphia to create a pro bono, law- student-driven Medical-Legal Community Partnership that will improve access to comprehensive, coordinated health and legal care for low-income clients. Law student volunteers will also participate in "Skills Lab" sessions and weekly group supervision to hone their legal skills and collaborative problem-solving.

The grant will provide PLA with \$240,305 to fund the project over two years.

People who live in poverty disproportionately experience legal and health problems from homelessness, substandard housing, being uninsured and having to choose between food or heat. These "socio-legal needs" can affect the health of low-income families and the efficacy of medical services, as even the best care is undermined by unmet legal needs.

"I congratulate Philadelphia Legal Assistance on their innovative medical-legal partnership model that is helping to ensure that low-income families in our community have their medical and social service needs met more effectively," Rep. Chaka Fattah (PA-02) said. "This grant will help PLA sustain and amplify the Medical-Legal-Community Partnership, while continuing to help provide and expand legal assistance to thousands of Philadelphians. I am proud to have pushed for the creation of the Pro Bono Innovation Fund in Congress so programs like this can continue the pursuit of equal access to justice."

Many of the projects receiving innovation grants use emerging legal aid technology to reach rural populations. Others create extensive pro bono partnerships with local law schools, community organizations, and corporate attorneys. All the projects seek to engage and recruit pro bono lawyers and other volunteers to leverage LSC's federal funding and increase the resources available to low-income clients.

"We are grateful to Congress for funding this new competitive grant program to increase pro bono support for civil legal aid," LSC President Jim Sandman said. "As a former antitrust lawyer, I believe that competition promotes innovation. The number and quality of the applications for our new Pro Bono Innovation Fund grants proves the point."

The creation of the fund was recommended by LSC's Pro Bono Task Force, and Congress allocated \$2.5 million for it in its FY-2014 budget.

The other ten recipients of the 2014 Pro Bono Innovation Fund are:

Atlanta Legal Aid Society - \$212,837, 24 months

Atlanta Legal Aid Society will integrate pro bono attorneys throughout their offices in five counties to make follow-up contact with clients and provide additional brief services, which has been proven to improve client outcomes significantly.

Colorado Legal Services - \$173,808, 24 months

Colorado Legal Services will collaborate with the Colorado Bar Association to develop different technologies and clinic structures to identify the most effective ways to replicate metropolitan-area pro bono clinics in rural parts of the state.

Legal Aid Foundation of Los Angeles - \$309,451, 24 months

Legal Aid Foundation of Los Angeles will partner with Neighborhood Legal Services of Los Angeles County and OneJustice to develop the California Pro Bono Training Institute, a statewide online forum of substantive trainings that will provide legal services organizations and pro bono attorneys with high-quality, engaging, and on-demand Continuing Legal Education courses relevant to pro bono work for low-income clients.

Legal Assistance of Western New York (LawNY) - \$314,068, 18 months

In response to New York Chief Judge Jonathan Lippman's two major pro bono initiatives, LawNY is partnering with five other LSC grantees in New York State to create a new pro bono practice group across organizations and coordinate pro bono opportunities among their 33 offices and nine New York law schools, including the Feerick Center for Social Justice at Fordham

University School of Law, which staffs the Attorney Emeritus Program for the Office of Court Administration.

Maryland Legal Aid - \$265,464, 24 months

Maryland Legal Aid will establish a single, statewide Veterans Hotline, staffed by qualified pro bono attorneys who will be recruited and trained throughout the state to effectively and efficiently meet the legal needs of Maryland's low-income veterans population.

Montana Legal Services Association - \$141,087, 24 months

Montana Legal Services Association's project will develop a statewide technology platform targeting barriers to legal service delivery for solo practitioners, small firms, government attorneys, law students, and paralegals.

Northwest Justice Project - \$211,120, 24 months

Northwest Justice Project will develop a comprehensive set of resources to support pro bono attorneys in providing significant assistance beyond brief advice or limited action in unfamiliar areas of law, systematically increasing the level of extended services provided to low-income clients.

Prairie State Legal Services, Inc. - \$158,815, 18 months

Prairie State Legal Services will partner with Illinois Legal Aid Online to recruit and train pro bono attorneys in suburban areas and other 'collar counties' surrounding Chicago in an effort to provide legal services for single parents in need of family law assistance.

Utah Legal Services - \$190,000, 24 months

Utah Legal Services is partnering with the Self-Help Center of the Utah State Courts, local Utah State Bar Pro Bono committees, Timpanogos Legal Center, and volunteer law students and attorneys to provide a continuum of service for clients representing themselves in family law matters in rural areas in Utah. These organizations will expand their collaboration by creating an online meeting and document-sharing platform that connects clients with on-call volunteer attorneys.

Volunteer Lawyers Project of the Boston Bar Association - \$158,045, 24 months

The Volunteer Lawyers Project of the Boston Bar Association will test and prototype "pop-up" clinics, a customized virtual law firm platform, and cost-effective videoconferencing to allow expert bankruptcy volunteers in Boston to train and mentor pro bono attorneys in parts of the state where no pro bono bankruptcy attorneys are available.

[LSC Press Release](#)

NOODLS

LSC Awards First Pro Bono Innovation Fund Grants

distributed by noodls on 09/09/2014 16:11

WASHINGTON - The Legal Services Corporation announced today that 11 legal aid organizations will receive grants from its new Pro Bono Innovation Fund to support projects that develop replicable innovations in pro bono services for low-income clients.

Many of the projects use emerging legal aid technology to reach rural populations. Others create extensive pro bono partnerships with local law schools, community organizations, and corporate attorneys. All the projects seek to engage and recruit pro bono lawyers and other volunteers to leverage LSC's federal funding and increase the resources available to low-income clients.

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The Volunteer Lawyers Project of the Boston Bar Association will test and prototype "pop-up" clinics, a customized virtual law firm platform, and cost-effective videoconferencing to allow expert bankruptcy volunteers in Boston to train and mentor pro bono attorneys in parts of the state where no pro bono bankruptcy attorneys are available.

Legal Services Corporation was established by the Congress in 1974 to provide equal access to justice and to ensure the delivery of high-quality civil legal assistance to low-income Americans. The Corporation currently provides funding to 134 independent non-profit legal aid programs in every state, the District of Columbia, and U.S. territories.

[Richard Zorza's Access to Justice Blog](#)

Networking for Access to Justice



[LSC Announces Pro Bono Innovation Grants](#)

Posted on [September 9, 2014](#) by [richardzorza](#)

LSC has just [announced its first pro bono innovation awards](#), funded by a special line in the LSC appropriation. These grants follow the TIG model, they are discretionary and competitive, and intended to be innovative.

This years grants cover the following:

- Integration of pro bono into follow-up and brief services (Atlanta Legal Aid.)
- Cooperate with bar to develop rural versions of metro clinics (Colorado Legal Services)
- Training institute to provide on-demand training relevant to low income practice (Legal Aid Foundation of Los Angeles and others)
- Create a new pro bono practice group across organizations and coordinate pro bono opportunities, including with atty emeritus program (Legal Assistance of Western New York)
- Pro bono staffed veterans hotline (Maryland Legal Aid)
- Statewide technology platform targeting barriers to legal service delivery for solo practitioners, small firms, government attorneys, law students, and paralegals (Montana Legal Services Association)
- Set of resources for services beyond brief services (Northwest Justice Project)
- Pro bono, law- student-driven Medical-Legal Community Partnership with exiting programs (Philadelphia Legal Assistance)

- Recruit pro bono attys with Illinois LegalAidOnline to provide family services in suburban areas (Prairie State Legal Services)
- Partnering with the Self-Help Center of the State Courts, local State Bar Pro Bono committees, a Legal Center, and volunteer law students and attorneys to provide a continuum of service for clients representing themselves in family law matters in rural areas (Utah Legal Services)
- Test and prototype “pop-up” clinics, a customized virtual law firm platform, and cost-effective videoconferencing so bankruptcy experts can train and mentor pro bono attorneys. (Volunteer Lawyers Project of Boston Bar)

There is indeed a lot of potential here. There is heavy use of technology — underlining how much the future of access is to be tied in with technology innovation. There is at least some court cooperation, and themes of making better use of experts and resources.

Some tests for this high potential initiative are how quickly these innovations can be tested and spread throughout the pro bono world, how much they actually improve quality and volume, and whether they bring in new partners and lawyers.

Hopefully next year there will be a similar program, and even more ideas. I am pasting in a list I [previously offered on this blog](#):

- Replicating successful pro bono innovations such as self-help center based pro bono clinics, attorney of the day programs, and programs that focus pro bono resources on cases that are almost ready for resolution.
- Development of replication kits and technical support for such proven innovations. It might be that LSC would be particularly interested in grants that would provide results quickly, helping to make the case for additional ongoing innovation funding.
- Systems to promote corporate or other partner pro bono such as that highlighted recently at the White House.
- Better data collection on the extent and impact of pro bono.
- Systems to compare the effectiveness of different systems of pro bono administration, and identification of related best practices.
- Programs to gather data on, and analyze the impact of, changes in bar rules that encourage pro bono.
- Tools to measure attorney satisfaction with pro bono, and identify ways to improve matching clients with attorneys.
- Experiments in use of attorneys and others in online chat and phone systems that provide information and advice.

Congrats to LSC for pursuing this initiative.

BANGOR DAILY NEWS

Access to justice for all



Gabor Degre | BDN

Nan Heald the executive director of Pine Tree Legal Assistance.

By Nan Heald and Jim Sandman, Special to the BDN

Posted Sept. 07, 2014, at 11:39 a.m.

Although individuals involved in the criminal justice system are entitled to court-appointed counsel if they cannot afford an attorney, no such right exists for families with low incomes who are coping with serious civil legal needs. Instead, they must rely on nonprofit legal aid providers or proceed without legal representation.

Since Pine Tree Legal Assistance opened its doors in 1967, it has helped Maine's most vulnerable residents overcome pressing problems of everyday life — domestic violence, homelessness, economic security, financial exploitations, employment issues and others.

These are examples of the kind of work done every day by legal aid organizations funded by the Legal Services Corporation, which is marking its 40th anniversary this year.

Created in 1974, LSC is the largest single funder of civil legal aid in the country. It distributes federal funds through competitive grants to 134 independent nonprofit organizations with nearly 800 offices, located in every state, D.C. and the United States territories.

Every day, low-income Americans seek help from LSC-funded organizations with civil legal matters that go to the very heart of their safety and security. They are fighting to avert unlawful foreclosure or to escape domestic violence. They are grandparents seeking legal guardianship of a grandchild in need of life-saving surgery, or they are veterans returning from overseas and facing legal issues.

In Maine, Pine Tree has had a significant impact: The abolition of debtors' prison, the right to due process and a fair hearing in state welfare proceedings, the first successful employment discrimination lawsuits, improved housing codes and accessibility for people with disabilities, and nationally acclaimed foreclosure prevention work are legacies of Pine Tree's commitment to fairness and justice for all.

Pine Tree has a national reputation as a leader in civil legal aid in terms of the quality, quantity and breadth of its services, as well as in the expertise of its staff.

LSC also promotes technology innovation through its Technology Initiative Grants program, which has funded more than 525 technology projects in the last decade. These grants have made it easier for Mainers to access information so people can know their rights: With this funding, Pine Tree has produced easy-to-read educational materials, videos and self-help forms. In addition, Pine Tree used the funding to develop a national website specific to the legal needs of low-income military and veteran families at statesidelegal.org, which launched at the White House in November 2010.

Commemorations are a time to look forward as well as back, and as LSC marks 40 years of solid accomplishment, it faces a challenging future.

The need for legal services for low-income Americans stands at an all-time high, with nearly 65 million people — 21 percent of the population — financially eligible for assistance at LSC-funded legal aid programs. That is a 30 percent increase from 2007, the last year before the recession began.

But funding for legal aid has remained stagnant in absolute dollars since 2007 and has declined in inflation-adjusted dollars. In fact, in inflation-adjusted dollars spent per eligible person, LSC funding is at an all-time low and Pine Tree's LSC grant is less than half of what it received in 1980, adjusted for inflation.

This low funding has forced LSC grantees to close offices and lay off staff, even as studies consistently show that only 20 percent of the civil legal needs of low-income people are met.

Money isn't everything. Through its support of pro bono initiatives and technological innovation, LSC and its grantees are stretching these limited resources.

What is needed, however, in this milestone year for LSC, is a national renewal of the core value it embodies: access to justice.

Only with increased commitment from all — government, courts, the bar and the public — will our country’s promise of justice, reflected in the first line of our Constitution and the closing words of the Pledge of Allegiance, be made real to all Americans.

Nan Heald is executive director of Pine Tree Legal Assistance. Jim Sandman is president of the Legal Services Corporation.

<http://bangordailynews.com/2014/09/07/opinion/contributors/access-to-justice-for-all/> printed on September 7, 2014



[15 Years of Fostering Innovation: LSC’s Technology Initiative Grants](#) As LSC Marks its 40th Anniversary, a Signature Program also Reaches an Important Milestone

The Legal Services Corporation this year marks the 40th anniversary of its founding and the 15th birthday of a program that has made it a leader in legal technology: Technology Initiative Grants (TIG).

Since 2000, legal aid organizations across the country have filed more than 850 TIG grant applications. So far, the TIG program has funded 570 projects with more than \$46 million.

Recipients have used these grants to finance a variety of innovative programs that use technology to help narrow the justice gap. In 2013, for example, LSC's website initiative alone had over 15 million unique viewers who read self-help materials over 5 million times, downloaded over 1.5 million brochures and forms, and assembled over 450,000 automated forms.

Over the years, the TIG program and other LSC technology initiatives have forged a thriving community of technologists from a base of a few isolated visionaries, and are working as a whole to move the legal community forward.

In its first year, the TIG program was focused on something we now take for granted – websites. In fact, nearly a third of the grants were to create websites or Wide Area Networks. As hard as it is to believe now, most LSC grantees did not have websites in 2000.

There were also glimpses of the future in that first batch of grants, such as the I-CAN! project by the Legal Aid Society of Orange County, which used interactive kiosks connected via the Internet to provide self-represented litigants with the forms they needed for court. And grants to Southern Minnesota Regional Legal Services, Legal Services of New York (now LSNYC), and Ohio State Legal Services were used to create LawHelp and the Open Source Template, now used for nearly all statewide websites. Rather than having each program create its own site, LSC's goal was to use TIG to leverage scarce resources by developing common tools for use by all.

Another goal was to get the programs to start thinking of themselves as part of the largest law firm in the country instead of bunches of small offices. If there were six programs in a state, clients shouldn't have to stumble around six websites looking for the information they needed. There should be but one site serving the whole state with the six programs working together to support it.

When it was time to find a solution for building interactive forms for those seeking self-help, TIG sponsored a special meeting in New York City, inviting technology experts from across the country. They selected HotDocs server as the engine, and ever since has funded a central server available to all LSC grantees at no cost. There are now more than 3,000 automated forms available on LawHelp Interactive, and they are

available not only to the public, but to other legal aid programs to replicate in their states.

Another way to bring legal aid programs out of isolation was to bring them together each year to talk and learn about technology. In January, LSC will hold its 15th TIG Conference in San Antonio. Last year more than 200 people attended, including participants from Africa, England, and Canada. The focus was positive – not on what they couldn't do because of tight budgets, but on what they could do that they weren't, and how they could do what they are doing better.

LSC doesn't limit its collaborations on technology to just our programs. From its inception, TIG has encouraged programs to partner with others working for access to justice. Those I-CAN! kiosks were in courthouses and libraries. Several of the statewide websites have court partners who maintain their own sections of the site. In some states, our automated forms are the de facto court forms.

For several years, LSC partnered with the State Justice Institute (SJI) to make joint grants for projects with strong legal services/court collaborations. One such collaboration was the development of A2J Author. This user-friendly tool features an avatar who asks questions in plain English, then provides assistance such as a completed form or an application for legal services. This tool has been used more than 2.5 million times since it was made available ten years ago and any legal aid program or court may use it free to build solutions to improve access to justice.

If there is one lesson to learn from LSC's experience with TIG, it is the value of leadership. Through its annual grants, LSC has been able to guide the path of legal services technology so that we now have a cohesive system in place to provide information and assistance. It has allowed us to train our programs in best practices that were learned by some and now replicated by others. It has allowed us to convene other leaders and visionaries at our recent LSC Summit on the Use of Technology to Expand Access to Justice to look to the future, a future that provides meaningful assistance to 100% of those with a legal need.

The goals and strategies of that summit were the focus of the "Hackcess to Justice" legal hackathon in Boston last month. Co-sponsored by the ABA Journal and Suffolk

University Law School, the hackathon called for applications or programs that would address some of the problems identified in the Tech Summit report, such as lack of adequate self-assessment tools for individuals to determine whether they need representation and document automation.

I was privileged to serve as a judge in the competition, which produced a number of tools to expand access to justice for individuals who might not know they need legal help or how they could obtain representation.

We expect other useful developments and innovations to flow from the Tech Summit. In fact, we hear from private lawyers and other non-profits that they see legal aid as the cutting edge in using technology. It's important that we don't rest on our laurels, but instead take the foundation we have built these last 15 years and follow the advice from the Tech Summit. We should build even stronger collaborations with the courts, private lawyers, law schools, libraries, and any others willing to help in our efforts to close the justice gap.

This means we have to give up some autonomy and work together on standards for data exchange and documents. We have to make better use of non-attorney professionals to help clients/customers so that attorneys are working at the top of their licenses. And we have to get over the misconception that using technology to help someone is somehow cheating them of the personal touch. It's quite the opposite. Doing it yourself when technology could do it for you is cheating all those clients whom you can't help because you are too busy doing it yourself.

Finally, don't say you are too busy to build new systems (or to assign staff to these projects) because of your work with clients. It may well be true that assigning your best attorney to build an expert system or automated forms will mean fewer clients can be served in the short run, but an exponential number more will be served in the years to come when those systems are in place.

**"ANOTHER GOAL WAS TO GET THE
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FIRM IN THE COUNTRY INSTEAD OF BUNCHES OF SMALL OFFICES.”

- by Glenn Rawdon, LSC Technology Initiative Grants Program Counsel

Posted in [Op-Ed](#), [Technology](#).

American Constitution Society Blog

The Next Wave of Legal Services for the Poor September 3, 2014 Guest Post

by Nancy Lopez<<http://www.washingtoncounciloflawyers.org/staff.html>>, Executive Director, Washington Council of Lawyers<<http://www.wclawyers.org/>>

Recently, we have been hit by a series of anniversaries that are significant to the legal community: just over 50 years since Gideon v. Wainwright established the right to counsel in criminal cases; 50 years since President Lyndon B. Johnson founded the war on poverty; 50 years since the passage of the Civil Rights Act; 50 years since the Voting Rights Act was signed into law; and 40 years since the President Richard M. Nixon created the Legal Services Corporation (LSC).

The LSC has made great strides in providing high quality legal assistance to persons in need who cannot afford a lawyer. However, as funding for LSC fluctuates from year to year, and as the demand for free legal services varies depending on the state of the economy, it becomes clear that LSC-funded legal services are not sufficient to meet the demand for free legal services from those in need.

Poor people need lawyers. The legal matters they encounter relate to such basic necessities as nutrition, health, shelter, income, education and protection from physical abuse. The cases the poor face can be complex, involving sophisticated issues of law, complicated governmental regulations, difficult legal issues and obscure legal precedents. To defend their rights, and win their cases, they may need to file appeals, submit written arguments and conduct extensive discovery. It can be difficult to recognize the legal issues involved, institute litigation and assert the appropriate defenses, not to mention the challenges of developing the facts, arguing the law, negotiating settlements or preparing the required pleadings. Litigating a case on your own is not getting any easier.

LSC-funded programs, on their own, are not able to meet the demand for free legal services. The recent economic downturn and diminished funding have arguably decreased LSC's ability to provide legal assistance to those in need precisely at a time when the demand for free legal services has skyrocketed. LSC-funded programs helped approximately 1.8 million people in 2013 [cite?], and that's a lot of help. But the number of people eligible for legal assistance has increased dramatically since 2007. The U.S. Census Bureau's 2012 statistics on poverty show that more than one in five - 63.6 million Americans - qualified for civil legal assistance funded by LSC. Because the demand for free legal services far outstrips

the resources available, recent studies indicate that LSC-funded legal aid offices turn away 50 percent or more of those seeking help<<http://www.lsc.gov/about/what-is-lsc#sthash.CTD2BPYo.dpuf>>.

As a result, the need for additional means of providing legal assistance to those in need remains crucial. Fortunately, there are a number of bright spots on the horizon.

The legal community's robust pro bono culture can make a significant impact. The Pro Bono Institute estimates<<http://www.probonoinst.org/newsroom/press-releases/pbi-president-and-ceo-esther-f-lardent-named-one-of-top-50-innovators-by-the-american-lawyer/>> that it leverages over 5 million hours of pro bono legal service each year. National Pro Bono Week is approaching in October, a prime opportunity to encourage more lawyers to find meaningful ways to use their law degrees to help those in need.

Technology also the potential to improve the access to justice. The ABA Journal recently hosted Hackcess to Justice<<http://www.abajournal.com/hackathon>>, a competition focused on creating technology to assist pro se individuals in knowing and securing their rights via the legal system.

Low bono initiatives can provide affordable legal services to persons of modest means, so that they don't lose what resources they have and plummet into eligibility for free legal services. A variety of types of low bono programs have sprung up across the country many of them finding ways to connect underemployed recent law graduates with persons of modest means who need but otherwise cannot afford legal assistance. The ABA lists<http://www.americanbar.org/groups/leadership/office_of_the_president/legal_access_jobs_corps/bar_projects.html> 18 different programs that seek to close the justice gap for persons of modest means, and new programs are being created every day.

For as long as problems have existed, people – including lawyers – have sought ways to address those problems. The problem of access to justice continues to be significant. But, working together, we can continue to make strides to ensure that every person who needs legal assistance has the means to obtain the help they need.

Marking 40 years of free legal aid

Low-income Americans continue to turn to services provided through Legal Services Corp.

Phyllis Holmen / Special to the Daily Report, Daily Report

August 29, 2014 | [0 Comments](#)



Phyllis Holmen, executive director of Georgia Legal Services Program

It shouldn't take a lawyer to be able to go to school. But too often, it does.

An 11-year-old girl was expelled from a Georgia school and charged with criminal trespass because she wrote the word "Hi" on a locker. She is African-American. The white child who had been bullying her to go along with her own misconduct—defacing the walls and another student's shoes with a marker—admitted to the prank. Her mother was able to pay for the damage and the white child was allowed back in school after a brief suspension.

The African-American child's grandmother thought the proposed expulsion of her grandchild was unfair and called Georgia Legal Services Program. A GLSP lawyer represented the child at a school tribunal hearing. It rejected the proposed expulsion and admitted the child back in school.

Without a lawyer, she might well have spent time in a juvenile prison, and her school record and future career could have been permanently damaged. We'd all like to think schools were beyond discrimination like this, but sadly, many are not.

In another case, grandparents were told that, in order to enroll their grandchild in school, they had to go to court to secure formal guardianship, a time-consuming ordeal that could have cost as much as \$1,500, and which is contrary to state law. It took a GLSP lawyer to persuade the school to admit the child, after the grandparents signed a simple form provided by the state Department of Education.

Studies across the country have been pointing out disparate school disciplinary measures that discriminate against children of color and often shunt them into the school-to-prison pipeline. Because of the importance of an education as a pathway out of poverty, GLSP has been prioritizing these cases for several years.

Georgia Legal Services Program exists to offer access to justice and opportunities out of poverty for families like these. We provide legal representation at no cost to those who otherwise could not afford a lawyer in noncriminal cases. We work for fairness and equal treatment under the law. We deliver on the promise of justice for all that is one of the founding principles of our nation.

This year is the 900th anniversary of the Magna Carta, where the concepts of due process and equal treatment were first written. Last year was the 225th anniversary of our own Constitution, which incorporated those values. The importance of these principles are demonstrated all over the world, when we see the people demonstrating in the streets, advocating for justice.

Our system of justice is the method we use to resolve disputes. Without it, there is no rule of law. And if everyone, rich and poor, does not have access to that system of justice, it is meaningless.

This year we are celebrating the 40th anniversary of the Legal Services Corp., the largest federally chartered entity that provides funding to 134 nonprofit law firms throughout the nation that provide legal services in civil (noncriminal) cases without charge.

Georgia Legal Services Program and Atlanta Legal Aid Society are the two LSC-funded law firms in Georgia that represent needy individuals and families in every one of our 159 counties. Every day, low-income Americans seek help from LSC-funded organizations with civil legal matters that go to the very heart of their safety and security.

Support for our mission is widespread, from leaders in the halls of government, to judges across the state, to lawyers who understand that our work is vital to the stability of our democracy. Those lawyers support our work financially and by providing their own services without charge to needy Georgians when we make referrals.

Although our funding was cut during the Great Recession, legal aid lawyers are still out there, helping low income citizens maintain their freedom, dignity and livelihoods. U.S. Rep. Hank Johnson of Georgia's Fourth District said, "In the aftermath of the Great Recession and as income inequality continues to plague our society, there's never been a greater need for the critical work of the Legal Services Corp. Whether it's preventing scams against our senior citizens, helping homeowners prevent foreclosures, supporting our veterans and military families or fighting for workers' rights, LSC has been on the front lines of providing civil legal aid for low-income Americans for the past 40 years."

Next month in Washington, I will attend a three-day legal aid conference sponsored by LSC to celebrate its 40th birthday. Hillary Clinton, the LSC board chairwoman under Jimmy Carter, will be there, as will U.S. Supreme Court Justice Elena Kagan, U.S. Attorney General Eric Holder and White House Counsel W. Neil Eggleston. They will join leaders from business, government and the legal community who recognize that without access to a good lawyer, even the most basic rights in our nation can be at risk.

Phyllis Holmen is executive director of the Georgia Legal Services Program.

Read more: <http://www.dailyreportonline.com/id=1202668497878/Marking-40-years-of-free-legal-aid#ixzz3CIEN4eya>

Legal aid funding for Miss.'s poor declining

Special to The Clarion-Ledger 10:53 p.m. CDT August 23, 2014

Legal Services marks 40th with budgets as slim as those of the poor people they represent.

Two weeks before he resigned the presidency in August 1974, Richard Nixon signed the Legal Services Act, which funds civil legal assistance for the poor.

As legal aid attorneys observe the 40th anniversary of legislation that funds their work, their own budgets are slim, like those of the poor people they represent. Funding has declined so much in recent years that Legal Services offices turn away about half the eligible people who seek their services.

The Mississippi Center for Legal Services has 18 lawyers to represent low-income people in 43 central and south Mississippi counties. That's an average of one Legal Services attorney for every 21,000 poor people eligible for legal assistance. At its peak of funding, 48 attorneys served the southern half of the state.

The 2010 fiscal year appropriation was \$3.2 million. The 2014 appropriation was \$2,598,661. The congressionally funded Legal Services Corp. in Washington, D.C., provides about 70 percent of the budget of the Mississippi Center for Legal Services.

It's been a "slow bleed," said Hattiesburg lawyer Michael Adelman, the center's board chairman. "We have more than 200,000 people eligible for legal services in this state. We've got to have the underlying ability to do that."

During the past three years, the center's board changed its operations, sought state funding and stepped up efforts to independently raise funds to supplement congressional appropriations. "We had to transform from a program of dependence to a program of independence," Adelman said.

A \$75-a-person gala anniversary celebration held at the Jackson Convention Complex on Aug. 14 raised more than \$20,000, and earlier contributions pushed this year's fundraising past \$60,000. The goal for this year is \$100,000.

More than 300 current and former Legal Services attorneys, staff and supporters turned out to honor 26 Legal Services leaders and longtime legal aid staff.

Former Gov. Ronnie Musgrove, co-chairman of the fundraising campaign, thanked Mississippi Chief Justice Bill Waller Jr., Presiding Justice Jess Dickinson and state Rep. Percy Watson for their support of legislation that will add funding for civil legal assistance. House Bill 579, which addressed funding at several levels of the judiciary, includes a \$2.77 special assessment on some misdemeanor fines, generating money for the Civil Legal Assistance Fund. The legislation went into effect July 1.

Musgrove also thanked Legal Services attorneys and staff. "Over the past 40 years, hundreds of thousands of Mississippians, facing the greatest crisis of their lives, have turned to you."

The work is thankless, but rewarding, he said.

"You are the voice of so many people in this state who otherwise would not have a voice," keynote speaker Maj. Gen. Augustus L. Collins, adjutant general of Mississippi, told the crowd.

Legal Services attorneys represent poor people in civil legal matters, including family law, housing and foreclosure, consumer issues and income maintenance. Legal Services also assists military families and provides civil legal assistance to victims of disasters. In 2013, the Mississippi Center for Legal Services assisted 12,771 people and finalized 4,497 civil cases for clients in 43 counties.

"All Mississippians can face the crises of unexpected job loss, natural disaster, family violence, foreclosures, medical emergencies," said attorney Jennifer Ingram Wilkinson of Hattiesburg. "If we are to live up to one of the bedrock principles of our country, that we provide justice for all, we must fully fund Legal Services."

Honorees:

Fern W. Anderson, Jackson; Martha J. Bergmark, Washington, D.C.; Julia P. Crockett, Jackson; Fenton B. DeWeese II, Philadelphia; Maudine G. Eckford, Jackson; Jessie L. Evans, Canton; C. Joy Harkness, Meridian; the Rev. Charles P. Leger, Westminster, Md.; Mary A. Marshall,

McComb; John L. Maxey II, Jackson; Deborah A. McDonald, Natchez; Harrison D. McIver III, Memphis; Pauline McMorris, McComb; Solomon C. Osborne, Greenwood; Barry H. Powell, Jackson; Patricia A. Pittman, Hattiesburg; Alfred H. Rhodes Jr., Jackson; Social Security Administrative Law Judge Willie L. Rose, Jackson; Everett T. Sanders, Natchez; Constance Slaughter-Harvey, Forest; James Edwin Smith Jr., Carthage; Stanley L. Taylor Jr., Natchez; John L. Walker Jr., Jackson; Rep. Percy W. Watson, Hattiesburg; and Chancery Judge Johnny L. Williams, Hattiesburg.

Other former Legal Services attorneys are: Hinds Chancery Judge Denise Owens; Judge James Graves Jr. of the 5th U.S. Circuit Court of Appeals and a former Supreme Court justice; former U.S. Rep. and Agriculture Secretary Mike Espy; and Jackson lawyer Suzanne Keys.

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Legal Services Corp. Celebrates 40th Anniversary

By Zoe Tillman, Legal Times

July 25, 2014 | [0 Comments](#)



James Sandman. Photo: Diego M. Radzinski/NLJ

The Legal Services Corp. on Friday celebrated 40 years of funding civil legal services for low-income clients across the United States.

The need for free legal assistance has remained high since President Richard Nixon signed legislation creating the Legal Services Corp. on July 25, 1974. The agency estimates that nearly 21 percent of Americans qualify for civil legal aid, and resource-strapped legal services organizations [continue to struggle to meet the demand](#). Legal Services Corp. president James Sandman said money will continue to be a struggle for the agency and the programs it funds. But he said he's excited about the possibilities that technology offers in terms of expanding access to justice—court-based information kiosks and resource centers, for example—as well as the growing involvement of pro bono lawyers.

“Forty years ago, the model was assumed to be providing everyone with a lawyer who didn't have a lawyer,” Sandman said. “As people have realized that we don't have the resources to do that, the model has evolved to the point where ... there are now a variety of additional ways to provide assistance to people who would otherwise get no assistance at all.”

LSC faced a series of budget cuts in recent years. The agency received good news earlier this year when Congress passed a fiscal year 2014 spending bill that [restored \\$25 million cut from the agency's budget](#) the previous year.

Conservatives in Congress and the White House have targeted the agency over the years for cuts, arguing that LSC was funding programs that pursued political or social agendas through litigation.

The Legal Services Corp. funds 134 legal aid programs. That's down from the approximately 350 organizations the agency funded in the 1970s, Sandman said.

Still, Sandman said he is optimistic about the future of the agency. He pointed to the growing number of state access to justice commissions, which bring together civil legal aid providers, judges, law firms, corporate legal departments and others in the legal community. The participants represent "a number of people who, in the past, wouldn't have been usual suspects to be involved in the delivery of legal aid," he said.

Sandman added that he's been excited to see the judiciary become more of an ally with the legal services community in the 40 years since the creation of the LSC.

“A lot of improving the experience of people who don't have lawyers relates to simplifying court processes, making court forms more readable and accessible to people who don't have legal training,” he said.

Sandman is the former managing partner of Arnold & Porter. He left private practice in 2007 to serve as general counsel for the District of Columbia Public Schools. He became president of the Legal Services Corp. in 2011.

Contact Zoe Tillman at ztillman@alm.com. On Twitter: [@zoetillman](https://twitter.com/zoetillman).

Companies, agencies mentioned: [District of Columbia Public Schools](#) | [Legal Services Inc.](#)

Law firms mentioned: [Arnold & Porter](#)

Read more: <http://www.nationallawjournal.com/legaltimes/id=1202664663716/Legal-Services-Corp-Celebrates-40th-Anniversary#ixzz394Q9pCLC>

SOCIAL GOOD WEB SITE:

LSC: 40 YEARS OF CHAMPIONING EQUAL ACCESS TO JUSTICE

WASHINGTON, DC – The Legal Services Corporation (LSC), the single largest funder of civil legal aid in the country, marks its 40th anniversary on July 25.

LSC will commemorate this milestone beginning with a three-day event bringing together a wide range of legal, government, corporate, and philanthropic leaders to shine a light on the challenges and opportunities facing civil legal aid in America. The 40th Anniversary Kick-Off will be held Sept. 14-16 at the Omni Shoreham hotel in Washington, DC.

“Created in 1974 as one of the last acts of the Nixon administration, LSC’s mission is ‘to provide equal access to the system of justice in our nation’ and ‘to provide high quality legal assistance to those who would be otherwise unable to afford adequate legal counsel,’” said LSC Board Chairman John G. Levi. *“We are grateful for four decades of bipartisan congressional support in pursuit of this mission. With the number of people now eligible for civil legal assistance at an all-time high—nearly 21% of Americans—we look forward to working with Congress to further expand its funding to help meet this unprecedented need.”*

LSC provides federal funds through competitive grants to 134 independent nonprofit organizations with nearly 800 offices in every state, the District of Columbia and the territories of the United States. LSC is headed by an 11-member Board of Directors appointed by the President and confirmed by the Senate. The Board is bipartisan: no more than six members may be of the same political party.

LSC promotes technology innovation through its Technology Initiative Grants program which has funded more than 525 technology projects in the past decade. LSC also awards grants through its Pro Bono Innovation Fund to support new and innovative projects to promote and enhance pro bono efforts throughout the country.

“Every day across America, victims of domestic violence seeking protection, veterans trying to avoid homelessness, and consumers facing wrongful evictions or foreclosures are forced to navigate the legal system alone because they can’t afford a lawyer,” LSC President James J. Sandman said. *“LSC’s funding of high-quality legal services for low-income people helps assure fairness in our legal system, and it’s never been more needed, or more important, than it is today.”*

Members of Congress applauded LSC on its 40th anniversary:

Representative Frank Wolf (VA-10th), Chairman, House Commerce-Justice-Science Appropriations Subcommittee: *“As chairman of the House Commerce-Justice-Science Appropriations subcommittee from 2001-2006 and again since 2011, I have worked closely with the LSC leadership to support these programs and ensure that funding is spent efficiently and appropriately. I have also worked with my colleagues in Congress and LSC leadership to mitigate partisan issues that undermine support for this program. Through these efforts, we have been*

able to ensure that LSC funding is focused on supporting legitimate civil legal aid needs by those Americans who need it most.

Over the past several years, I have encouraged LSC to do more to engage law firms and bar associations to expand pro bono services in coordination with the corporation. In response, the LSC board created a Pro Bono Task Force in 2011 and produced a comprehensive report with innovative ideas to bolster national pro bono efforts. I want to credit LSC Board Chairman John Levi and LSC President Jim Sandman for their leadership on this project, which has the potential to further extend LSC's support for low-income Americans.

Forty years after its creation, the LSC fills a critical gap by providing low-income Americans with legal assistance they wouldn't otherwise have access to. I want to commend the Legal Services Corporation and the attorneys working in our communities for the work they do every day on behalf of Americans who need qualified counsel."

Representative Chaka Fattah (PA-2nd), Ranking Member, House Commerce-Justice-Science Appropriations Sub-Committee: "For millions of low-income Americans—including veterans, working families, and people with disabilities—Legal Services Corporation (LSC) is the only path to navigating the justice system and securing high-quality legal representation. As Ranking Member on the Commerce, Justice, and Science Appropriations Subcommittee, I have led the effort in Congress to secure adequate funding to support LSC's mission of ensuring that every individual who requires it has access to America's courts. As demand continues to grow for civil legal aid in our country, it will remain our responsibility to continue to fight for increased funding. I applaud LSC's four decades of success advocating for equal access to justice and look forward to remaining its champion."

Representative Steve Cohen (TN-9th): "On this anniversary, I salute the Legal Services Corporation and LSC-funded attorneys for the vital work they do every day on behalf of Americans who need qualified counsel. Every day that a legal aid attorney protects the safety, security and health of our most vulnerable citizens, they bring this nation closer to living up to its commitment to equal justice for all."

Representative Tom Cole (OK-4th): "Friday, July 25, marks the 40th anniversary of the Legal Services Corporation (LSC). LSC-funded legal aid programs make a crucial difference to millions of Americans by assisting with the most basic civil legal needs. On this anniversary, I salute the Legal Services Corporation and LSC-funded attorneys for the vital work they do every day on behalf of Americans who need qualified counsel."

Representative John Conyers, Jr. (MI-13th): "On this 40th anniversary of the Legal Services Corporation, we should recommit ourselves to the founding principle and continue to ensure that LSC can fulfill its critical mission through sufficient funding. I commend LSC and its grantee programs for the vital work they do every day on behalf of Americans who need qualified counsel and for continuing its mission of equal justice for all."

Representative Mike Honda (CA-17th): "I salute the Legal Services Corporation and LSC-funded attorneys for the vital work they do every day on behalf of Americans who need qualified counsel. In my role as a senior member of the Commerce, Justice, Science Appropriations Subcommittee, I've fought to increase LSC funding, and have sought to remove federal restrictions on how LSC can use state, local, and private funds to more efficiently use the resources it has available to serve low-income clients. I will continue to work to provide LSC with the resources and flexibility it needs to ensure equal access to justice."

Representative Mike Quigley (IL-5th): "I rise today to honor the Legal Services Corporation, which for 40 years has played a vital role in ensuring all Americans, regardless of income, have proper representation in court. Thank you to the Legal Services Corporation and LSC-funded attorneys for the vital work they do every day on behalf of Americans who need qualified counsel."

Representative Adam Schiff (CA-28th): "On this anniversary, I salute the Legal Services Corporation and LSC-funded attorneys for the vital work they do every day on behalf of Americans who need qualified counsel, as well as the thousands of attorneys who contribute pro bono services to clients in need. In my district, LSC provides funding to Neighborhood Legal Services of Los Angeles County, an organization which provided legal aid to over 4,600 clients last year and looks to increase that number this year."

Representative Bobby Scott (VA-3rd): "I have long been a supporter of legal assistance for low-income Americans and of the LSC dating back to the 1970s, when I led the effort to establish the LSC-funded Virginia Peninsula Legal Aid Center, Inc. So I know from first-hand experience that LSC-funded legal aid programs make a

critical difference to low-income Americans by assisting with their most basic civil legal needs. On this 40th anniversary, I salute the Legal Services Corporation and LSC-funded attorneys for the vital work they do every day on behalf of millions of Americans who need qualified, competent legal counsel.”

Representative Chris Van Hollen (MD-8th): *“I rise today to honor the achievements of the Legal Services Corporation (LSC) on its 40th anniversary. While we reflect on the achievements of LSC over the last 40 years, Congress must also renew its commitment to providing LSC the critical resources it needs to assist our most vulnerable.”*

Senator Roy Blunt (MO): *“Congratulations to the Legal Services Corporation on their 40th anniversary. The important work they do on behalf of low-income citizens who need qualified counsel helps to make a difference in the lives of thousands of our most vulnerable Missourians each year.”*

Senator Tom Harkin (IA): *“I know firsthand the important work of the Legal Services Corporation. Before I was elected to Congress, I worked as a legal aid attorney in Polk County, IA. I experienced the challenges—and also the rewards—of representing people who otherwise would not have the legal assistance they deserve. And I developed a deep appreciation for the role that legal aid attorneys play within our system of justice. On this anniversary, I salute the Legal Services Corporation and LSC-funded attorneys for the vital work they do every day on behalf of Americans who need qualified counsel.”*

Senator Angus King (ME): *“I salute the Legal Services Corporation and LSC-funded attorneys for the vital work they do every day on behalf of Americans who need qualified counsel. I began my career as one of these attorneys - beginning in 1969, I worked in Skowhegan, Maine for a legal services provider called Pine Tree Legal Assistance. Although my time predated LSC, today Pine Tree is funded by LSC and continues to provide high-quality legal services to those in most need. I learned first-hand during this period that the work of LSC attorneys is a critical element of making real the promise of our country to our disadvantaged and disenfranchised citizens.”*

Senator Mary Landrieu (LA): *“On this 40th anniversary, I congratulate and commend the Legal Services Corporation for the vital work they do every day on behalf of Americans who need qualified counsel. In my home state, more than 25% of the population is eligible for LSC-funded legal services. The three programs funded by LSC served nearly 40,000 Louisianians and closed nearly 16,000 cases last year. Every day that a legal aid attorney protects the safety, security, and health of our most vulnerable citizens, they bring this nation closer to living up to its commitment to equal justice for all.”*

Senator Patty Murray (WA): *“I applaud the efforts of LSC, the programs and services funded by the corporation, and ask that we commit ourselves to ensuring that Americans of all backgrounds have access to adequate legal services. We are a better nation for its 40 years of service and advocacy on their behalf. In my home state of Washington, LSC-backed programs have been helping survivors of the Oso mudslide get back up on their feet and rebuild their lives. LSC is essential to protecting the lives and liberty of the most vulnerable Americans.”*

The [Legal Services Corporation](#) (LSC) was established by the Congress in 1974 to provide equal access to justice and to ensure the delivery of high-quality civil legal assistance to low-income Americans. The Corporation currently provides funding to 134 independent nonprofit legal aid programs in every state, the District of Columbia and U.S. territories.

COURT-O-RAMA LEGAL BLOG:

Thank You, President Nixon

Posted in Access on Friday July 25 2014 @ 11:47am

What's older than the Federal Rules of Evidence, Wheel of Fortune, and the Betamax? The Legal Services Corporation, which turns 40 today.

Nearly 21% of the U.S. population qualifies for legal aid -- almost double the number from 1974, when only 12% met the requirements.

According to Senator Mary Landrieu, over 25% of Louisiana qualifies. These are difficult economic times, and people who never before found themselves struggling now rely on legal services to maintain fair housing, child support, and other basic needs.

Others who benefit from legal services include:

- * Victims of the Oso mudslide in Washington state
- * Law students who pursue public interest careers
- * Innovators in the technology field, such as LawHelp Interactive
- * Veterans facing foreclosure

Still, legal services is struggling mightily, as it has for decades. Rural providers are closing their doors, and urban providers are stretched to their limit. Meanwhile, LSC funding is only slightly above the all-time low. Who knew we would be pining for Nixon?

A 40th Anniversary Kick-Off will be held September 14-16 at the Omni Shoreham in Washington, DC. Who knows, maybe Richard Nixon's head will be among the guests.

Finance Committee

Agenda

FINANCE COMMITTEE

October 6, 2014

Agenda

OPEN SESSION

1. Approval of agenda
2. Approval of the minutes of the Committee's Open Session telephonic meeting of June 27, 2014
3. Approval of the minutes of the Committee's Open Session telephonic meeting of July 16, 2014
4. Approval of the minutes of the Committee's Open Session meeting of July 21, 2014
5. Presentation on LSC's Financial Reports for the ten-month period ending July 31, 2014
 - David Richardson, Treasurer/Comptroller
6. Report on status of FY 2015 and FY 2016 appropriations
 - Carol Bergman, Director of Government Relations & Public Affairs
7. Consider and act on **Resolution #2014-0XX**, Temporary Operating Budget for FY 2015
 - David Richardson, Treasurer/Comptroller
8. Public comment
9. Consider and act on other business
10. Consider and act on adjournment of meeting

**Draft Minutes of the June 27, 2014
Open Session Meeting**

**Legal Services Corporation
Telephonic Meeting of the Finance Committee**

Open Session

Friday, June 27, 2014

DRAFT

Committee Chairman Robert J. Grey Jr. convened an open session telephonic meeting of the Legal Services Corporation's ("LSC") Finance Committee ("the Committee") at 1:00 p.m. on Friday, June 27, 2014. The meeting was held at the John N. Erlenborn Conference Center, LSC Headquarters, 3333 K Street, NW, Washington D.C. 20007.

The following Committee members were present:

Robert J. Grey Jr., Chairman
Sharon L. Browne
Laurie I. Mikva
Father Pius Pietrzyk, O.P.
Robert E. Henley Jr. (Non-Director Member)
Allan J. Tanenbaum (Non-Director Member)

Other Board Members Present:

Charles N.W Keckler
Victor B. Maddox

Also attending were:

James J. Sandman	President
Ronald S. Flagg	Vice President for Legal Affairs, General Counsel, and Corporate Secretary
David L. Richardson	Comptroller and Treasurer, Office of Financial and Administrative Services
Rebecca Fertig-Cohen	Special Assistant to the President
Richard L. Sloane	Chief of Staff and Special Assistant to the President
Katherine Ward	Executive Assistant, Office of Legal Affairs (OLA)
Carol Bergman	Director, Office of Government Relations and Public Affairs (GRPA)
Treefa Aziz	Government Affairs Representative, GRPA
Wendy Long	Executive Assistant, GRPA
Patrick Malloy	Grants Management/Legislative Fellow, Executive Office
Julie Kramer	Program Counsel, Office of Compliance and Enforcement, Executive Office
Manvi Drona	Web Content Manager, GRPA
Nupur Khullar	Intern, GRPA

Silove Barwari	Intern, GRPA
Joe Langerman	Intern, GRPA
Ashley Matthews	Intern, GRPA
Jeffrey Schanz	Inspector General
Magali Khalkho	Director of Management Operations, Office of the Inspector General (OIG)
David Maddox	Assistant Inspector General for Management and Evaluation, OIG
Laurie Tarantowicz	Assistant Inspector General and Legal Counsel, OIG

The following summarizes actions taken by, and presentations made to, the Committee:

MOTION

Father Pius moved to approve the agenda. Ms. Browne seconded the motion.

VOTE

The motion passed by voice vote.

Chairman Grey requested comments from President Sandman and Mr. Richardson regarding LSC's proposed budget request for fiscal year 2016.

President Sandman gave a detailed report on LSC's proposed budget request for fiscal year 2016. He explained LSC's proposed budget request for fiscal 2016 is the same budget amount requested in fiscal year 2015. President Sandman answered Committee members' questions.

Next, Mr. Maddox, and Mr. Schanz from the Inspector General's Office briefed the Committee on the OIG's request for an increase in the proposed budget request for fiscal year 2016. They answered Committee members' questions.

The Committee requested the OIG provide written documentation outlining the proposed budget request for fiscal year 2016.

Committee Chairman Grey invited additional public comment and received none.

There was no other business to consider.

MOTION

Father Pius moved to adjourn the meeting. Ms. Browne seconded the motion.

VOTE

The motion passed by voice vote.

The Committee meeting adjourned at 1:27 p.m.

**Draft Minutes of the July 16, 2014
Open Session Meeting**

**Legal Services Corporation
Telephonic Meeting of the Finance Committee**

Open Session

Wednesday, July 16, 2014

DRAFT

Committee Chairman Robert J. Grey Jr. convened an open session telephonic meeting of the Legal Services Corporation's ("LSC") Finance Committee ("the Committee") at 3:09 p.m. on Wednesday, July 16, 2014. The meeting was held at the John N. Erlenborn Conference Center, LSC Headquarters, 3333 K Street, NW, Washington D.C. 20007.

The following Committee members were present:

Robert J. Grey Jr., Chairman
Sharon L. Browne
Laurie I. Mikva
Martha Minow
Robert E. Henley Jr. (Non-Director Member)
Allan J. Tanenbaum (Non-Director Member)

Other Board Members Present:

John Levi
Harry J. F. Korrell III
Gloria Valencia-Weber

Also attending were:

James J. Sandman	President
Ronald S. Flagg	Vice President for Legal Affairs, General Counsel, and Corporate Secretary
David L. Richardson	Comptroller and Treasurer, Office of Financial and Administrative Services
Rebecca Fertig-Cohen	Special Assistant to the President
Richard L. Sloane	Chief of Staff and Special Assistant to the President
Katherine Ward	Executive Assistant, Office of Legal Affairs (OLA)
Lynn Jennings	Vice President for Grants Management
Carol Bergman	Director, Office of Government Relations and Public Affairs (GRPA)
Treefa Aziz	Government Affairs Representative, GRPA
Patrick Malloy	Grants Management/Legislative Fellow, Executive Office
Julie Kramer	Program Counsel, Office of Compliance and Enforcement, Executive Office

Nupur Khullar	Intern, GRPA
Joe Langerman	Intern, GRPA
Jacquelyn Richards	Intern, GRPA
Jeffrey Schanz	Inspector General
Magali Khalkho	Director of Management Operations, Office of the Inspector General (OIG)
David Maddox	Assistant Inspector General for Management and Evaluation, OIG
Laurie Tarantowicz	Assistant Inspector General and Legal Counsel, OIG
Don Saunders	National Legal Aid and Defenders Association (NLADA)
Robin Murphy	NLADA
Terry Brooks	American Bar Association Standing Committee on Legal Aid and Indigent Defendants (SCLAID)
Ann Carmichael	SCLAID
Beverly Gourdine	SCLAID

The following summarizes actions taken by, and presentations made to, the Committee:

MOTION

Ms. Browne moved to approve the agenda. Dean Minow seconded the motion.

VOTE

The motion passed by voice vote.

MOTION

Dean Minow moved to approve the minutes of the Committee's meeting of June 9, 2014. Ms. Browne seconded the motion.

VOTE

The motion passed by voice vote.

Chairman Grey requested comments from the Office of Inspector General regarding their proposed budget request for fiscal year 2016.

Inspector General Schanz and Mr. Maddox reported on the proposed budget request outlining the OIG's operational plans for fiscal year 2016. They presented information to the Committee and discussed the areas where projected expenses would occur. They answered Committee members' questions.

Next, President Sandman reported on comparisons of budget requests by LSC and other grant making organizations.

Committee Chairman Grey requested the Committee act on the recommendation of Management for the proposed budget request for fiscal year 2016.

MOTION

Dean Minow moved to approve the proposed budget recommendation. Ms. Mikva seconded the motion.

VOTE

The motion passed by voice vote.

Committee Chairman Grey invited public comment.

Ms. Murphy from the National Legal Aid and Defenders Association (NLADA) provided a comment.

Committee Chairman Grey invited additional public comment and received none.

There was no other business to consider.

MOTION

Dean Minow moved to adjourn the meeting. Ms. Browne seconded the motion.

VOTE

The motion passed by voice vote.

The Committee meeting adjourned at 3:46 p.m.

**Draft Minutes of the July 21, 2014
Open Session Meeting**

**Legal Services Corporation
Meeting of the Finance Committee**

Open Session

Monday, July 21, 2014

DRAFT

Committee Chairman Robert J. Grey Jr. convened an open session meeting of the Legal Services Corporation's ("LSC") Finance Committee ("the Committee") at 5:56 p.m. on Monday, July 21, 2014. The meeting was held at the Des Moines Marriott Downtown, 700 Grand Avenue, Des Moines, Iowa 50309.

The following Committee members were present:

Robert J. Grey Jr., Chairman
Sharon L. Browne
Laurie I. Mikva
Martha L. Minow
Father Pius Pietrzyk
Robert E. Henley Jr. (Non-Director Member)
Alan Tanenbaum (Non-Director Member)
John G. Levi, *ex officio*

Other Board Members Present:

Charles N.W. Keckler
Victor B. Maddox
Julie A. Reiskin
Gloria Valencia-Weber

Also attending were:

James J. Sandman	President
Lynn Jennings	Vice President for Grants Management
Ronald S. Flagg	Vice President for Legal Affairs, General Counsel, and Corporate Secretary
David L. Richardson	Comptroller and Treasurer, Office of Financial and Administrative Services (OFAS)
Carol Bergman	Director, Office of Government Relations and Public Affairs (GRPA)
Wendy Long	Executive Assistant, Office of Government Relations and Public Affairs (GRPA)
Jeffrey E. Schanz	Inspector General

John Seeba	Assistant Inspector for Audit, Office of the Inspector General (OIG)
Thomas Coogan	Assistant Inspector General for Investigations, Office of the Inspector General (OIG)
David Maddox	Assistant Inspector General for Management and Evaluation, Office of the Inspector General, (OIG)
Lora M. Rath	Director, Office of Compliance and Enforcement, (OCE)
Julia Kramer	Program Counsel, Office of Compliance and Enforcement, (OCE), Executive
Janet LaBella	Director, Office of Program Performance (OPP)
Frank B. Strickland	Non-Director Member, LSC's Institutional Advancement Committee
Dennis Groenenboom	Executive Director, Iowa Legal Aid
Patrick McClintock	Iowa Legal Aid
Chris Luzzie	Iowa Legal Aid
Alan O. Olson	Iowa Legal Aid Board of Directors
Terry Brooks	American Bar Association, Standing Committee on Legal Aid and Indigent Defendants (SCLAID)
Don Saunders	National Legal Aid and Defenders Association (NLADA)

The following summarizes actions taken by, and presentations made to, the Committee:

Committee Chairman Grey called the meeting to order. Ms. Mikva suggested amending the agenda to allow public comment before management makes a recommendation.

MOTION

Father Pius moved to approve the agenda to include Ms. Mikva's suggested amendment. Ms. Browne seconded the motion.

VOTE

The motion passed by voice vote.

Mr. Richardson provided a brief summary on the status of LSC's FY 2014 budget.

Ms. Bergman briefed the Committee on the status of FY 2015 appropriations. She reported currently there was no budget for FY 2015, and there would probably be a continuing resolution passed after the election.

Mr. Richardson presented the revised temporary operating budget for fiscal year 2015 and the accompanying resolution. He answered Committee members' questions.

MOTION

Dean Minow moved to recommend the revised temporary operating budget for fiscal year 2015, and resolution to the Board for approval. Father Pius seconded the motion.

VOTE

The motion passed by voice vote.

Committee Chairman Grey led the discussion on Management's recommendation of the FY 2016 budget request. He invited public comment.

Mr. Saunders from the National Legal Aid and Defender association (NLADA), commented on the FY 2016 budget request, he did not support OIG's request for an increase in funding, and commended LSC's Management for its overall budget request.

MOTION

Father Pius moved to recommend the FY 2016 budget request to the Board for approval. Ms. Mikva seconded the motion adding that she too shared Mr. Saunders concerns.

VOTE

The motion passed by voice vote.

There was no other business to consider.

MOTION

Dean Minow moved to adjourn the meeting. Father Pius seconded the motion.

VOTE

The Committee meeting adjourned at 5:52 p.m.

**Financial Report for the
First Ten Months of FY 2014**

FINANCIAL & ADMINISTRATIVE SERVICES

MEMORANDUM

TO: Robert J. Grey, Jr., Finance Committee Chairman

FROM: David L. Richardson, Treasurer/Comptroller *dlr*

DATE: September 9, 2014

SUBJECT: July 2014 Financial Reports

The financial report for the ten-month period ending July 31, 2014, is attached for your review. There are four worksheets that comprise this report, and we are using the fiscal year (FY) 2014 Consolidated Operating Budget (COB) that was approved at the April Board meeting for our comparisons.

Attachment A provides summary information for each element of the COB.

Attachment B presents Management and Grants Oversight's (MGO) budget and expenditures.

Attachment C shows the MGO Other Operating Expenses by cost centers.

Attachment D provides budget and expenditures for the Office of Inspector General (OIG).

The first section of Attachment A presents information for the Delivery of Legal Assistance, *Roman numeral I*, and the Herbert S. Garten Loan Repayment Assistance Program (LRAP), *Roman numeral II*. The expenditures are compared to the annual budget, and the report shows the variance for each budget line. The expenditures are also compared to the same period of the prior year.

- I. There are four elements included in the Delivery of Legal Assistance:
 1. The Basic Field Programs budget is \$336,332,991; the grant expenses through this period total \$335,824,344. The grant expenses include Basic Field Programs of \$315,300,435,

Native American of \$9,445,647, and Migrant of \$11,078,262. The remaining funds of \$508,647 are earmarked for Michigan, where a grantee is on short-term funding; for Louisiana, for a close-out audit; and for American Samoa, where we do not have a grantee.

2. The U.S. Court of Veterans Appeals Funds budget totals \$2,506,752, and there are no grant expenses for this period.
 3. The Grants from Other Funds budget totals \$273,366, and no emergency or one-time grants have been awarded.
 4. The Technology Initiatives budget totals \$6,875,828. Net grant expenses are \$2,977,573 and are comprised of grant awards totaling \$3,072,477 and grant recoveries of \$94,904. The remaining amount of \$3,898,255 will be used for the support of the FY 2014 competitive awards process, which is almost complete as of now.
 5. The Hurricane Sandy Disaster Relief Funds budget totals \$75,959. The full amount remains and will be used to support additional grants for the hurricane area.
 6. The new budget line for Pro Bono Innovation has a budget of \$2,500,000, and we have no expenses as of this report. The application deadline was June 30, and we announced and expect to make all awards in September.
- II. The Herbert S. Garten Loan Repayment Assistance Program's budget is \$2,439,193; the loan expenses for the period total \$1,047,200. There is a remaining amount of \$1,391,993, which will be used for future loans.

The second section of Attachment A presents expenditures for MGO and the OIG. The expenditures are compared to a pro rata allocation of the annual budget based on the number of months of the fiscal year covered by the reporting period, which is ten months for this report.

- III. MGO's annual budget totals \$23,329,795. The budget is comprised of the MGO operating budget of \$19,603,400, the MGO Research Initiative of \$200,113, and MGO Contingency Funds totaling \$3,526,282.

The MGO operating budget allocation for this reporting period is \$16,336,165, compared to actual expenses of \$13,891,159. MGO is under budget by \$2,445,006, or 14.97%, and the encumbrances are \$479,767. The expenditures are \$388,809 more than the same period in 2013.

The MGO Research Initiative budget allocation is \$166,761, and expenses total \$131,150. The variance shows that expenses are under budget by \$35,611. The iScale and Keystone Accountability contract has a balance of \$41,667, which is the amount of the encumbrance.

The MGO Contingency Funds allocation for this period is \$2,938,568, and there are no expenses.

- IV. The OIG's annual budget totals \$5,537,681. The budget consists of the OIG operating budget of \$5,303,700 and Contingency Funds of \$233,981.

The OIG operating budget allocation is \$4,419,750, compared to actual expenses of \$3,925,824. The OIG is \$493,926 or 11.18%, under budget, and the encumbrances are \$201,217. The expenditures are \$64,708 more than in 2013.

The OIG Contingency Funds budget allocation is \$194,984, and there are no expenses against these funds.

Attachment B, page 1, presents comparative budgets and expenditures for MGO by cost center; all cost centers are under budget. Attachment B, page 2, shows the budgets and expenditures by budget category for the MGO operating budget. The variances show that we are under budget in each category.

The largest variance under budget, totaling \$952,631, is in the Personnel compensation and benefits category. This amount represents 38.96% (\$952,631 divided by \$2,445,006) of the total MGO expense variance.

The second largest variance is in Consulting, in the amount of \$519,893, and is 21.26% of the variance. The variance is largely due to decreased spending on outside counsel, and projects such as the annual update of census figures, the migrant census study, the business processes review, and updating the grants management system, which are on-going, but will be completed in FY 2015.

Attachment B, page 3, shows the MGO contingency funds by categories. Attachment B, page 4, provides a summary of the expenditures by office and by budget category.

Attachment C, pages 1 and 2, presents a breakdown of the other operating expenses by account code, and we are under budget by \$146,628.

Attachment D, page 1, shows a comparative OIG budget and expenditures by budget category, and all are under budget. Attachment D, page 2, presents the OIG Contingency funds by budget category, and there are no expenses.

If you have any questions, please let me know.

Attachments (A – B – C - D)

cc Board of Directors
President
Corporate Secretary
Inspector General

LEGAL SERVICES CORPORATION
CONSOLIDATED OPERATING BUDGET WORKSHEET
FOR THE TEN-MONTH PERIOD ENDING JULY 31, 2014
FOR FISCAL YEAR 2014

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	F I S C A L Y E A R 2 0 1 4						C O M P A R A T I V E	
	ANNUAL BUDGET	ACTUAL	ANNUAL BUDGET	VARIANCE BUD VS ACT UNDER / (OVER)	% OF VARIANCE UNDER / (OVER)	ENCUM- BRANCES	PRIOR Y-T-D ACTUAL	VARIANCE ACTUAL VS PRIOR Y-T-D INCR / (DECR)
I. DELIVERY OF LEGAL ASSISTANCE								
1. Basic Field Programs	336,332,991	335,824,344	\$336,332,991	\$508,647	0.15	\$0	316,345,623	\$19,478,721
2. US Court of Vets Appeals Funds	2,506,752	-	2,506,752	2,506,752	100.00	-	2,506,752	(2,506,752)
3. Grants From Other Funds	273,366	-	273,366	273,366	100.00	-	33,918	(33,918)
4. Technology Initiatives	6,875,828	2,977,573	6,875,828	3,898,255	56.70	-	905,739	2,071,834
5. Hurricane Sandy Disaster Relief Funds	75,959	-	75,959	75,959	100.00	-	-	-
6. Pro Bono Innovation Funds	2,500,000	-	2,500,000	2,500,000	100.00	-	-	-
TOTAL DELIVERY OF LEGAL ASSISTANCE	348,564,896	338,801,917	348,564,896	9,762,979	2.80	-	319,792,032	19,009,885
II. HERBERT S. GARTEN LOAN REPAYMENT ASSISTANCE PROGRAM								
	2,439,193	1,047,200	2,439,193 *	1,391,993	57.07	-	547,556	499,644
	ANNUAL BUDGET	ACTUAL	TEN - TWELFTHS OF THE FY 2014 COB	VARIANCE BUD VS ACT UNDER / (OVER)	% OF VARIANCE UNDER / (OVER)	ENCUM- BRANCES	PRIOR Y-T-D ACTUAL	VARIANCE ACTUAL VS PRIOR Y-T-D INCR / (DECR)
III. MANAGEMENT & GRANTS OVERSIGHT								
1. MGO Operating Budget	19,603,400	\$13,891,159	16,336,165	2,445,006	14.97	479,767	13,502,350	388,809
2. MGO Research Initiative	200,113	131,150	166,761	35,611	21.35	41,667	87,078	44,072
3. MGO Contingency Funds	3,526,282	-	2,938,568	2,938,568	100.00	-	-	-
TOTAL MANAGEMENT & GRANTS OVERSIGHT	23,329,795	14,022,309	19,441,494	5,419,185	27.87	521,434	13,589,428	432,881
IV. INSPECTOR GENERAL								
1. IG Operating Budget	5,303,700	3,925,824	4,419,750	493,926	11.18	201,217	3,861,116	64,708
2. IG Contingency Funds	233,981	-	194,984	194,984	100.00	-	-	-
TOTAL INSPECTOR GENERAL	5,537,681	3,925,824	4,614,734	688,910	14.93	201,217	3,861,116	64,708
TOTAL	\$379,871,565	\$357,797,250	\$375,060,317	\$17,263,067		\$722,651	\$337,790,132	\$20,007,118

LEGAL SERVICES CORPORATION
CONSOLIDATED OPERATING BUDGET WORKSHEET
FOR THE TEN-MONTH PERIOD ENDING JULY 31, 2014
FOR FISCAL YEAR 2014

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	F I S C A L Y E A R 2 0 1 4						C O M P A R A T I V E	
	ANNUAL BUDGET	ACTUAL	TEN - TWELFTHS OF THE FY 2014 COB	VARIANCE BUD VS ACT UNDER / (OVER)	% OF VARIANCE UNDER / (OVER)	ENCUM- BRANCES	PRIOR Y-T-D ACTUAL	VARIANCE ACTUAL VS PRIOR Y-T-D INCR / (DECR)
III. MANAGEMENT & GRANTS OVERSIGHT								
1. Board of Directors	\$393,900	\$227,802	\$328,250	\$100,448	30.60	\$0	\$222,949	\$4,853
2. Executive Office	1,204,725	892,350	1,003,937	111,587	11.11	-	772,855	119,495
3. Legal Affairs	1,306,450	910,186	1,088,708	178,522	16.40	26,717	823,241	86,945
4. Government Relations/Public Affairs	1,116,575	779,521	930,479	150,958	16.22	23,685	854,128	(74,607)
5. Human Resources	843,700	561,275	703,083	141,808	20.17	46,240	570,751	(9,476)
6. Financial & Admin Services	3,635,975	2,696,353	3,029,979	333,626	11.01	32,904	2,538,772	157,581
7. Information Technology	2,027,825	1,244,371	1,689,854	445,483	26.36	292,100	1,158,906	85,465
8. Program Performance	4,273,550	3,107,599	3,561,292	453,693	12.74	58,121	3,290,633	(183,034)
9. Information Management	596,100	468,280	496,750	28,470	5.73	-	475,889	(7,609)
10. Compliance & Enforcement	4,204,600	3,003,422	3,503,833	500,411	14.28	-	2,794,226	209,196
MANAGEMENT & GRANTS OVERSIGHT SUBTOTAL	\$19,603,400	\$13,891,159	\$16,336,165	\$2,445,006	14.97	\$479,767	\$13,502,350	\$388,809
11. MGO Research Initiative	200,113	131,150	166,761	35,611	21.35	41,667	87,078	44,072
12. MGO Contingency Funds	3,526,282	-	2,938,568	2,938,568	100.00	-	-	-
TOTAL MANAGEMENT & GRANTS OVERSIGHT	\$23,329,795	\$14,022,309	\$19,441,494	\$5,419,185	27.87	\$521,434	\$13,589,428	\$432,881

LEGAL SERVICES CORPORATION
FINANCIAL REPORT BY BUDGET CATEGORY
FOR THE TEN-MONTH PERIOD ENDING JULY 31, 2014
FOR FISCAL YEAR 2014
MANAGEMENT AND GRANTS OVERSIGHT

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
	ANNUAL BUDGET	ACTUAL	TEN - TWELFTHS OF THE FY 2014 BUDGET	VARIANCE BUD VS ACT UNDER / (OVER)	% OF VARIANCE UNDER / (OVER)	ENCUM- BRANCES	PRIOR Y-T-D ACTUAL	VARIANCE ACTUAL VS PRIOR Y-T-D INCR / (DECR)	
		F I S C A L Y E A R 2 0 1 4						C O M P A R A T I V E	
TOTAL COMP./BENEFITS	13,504,875	10,301,430	11,254,061	952,631	8.46	-	9,988,682	312,748	
TEMP. EMPLOYEE PAY	761,525	501,211	634,605	133,394	21.02	-	479,105	22,106	
CONSULTING	987,500	303,023	822,916	519,893	63.18	404,505	279,814	23,209	
TRAVEL/TRANSPORTATION EXPS	1,168,450	599,670	973,707	374,037	38.41	-	563,428	36,242	
COMMUNICATIONS	122,200	61,829	101,833	40,004	39.28	-	61,149	680	
OCCUPANCY COST	1,801,500	1,432,077	1,501,250	69,173	4.61	-	1,425,000	7,077	
PRINTING & REPRODUCTION	78,550	41,025	65,459	24,434	37.33	36,030	43,017	(1,992)	
OTHER OPERATING EXPENSES	900,800	604,040	750,668	146,628	19.53	39,232	618,861	(14,821)	
CAPITAL EXPENDITURES	278,000	46,854	231,666	184,812	79.78	-	43,325	3,529	
TOTAL	19,603,400	13,891,159	16,336,165	2,445,006	14.97	\$479,767	13,502,381	388,778	

LEGAL SERVICES CORPORATION
FINANCIAL REPORT BY BUDGET CATEGORY
FOR THE TEN-MONTH PERIOD ENDING JULY 31, 2014
FOR FISCAL YEAR 2014
MANAGEMENT AND GRANTS OVERSIGHT CONTINGENCY FUNDS

BUDGET CATEGORY	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	ANNUAL BUDGET	ACTUAL	FISCAL YEAR 2014			ENCUM- BRANCES	COMPARATIVE	
			TEN - TWELFTHS OF THE FY 2014 BUDGET	VARIANCE BUD VS ACT UNDER / (OVER)	% OF VARIANCE UNDER / (OVER)		PRIOR Y-T-D ACTUAL	VARIANCE ACTUAL VS PRIOR Y-T-D INCR / (DECR)
TOTAL COMP./BENEFITS	\$2,068,500	-	1,723,750	1,723,750		-	-	-
TEMP. EMPLOYEE PAY	-	-	-	-		-	-	-
CONSULTING	-	-	-	-		-	-	-
TRAVEL/TRANSPORTATION EXPS	-	-	-	-		-	-	-
COMMUNICATIONS	-	-	-	-		-	-	-
OCCUPANCY COST	-	-	-	-		-	-	-
PRINTING & REPRODUCTION	-	-	-	-		-	-	-
OTHER OPERATING EXPENSES	1,457,782	-	1,214,818	1,214,818		-	-	-
CAPITAL EXPENDITURES	-	-	-	-		-	-	-
TOTAL	\$3,526,282	-	2,938,568	2,938,568		\$0	-	-

LEGAL SERVICES CORPORATION
OPERATING EXPENSES FOR FISCAL YEAR 2014
FOR THE TEN-MONTH PERIOD ENDING JULY 31, 2014
FOR FISCAL YEAR 2014
MANAGEMENT AND GRANTS OVERSIGHT

BUDGET CATEGORY	BOARD OF DIRECTORS	EXECUTIVE OFFICE	LEGAL AFFAIRS	GOV'T REL PUBLIC AFFS	HUMAN RESOURCES	OFFICE FINANCIAL & ADMIN SRVCS
COMPENSATION & BENEFITS	-	853,343	804,075	719,229	509,630	918,444
TEMPORARY EMPLOYEE PAY	-	6,875	40,840	24,433	-	4,848
CONSULTING	54,943	1,212	27,759	-	39,740	6,700
TRAVEL/TRANSPORTATION EXPS	117,624	25,482	5,610	15,482	2,362	2,345
COMMUNICATIONS	2,931	2,816	2,228	3,248	1,516	2,335
OCCUPANCY COST	-	-	-	-	-	1,427,402
PRINTING & REPRODUCTION	-	-	-	-	-	41,025
OTHER OPERATING EXPENSES	52,304	2,622	29,674	17,129	8,027	293,254
CAPITAL EXPENDITURES	-	-	-	-	-	-
TOTAL	\$227,802	\$892,350	\$910,186	\$779,521	\$561,275	\$2,696,353
BUDGET CATEGORY	INFORMATION TECHNOLOGY	PROGRAM PERFORMANCE	INFORMATION MANAGEMENT	COMPLIANCE & ENFORCEMENT	TOTAL MGT & GRANTS OVERSIGHT	
COMPENSATION & BENEFITS	829,243	2,589,042	451,169	2,627,255	10,301,430	
TEMPORARY EMPLOYEE PAY	-	274,260	-	149,955	501,211	
CONSULTING	154,873	17,796	-	-	303,023	
TRAVEL/TRANSPORTATION EXPS	13,616	199,015	-	218,134	599,670	
COMMUNICATIONS	28,257	10,543	29	7,926	61,829	
OCCUPANCY COST	4,675	-	-	-	1,432,077	
PRINTING & REPRODUCTION	-	-	-	-	41,025	
OTHER OPERATING EXPENSES	166,853	16,943	17,082	152	604,040	
CAPITAL EXPENDITURES	46,854	-	-	-	46,854	
TOTAL	\$1,244,371	\$3,107,599	\$468,280	\$3,003,422	13,891,159	

OTHER OPERATING EXPENSES FOR THE TEN - MONTH PERIOD ENDING JULY 31, 2014

ANNUAL BUDGET	ACTUAL	TEN -TWELFTHS OF THE FY 2014 BUDGET	UNDER / (OVER) BUD VS ACT VARIANCE
\$900,800.00	604,040.00	750,668.00	146,628.00

ACCOUNT CODES	DESCRIPTION	COST CENTERS	YTD EXPENSE
		BOARD OF DIRECTORS	14,777.34
		GOVERNMENT RELATIONS/PUBLIC AFFAIRS	299.00
		FINANCIAL & ADMIN SERVICES	7,552.33
		INFORMATION TECHNOLOGY	98,048.70
		PROGRAM PERFORMANCE	50.00
5600	EQUIPMENT RENTAL	TOTAL	120,727.37
		BOARD OF DIRECTORS	69.48
		GOVERNMENT RELATIONS/PUBLIC AFFAIRS	0.00
		HUMAN RESOURCES	19.99
		FINANCIAL & ADMIN SERVICES	36,900.34
		INFORMATION TECHNOLOGY	5,547.85
5610	OFFICE SUPPLIES	TOTAL	43,070.34
		HUMAN RESOURCES	19.02
		FINANCIAL & ADMIN SERVICES	1,898.14
		INFORMATION TECHNOLOGY	5,328.88
		PROGRAM PERFORMANCE	561.99
5611	OFFICE EQUIPMENT	TOTAL	7,808.03
		FINANCIAL & ADMIN SERVICES	161,187.18
5620	COMMERICAL INSURANCE	TOTAL	161,187.18
		EXECUTIVE OFFICE	300.00
		LEGAL AFFAIRS	21,290.71
		CHIEF DEVELOPMENT UNIT	1,529.05
		GOVERNMENT RELATIONS/PUBLIC AFFAIRS	15,699.97
		HUMAN RESOURCES	249.99
		FINANCIAL & ADMIN SERVICES	40,789.59
		INFORMATION TECHNOLOGY	57,808.67
		OFFICE OF PROGRAM PERFORMANCE	299.00
5640	DATA PROCESSING	TOTAL	137,966.98

OTHER OPERATING EXPENSES FOR THE TEN - MONTH PERIOD ENDING JULY 31, 2014				
	ANNUAL BUDGET	ACTUAL	TEN -TWELFTHS OF THE FY 2014 BUDGET	UNDER / (OVER) BUD VS ACT VARIANCE
	\$900,800.00	604,040.00	750,668.00	146,628.00

ACCOUNT CODES	DESCRIPTION	COST CENTERS		YTD EXPENSE
5650	ADVERTISING & CLIPPING SERVICES	BOARD OF DIRECTORS	37,448.00	
		HUMAN RESOURCES	2,199.00	
		TOTAL		55,430.94
5660	DUES & MEMBERSHIPS	FINANCIAL & ADMIN SERVICES	50.00	
		TOTAL		854.00
5670	SUBSCRIPTIONS	LEGAL AFFAIRS	5,833.33	
		HUMAN RESOURCES	32.95	
		FINANCIAL & ADMIN SERVICES	461.00	
		OFFICE OF PROGRAM PERFORMANCE	1,361.24	
		INFORMATION MANAGEMENT	9,198.10	
		OFFICE OF COMPLIANCE AND ENFORCEMENT	152.00	
		TOTAL		17,038.62
5680	EMPLOYEE LECTURES/OTHER ACT.	HUMAN RESOURCES	2,055.97	
		FINANCIAL & ADMIN SERVICES	26,343.06	
		TOTAL		29,430.23
5690	OFFICE EXPENSES	BOARD OF DIRECTORS	9.02	
		CHIEF DEVELOPMENT UNIT	30.00	
		LEGAL AFFAIRS	632.50	
		GOVERNMENT RELATIONS/PUBLIC AFFAIRS	99.00	
		HUMAN RESOURCES	3,450.11	
		FINANCIAL & ADMIN SERVICES	18,072.33	
		INFORMATION TECHNOLOGY	119.03	
		INFORMATION MANAGEMENT	7,351.42	
		TOTAL		30,526.41
		TOTAL OTHER OPERATING EXPENSES		\$604,040.10

LEGAL SERVICES CORPORATION
FINANCIAL REPORT BY BUDGET CATEGORY
FOR THE TEN-MONTH PERIOD ENDING JULY 31, 2014
FOR FISCAL YEAR 2014
INSPECTOR GENERAL

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		FISCAL YEAR 2014					COMPARATIVE	
	ANNUAL BUDGET	ACTUAL	TEN - TWELFTHS OF THE FY 2014 BUDGET	VARIANCE BUD VS ACT UNDER / (OVER)	% OF VARIANCE UNDER / (OVER)	ENCUMBRANCES	PRIOR Y-T-D ACTUAL	VARIANCE ACTUAL VS PRIOR Y-T-D INCR / (DECR)
TOTAL COMP./BENEFITS	\$4,265,700	3,391,488	3,554,750	163,262	4.59	-	3,302,724	88,764
TEMP. EMPLOYEE PAY	50,000	8,423	41,667	33,244	79.78	-	7,208	1,215
CONSULTING	500,000	255,003	416,667	161,664	38.80	201,217	263,175	(8,172)
TRAVEL/TRANSPORTATION EXPS	276,000	171,057	230,000	58,943	25.63	-	177,618	(6,561)
COMMUNICATIONS	37,000	23,454	30,833	7,379	23.93	-	17,554	5,900
OCCUPANCY COST	7,000	2,325	5,833	3,508	60.14	-	-	2,325
PRINTING & REPRODUCTION	19,000	11,796	15,833	4,037	25.50	-	8,136	3,660
OTHER OPERATING EXPENSES	74,000	49,824	61,667	11,843	19.20	-	47,581	2,243
CAPITAL EXPENDITURES	75,000	12,454	62,500	50,046	80.07	-	37,120	(24,666)
TOTAL	\$5,303,700	3,925,824	4,419,750	493,926	11.18	201,217	3,861,116	64,708

LEGAL SERVICES CORPORATION
FINANCIAL REPORT BY BUDGET CATEGORY
FOR THE TEN-MONTH PERIOD ENDING JULY 31, 2014
FOR FISCAL YEAR 2014
INSPECTOR GENERAL CONTINGENCY FUNDS

BUDGET CATEGORY	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	ANNUAL BUDGET	ACTUAL	TEN - TWELFTHS OF THE FY 2014 BUDGET	VARIANCE BUD VS ACT UNDER / (OVER)	% OF VARIANCE UNDER / (OVER)	ENCUMBRANCES	PRIOR Y-T-D ACTUAL	VARIANCE ACTUAL VS PRIOR Y-T-D INCR / (DECR)
TOTAL COMP./BENEFITS	-	-	-	-	-	-	-	-
TEMP. EMPLOYEE PAY	-	-	-	-	-	-	-	-
CONSULTING	-	-	-	-	-	-	-	-
TRAVEL/TRANSPORTATION EXPS	-	-	-	-	-	-	-	-
COMMUNICATIONS	-	-	-	-	-	-	-	-
OCCUPANCY COST	-	-	-	-	-	-	-	-
PRINTING & REPRODUCTION	-	-	-	-	-	-	-	-
OTHER OPERATING EXPENSES	233,981	-	194,984	194,984	-	-	-	-
CAPITAL EXPENDITURES	-	-	-	-	-	-	-	-
TOTAL	\$233,981	-	194,984	194,984	-	\$0	-	\$0

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**Temporary Operating Authority for
FY 2015**

FINANCIAL & ADMINISTRATIVE SERVICES

MEMORANDUM

TO: Robert J. Grey, Finance Committee Chairman

FROM: David L. Richardson, Treasurer/Comptroller *dlr*

DATE: September 24, 2014

SUBJECT: Fiscal Year (FY) 2015 Proposed Temporary Operating Budget (TOB)

Each October, Management provides a proposed TOB to the Board of Directors for consideration. The TOB that Management is proposing includes amounts received through a Continuing Resolution based on the FY 2014 appropriation (\$365,000,000) net of an across-the-board decrease of .0554%, or \$202,210. This amount is \$364,797,790 and would be distributed as follows:

Basic Field Programs	\$335,514,022
Technology Initiatives	3,448,089
Pro Bono Initiative	2,498,615
Herbert H. Garten Loan Repayment Assistance Program	999,446
Management and Grants Oversight	17,990,028
Inspector General	4,347,590

The projected funding for the U.S. Court of Veterans Appeals is \$2,498,615. When the projected FY 2014 carryover of \$10,113,293 is included, the TOB totals \$377,409,698.

Attachment A presents a breakdown of the TOB by budget line in four columns.

Column 1 presents the projected funds from the FY 2015 Continuing Resolution; Column 2 provides an estimate of the FY 2014 Carryover; Column 3 shows the projected FY 2015 Court of Veterans Appeals Grant; and Column 4 combines columns 1 through 3.

The following is a description of how the projected TOB, as reflected in Attachments A and B, is allocated.

The Basic Field Grant funds are distributed based on the funding formula as provided in the appropriation. A competitive process for approximately one-third of the service areas is undertaken each year with the successful applicants, in most instances, receiving multi-year grants based on continued appropriations. In FY 2014, we held funds earmarked in the 2013 funds for the America Samoa service area and the FY 2014 funds. This year we will release the FY 2013 carryover funds, and hold the 2014 funding to assist with startup cost for a new program. We also continue to hold funds for the close-out audit of a Louisiana program.

The U.S. Court of Veterans Appeals grant is also awarded based on a competitive process and a multi-year grant is provided, based on continued funding. Carryover funds will be used to support the grant and administrative costs.

Grants from Other Funds are carryover funds that LSC receives from grant recoveries and are used to provide emergency and special one-time grants.

The Hurricane Sandy Disaster Relief Funds carryover is the balance of the appropriations that are available to support the New York and New Jersey areas.

The Technology Initiatives budget line is for grants to be awarded for special projects involving the improvement of access to justice through technology following a competitive process. A competitive process begins in the summer with grants being awarded in September.

The Pro Bono Innovation Fund was a new competitive grant program in FY 2014. Over the summer, LSC conducted a selective and rigorous application and review process which culminated with the award of 11 grants. The competitive application process for FY 2015 will again seeking to fund new and replicable projects that engage more volunteers in service to clients.

Loan Repayment Assistance Program (LRAP) provides awards of up to \$5,600 to grantee staff with large outstanding law school debt and who have less than 5 years of service. As long as the recipient is in good standing, they can receive this award for up to three years for a total of \$16,800. A competitive process will again be under taken for the new funds, and the review of prior recipients continued eligibility will be conducted to make the FY 2015

The Management and Grants Oversight (MGO) budget is created by the Office Directors under the direction of the President. Attachment B presents a summary of the resulting budgets. Key areas of the proposed budget for MGO include the following items:

- Board of Directors –
 - 4 three-day board meetings to be held in Albany, NY; Miami, FL; Washington, DC; and Minneapolis, MN.
 - Funds are budgeted for 36 guests to attend board meetings and 15 additional trips for board members to take while attending to LSC business.
- LSC Staff Overview – 106 full time staff members in MGO, detailed in the offices as follows:

	Staff budgeted for FY 2015
Executive Office	8
Legal Affairs	7
Government Relations/Public Affairs	7
Human Resources	6
Financial and Administrative Services	10
Information Technology	8
Program Performance	28
Information Management	5
Compliance and Enforcement	27
Totals	106

We currently have 97 full time staff members and 9 open positions. Each office's open positions are as follows:

Human Resources – Human Capital Manager, who will begin on September 29, and an HR Assistant is scheduled to be filled by November 3;

Program Performance – a Program Counsel accepted an offer of employment and will begin on October 20; we continue to interview for an additional Program Counsel, who we hope to hire by the end of October, and a Program Analyst to assist with the administrative aspects of the Pro Bono Innovation Fund and Cargill Grant;

Information Management – Director to be hired after October 1; and

Compliance and Enforcement – a Program Counsel accepted an offer of employment and will began work on September 15; and we continue to interview for 2 Fiscal Compliance Specialist positions.

- Executive Office – \$48,800 for travel needs, which includes travel to Board meetings, 7 speaking engagements and fund-raising activities;
- Legal Affairs – \$192,500 in the consulting budget line - \$172,000 for outside counsel and \$20,500 funds to complete the migrant study;
- Government Relations/Public Affairs – \$20,000 budgeted for consulting costs to provide funding for a freelance copy editor;
- Human Resources – Consulting costs of \$24,250 for the audit of the LSC retirement plan, and other consulting needs;
- Financial and Administrative Services – The budget includes funds for Occupancy costs in the amount of \$1,710,000 for lease payments and \$90,000 for additional pass-through operating costs and building maintenance and upkeep; other operating expenses totaling \$469,150 are for office equipment rental and maintenance, office supplies and equipment, annual renewal of the financial management software, outside payroll service fees, bank service charges, commercial insurance coverage, and Directors' and Officers' Liability Insurance; and capital expenditures of \$100,000 for equipment and furniture replacements;
- Information Technology – Consulting of \$289,000 is to assist the Corporation in implementing the business process recommendations, addressing data portal needs, continue the upgrading of our voice and data communications, and the security of our networks; Other Operating Expenses of \$241,250 are to fund the maintenance of our computer systems, annual software renewal fees, annual cost of the multifunction copiers lease, annual cost of the disaster recovery site, and the purchase of equipment and software costing under \$500; capital expenditures of \$92,000 are for new computers, servers, software with a cost of over \$500, and infrastructure hardware upgrades.

- The Office of Program Performance will continue to invest resources in program quality visits, capability assessment visits, training and other projects for program support. These initiatives are supported by temporary employees with an estimated cost of \$302,200. The travel budget of \$328,750 supports staff, temporary employees, and consultant travel. There are 53 program visits planned that will utilize a total of 669 person-days.
- Compliance and Enforcement has budgeted for on-site reviews supported by proposed temporary employees with costs of \$159,650 and travel totaling \$368,500. There are 27 program visits planned that will utilize a total of 920 person-days.

The balance of \$65,000 in the MGO Research Initiative budget line is the remaining funds from the Public Welfare Foundation Grant.

MGO Contingency Funds of \$4,150,028 have been set aside to support future Corporation needs and to support our spend-down plan that considers the sustainability of our operations through 2016.

The following budget information is provided by the Office of Inspector General.

The OIG's FY 2015 TOB funds the executive, audit, investigative, management and evaluation, and legal review functions required by the Inspector General Act and LSC appropriations legislation. The OIG will continue to perform its work based on its assessment of LSC and grantee operations. The TOB is based on a \$4,347,590 base and a projected \$850,000 in carryover funds. Key budget areas include:

1. As of September 16 the OIG will have 27 full time staff members and 3 open positions;
2. The FY 2015 travel budget is \$280,000;
3. Quantity controls reviews of selected independent public accountants work in performing the annual audits of the LSC grantees at a cost of \$180,000 in consulting (an additional \$40,000 in associated travel is included in the travel budget);
4. Information management investments and technology support to improve the OIG's internal operations and OIG website are budgeted at \$215,000 (in consulting, other operating, and capital budget lines);
5. The start of information security vulnerability reviews of LSC grantees is budgeted at \$70,000; and,

6. As mandated by the IG Act, the OIG has budgeted \$14,000 to fund the Council of Inspectors General on Integrity and Efficiency, and \$60,000 for staff training.

This budget allows the OIG's work plan to remain flexible and can accommodate additional independent and objective reviews as requested by the Board or Congress.

Attached is a draft TOB resolution for your consideration. Attachment A presents a summary by line item and Attachment B summarizes each office's budget by budget category. Questions or concerns related to the MGO budget should be directed to me at 202-295-1510 or Wendy Christmas at 202-295-1516. Questions regarding the Office of Inspector General's budget should be directed to Jeffrey Schanz (202) 295-1677 or David Maddox (202) 295-1653.

Attachments

BOARD OF DIRECTORS

RESOLUTION

**TEMPORARY OPERATING BUDGET AND
SPECIAL CIRCUMSTANCE OPERATING AUTHORITY
FOR FISCAL YEAR 2015**

WHEREAS, the Board of Directors (“Board”) of the Legal Services Corporation (“LSC”) has reviewed information regarding the status of the Fiscal Year (FY) 2015 appropriation and anticipated funding through a continuing resolution (CR) for LSC and the U.S Court of Veterans Appeals grant. The projected funds available for the Temporary Operating Budget (TOB) including a breakdown of projected FY 2014 carryover are as follows:

- 1) Continuing Resolution funding of \$364,797,790;
- 2) Projected U.S. Court of Veterans Appeals funding of \$2,498,615;
- 3) Carryover in the amount of \$10,113,293, which is comprised of:
 - a. Basic Field Programs carryover of \$508,647;
 - b. U.S. Court of Veterans Appeals of \$5,000;
 - c. Grants from Other Funds of \$553,366;
 - d. Technology Initiative Grant funds of \$524,177;
 - e. Hurricane Sandy Disaster Relief Funds of \$75,959
 - f. Herbert S. Garten Loan Repayment Assistance Program of \$1,431,144;
 - g. Management and Grants Oversight Operations of \$1,949,972;
 - h. Public Welfare Foundation Research Grant of \$65,000;
 - i. Management and Grants Oversight Contingency of \$4,150,028; and
 - j. Office of Inspector General of \$850,000; and

WHEREAS, Management and the Inspector General recommend that a TOB be adopted reflecting the funds available;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby adopts a TOB for FY 2015 totaling \$377,409,698 of which \$345,626,490 is for the *Delivery of Legal Assistance*; \$2,430,590 is for the *Herbert S. Garten Loan Repayment Assistance Program*; \$19,940,000 is for *Management and Grants Oversight (MGO)*; \$65,000 is for *MGO Research Initiative*; \$4,150,028 is for *MGO Contingency Funds*; and \$5,197,590 is for the *Office of Inspector General*, as reflected in the attached documents; and

BE IT FURTHER RESOLVED THAT the Board hereby authorizes Management, in consultation with the Chairman of the Board and Chairman of the Finance Committee, to increase or decrease the annual grants awards, as necessary, in reaction to the FY 2015 appropriation.

**Adopted by the Board of Directors
On October 7, 2014**

John G. Levi
Chairman

Attest:

Ronald S. Flagg
*Vice President for Legal Affairs,
General Counsel, and
Corporate Secretary*

LEGAL SERVICES CORPORATION
 PROPOSED TEMPORARY OPERATING BUDGET

 FOR THE FISCAL YEAR 2015

	(1)	(2)	(3)	(4)	(5)
	FY 2015 CONTINUING RESOLUTION -----	ACROSS-THE- BOARD .0554% OPERATIONS REDUCTION -----	FY 2014 CARRYOVER -----	COURT OF VETS APPEALS & ADJUSTMENTS -----	FY 2015 TEMPORARY OPERATING BUDGET -----
I. DELIVERY OF LEGAL ASSISTANCE -----					
1. Basic Field Programs	335,700,000	(185,978)	508,647	-	336,022,669
2. U.S. Court of Veterans Appeals Funds	-		5,000	2,498,615	2,503,615
3. Grants From Other Funds	-		553,366	-	553,366
4. Technology Initiatives	3,450,000	(1,911)	524,177	-	3,972,266
5. Hurricane Sandy Disaster Relief Funds	-		75,959	-	75,959
6. Pro Bono Innovation Funds	2,500,000	(1,385)	-	-	2,498,615
	-----	-----	-----	-----	-----
DELIVERY OF LEGAL ASSISTANCE TOTALS	341,650,000	(189,274)	1,667,149	2,498,615	345,626,490
II. HERBERT S. GARTEN					
LOAN REPAYMENT ASSISTANCE PROGRAM	1,000,000	(554)	1,431,144	-	2,430,590
III. MANAGEMENT & GRANTS OVERSIGHT -----					
1. MGO Operating Budget	18,000,000	(9,972)	1,949,972	-	19,940,000
2. MGO Research Initiative	-		65,000	-	65,000
3. MGO Contingency Funds	-		4,150,028	-	4,150,028
	-----	-----	-----	-----	-----
TOTAL - MANAGEMENT & GRANTS OVERSIGHT	18,000,000	(9,972)	6,165,000	-	24,155,028
IV. INSPECTOR GENERAL -----					
	4,350,000	(2,410)	850,000	-	5,197,590
	-----	-----	-----	-----	-----
TOTAL BUDGET	\$365,000,000	(\$202,210)	\$10,113,293	\$2,498,615	\$377,409,698
	=====	=====	=====	=====	=====

**LEGAL SERVICES CORPORATION
PROPOSED TEMPORARY OPERATING BUDGET
FOR MANAGEMENT AND GRANTS OVERSIGHT
AND INSPECTOR GENERAL
FOR FISCAL YEAR 2015**

BUDGET CATEGORY	BOARD OF DIRECTORS	EXECUTIVE OFFICES	LEGAL AFFAIRS	GOVERNMENT RELATIONS & PUB AFFS	HUMAN RESOURCES	OFFICE FINANCIAL & ADMIN SRVCS
COMPENSATION & BENEFITS	0	1,210,100	1,032,450	956,600	689,950	1,168,200
TEMP. EMPLOYEE PAY	0	10,500	70,200	30,700	0	15,400
CONSULTING	93,600	13,550	192,500	20,000	24,250	7,250
TRAVEL & TRANSPORTATION	222,450	48,800	17,900	41,300	30,100	18,100
COMMUNICATIONS	5,400	5,250	5,200	4,600	2,400	15,200
OCCUPANCY COSTS	0	0	0	0	0	1,800,000
PRINTING & REPRODUCTION	0	500	0	6,500	0	93,650
OTHER OPERATING EXPENSES	55,600	2,400	39,400	35,000	15,900	469,150
CAPITAL EXPENDITURES	0	0	0	0	0	100,000
TOTAL	377,050	1,291,100	1,357,650	1,094,700	762,600	3,686,950
BUDGET CATEGORY	INFORMATION TECHNOLOGY	PROGRAM PERFORM	INFORMATION MANGEMENT	COMPLIANCE & ENFORCE	MGT & GRNTS OVERSIGHT	INSPECTOR GENERAL
COMPENSATION & BENEFITS	1,030,800	3,810,400	576,500	3,897,250	14,372,250	4,217,700
TEMP. EMPLOYEE PAY	0	302,200	0	159,650	588,650	40,000
CONSULTING	289,000	37,000	0	60,000	737,150	470,000
TRAVEL & TRANSPORTATION	45,000	328,750	4,000	368,500	1,124,900	280,000
COMMUNICATIONS	40,300	20,900	75	20,500	119,825	30,000
OCCUPANCY COSTS	0	500	0	0	1,800,500	4,300
PRINTING & REPRODUCTION	0	0	0	0	100,650	18,000
OTHER OPERATING EXPENSES	241,250	20,600	24,200	575	904,075	64,590
CAPITAL EXPENDITURES	92,000	0	0	0	192,000	73,000
TOTAL	1,738,350	4,520,350	604,775	4,506,475	19,940,000	5,197,590

Board of Directors

BOARD OF DIRECTORS

October 7, 2014

Agenda

OPEN SESSION

1. Pledge of Allegiance
2. Approval of Agenda
3. Approval of minutes of the Board's Open Session meeting of July 22, 2014.
4. Chairman's Report
5. Members' Reports
6. President's Report
7. Inspector General's Report
8. Consider and act on Resolution 2014-XXX in recognition of service by Thomas D. Coogan
9. Consider and act on Resolution 2014-XXX in memoriam of John Donald Robb, Jr.
10. Consider and act on the report of the Delivery of Legal Services Committee
11. Consider and act on the report of the Finance Committee
12. Consider and act on the report of the Audit Committee
13. Consider and act on the report of the Operations and Regulations Committee

14. Consider and act on the report of the Governance and Performance Review Committee
15. Consider and act on the report of the Institutional Advancement Committee
16. Report on implementation of recommendations of the Pro Bono Task Force Report and Pro Bono Innovation Fund
17. Public Comment
18. Consider and act on other business
19. Consider and act on whether to authorize an executive session of the Board to address items listed below, under Closed Session

CLOSED SESSION

20. Approval of minutes of the Board's Closed Session meeting of July 22, 2014
21. Management Briefing
22. Inspector General Briefing
23. Consider and act on General Counsel's report on potential and pending litigation involving LSC
24. Consider and act on list of prospective funders
25. Consider and act on motion to adjourn meeting

**Draft Minutes of the July 22, 2014
Open Session Meeting**

**Legal Services Corporation
Meeting of the Board of Directors**

Open Session

Tuesday, July 22, 2014

DRAFT

Chairman John G. Levi convened an open session meeting of the Legal Services Corporation's ("LSC") Board of Directors at 9:05 a.m. on Tuesday, July 22, 2014. The meeting was held at the Des Moines Marriott Downtown, 700 Grand Avenue, Des Moines, Iowa 50309.

The following Board members were present:

John G. Levi, Chairman
Martha L. Minow, Vice Chair
Sharon L. Browne
Robert J. Grey, Jr.
Charles N.W. Keckler
Harry J. F. Korrell, III (by telephone)
Victor B. Maddox
Laurie Mikva
Father Pius Pietrzyk
Julie A. Reiskin
Gloria Valencia-Weber
James J. Sandman, *ex officio*

Also attending were:

Lynn Jennings	Vice President for Grants Management
David Richardson	Comptroller and Treasurer, Office of Financial and Administrative Services (OFAS)
Ron Flagg	Vice President for Legal Affairs, General Counsel, and Corporate Secretary
Stefanie Davis	Assistant General Counsel, Office of Legal Affairs (OLA)
Jeffrey Schanz	Inspector General
John Seeba	Assistant Inspector General for Audit, Office of the Inspector General (OIG)
David Maddox	Assistant Inspector General for Management and Evaluation, Office of the Inspector General (OIG)
Thomas Coogan	Assistant Inspector General for Investigations, Office of the Inspector General

Carol A. Bergman	Director, Office of Government Relations and Public Affairs (GRPA)
Carl Rauscher	Director of Media Relations, Office of Government Relations and Public Affairs (GRPA)
Wendy Long	Executive Assistant, Office of Government Relations (GRPA)
Lora M. Rath	Director, Office of Compliance and Enforcement (OCE)
Julia Kramer	Program Counsel, Office of Compliance and Enforcement (OCE), Executive Office
Janet LaBella	Director, Office of Program Performance (OPP)
Allan J. Tanenbaum	Non-Director Member, Finance Committee
Robert E. Henley, Jr.	Non-Director Member, Institutional Advancement Committee
Dennis Groenenboom	Executive Director, Iowa Legal Aid
Patrick McClintock	Iowa Legal Aid
Tom Kilbride	Illinois Supreme Court
Don Saunders	National Legal Aid and Defenders Association (NLADA)
Terry Brooks	American Bar Association Standing Committee on Legal Aid and Indigent Defendants (SCLAID)

The following summarizes actions taken by, and presentations made to, the Board:

Chairman Levi called the meeting to order. The Pledge of Allegiance was recited.

MOTION

Dean Minow moved to approve the agenda. Ms. Reiskin seconded the motion.

VOTE

The motion passed by voice vote.

MOTION

Father Pius moved to amend the minutes of April 8th and May 22nd. to reflect his correct attendance. Father Pius moved to approve the minutes with amendments. Mr. Grey seconded the motion.

VOTE

The motion passed by voice vote.

Chairman Levi gave the Chairman’s Report. He thanked everyone for their continuing hard work and gave special acknowledgments to those who continue to work and campaign for civil justice.

During the members' reports, Professor Valencia-Weber reported she has been working on other law related projects in New Mexico including the first New Mexico Pro Bono project. Professor Valencia-Weber praised Mr. Grey for being a speaker at a two of the scheduled functions at her request. She also shared the passing of her mentor Mr. John Robb Jr., a pioneer for civil equal justice. Dean Minow complimented LSC on the progress that has been made with the implementation of Fiscal Task Force and Pro Bono Task Force programs.

President Sandman gave the President's Report, which included the status of LSC's business process analysis of LSC's grant making and grant oversight functions; implementation of the recommendations of Fiscal Oversight Task Force; the status of LSC's grant from the Public Welfare Foundation and other grants the Public Welfare Foundation has with other access to justice organizations; described the briefing held on Capitol Hill for House members and staff. He answered board members questions.

Inspector General Schanz gave the Inspector General's Report which included thanking the board for their continuous support of OIG, for recognizing the importance and independency of OIG; the Inspector reported his support to the Council of Inspectors General for Integrity and Efficiency (CIGIE); he recently signed a memo supporting allowing more access to records, an issue currently being experience by Inspector Generals in larger organizations; the OIG audit operations report from the Federal Farm Finance Agency will be forthcoming once it's finalized; and a toolkit on the prevention of fraud, waste and abuse in programs will be available at the 40th anniversary celebration.

MOTION

Father Pius moved to adopt the resolution recognizing with appreciation John Meyer with amendments to include recognizing his service as ethics officer. Dean Minow seconded the motion.

VOTE

The motion passed by voice vote.

MOTION

Dean Minow moved to adopt the resolution recognizing Fox Rothschild LLP and Charles A. De Monaco. Father Pius seconded the motion.

VOTE

The motion passed by voice vote.

Father Pius gave the report for the Delivery of Legal Services Committee. He was followed by Mr. Grey who gave the report for the Finance Committee.

MOTION

Mr. Grey moved to adopt the Temporary Operating Authority for fiscal year 2015 and corresponding resolution.

VOTE

The motion passed by voice vote.

MOTION

Mr. Grey moved to adopt LSC's appropriation request for fiscal year 2016 and corresponding resolution.

VOTE

The motion passed by voice vote.

Mr. Maddox gave the report for the Audit Committee. He was followed by Mr. Keckler gave the Operations and Regulations report.

Dean Minow gave the report for the Governance and Performance Review Committee.

MOTION

Dean Minow moved to adopt LSC's revised Equal Opportunity, Non-Discrimination and Anti-Harassment policy and corresponding resolution.

VOTE

The motion passed by voice vote. Mr. Maddox abstained.

MOTION

Dean Minow moved to adopt the policy regarding LSC Board members' attendance on program visits and revised resolution.

VOTE

The motion passed by voice vote. Ms. Reiskin abstained.

Chairman Levi gave the Institutional Advancement Committee report.

MOTION

Chairman Levi moved to adopt the In-Kind Contributions protocol.

VOTE

The motion passed by voice vote.

MOTION

Father Pius moved to have the Board create a Subcommittee on Communications. Professor Valencia-Weber seconded the motion.

VOTE

The motion passed by voice vote.

Ms. Jennings and Mr. Flagg gave an updated report on the implementation of the Pro Bono Task Force and Innovation Fund to the Board

Chairman Levi invited public comment. Mr. Brooks, American Bar Association, Standing Committee on Legal Aid and Indigent Defendants (SCLAID), had questions for the Audit Committee concerning the competitive grants process and offer suggestions. Mr. Brooks and Mr. Saunders, National Legal Aid and Defenders Association (NLADA) commended the exceptional service of the deceased John Robb.

MOTION

Mr. Grey moved to have the Board recognize the outstanding service of John Robb. Professor Valencia-Weber seconded the motion.

VOTE

The motion passed by voice vote.

There was no new business to consider.

MOTION

Father Pius moved to adjourn the meeting. Dean Minow seconded the motion.

VOTE

The motion passed by voice vote.

The meeting of the Board adjourned at 11:30 a.m.

RESOLUTION

**In Recognition and Appreciation
of Thomas Coogan**



BOARD OF DIRECTORS

**RESOLUTION
IN RECOGNITION AND APPRECIATION OF
OUTSTANDING SERVICE BY
THOMAS D. COOGAN**

WHEREAS, Thomas D. Coogan has faithfully and with distinction served as the Assistant Inspector General for Investigations (“AIGI”) of the Office of Inspector General (“OIG”) of the Legal Services Corporation (“LSC” or “Corporation”) for the last seven years, as well as Special Counsel to the Inspector General for two years prior to becoming AIGI;

WHEREAS, Tom has contributed significantly to the development and enhancement of a robust investigations program to prevent and detect fraud, waste, abuse, and mismanagement, and broadened the awareness of the risk of fraud, in furtherance of promoting the economy, efficiency, and effectiveness in LSC and grantee operations;

WHEREAS, throughout Tom’s tenure, he has helped instill confidence across the Inspector General community in the work of LSC and the LSC OIG; and

WHEREAS, Tom’s leadership and commitment to LSC’s mission of providing high-quality civil legal services to low-income Americans have been a great asset to the Corporation;

NOW, THEREFORE, BE IT RESOLVED that the LSC Board of Directors hereby commends and extends its sincere appreciation to Tom for his nine years of outstanding service and many contributions to LSC and to the cause of civil legal assistance for low-income Americans.

Adopted by the Board of Directors
October 7, 2014

John G. Levi
Chairman

Attest:

Ronald S. Flagg
*Vice President for Legal Affairs,
General Counsel & Corporate Secretary*

RESOLUTION

In Memoriam

John Donald Robb, Jr.



BOARD OF DIRECTORS

IN MEMORIAM
JOHN DONALD ROBB, JR.
JANUARY 11, 1924 – JULY 13, 2014

John D. Robb, Jr. was a champion of justice who advocated passionately and tirelessly on behalf of the poor. He established himself as a leading lawyer in environmental and natural resources law and litigation in Albuquerque, New Mexico after he served in World War II. In addition, his deep commitment to public service led him to become one of the great heroes of the national legal aid movement.

John was a leader during the formative years of legal aid. Early in his career, John served on the boards of the Albuquerque Legal Aid Society and the National Legal Aid and Defender Association. He was appointed to the American Bar Association's Standing Committee on Legal Aid and Indigent Defendants, and served as chairman of the Committee for six years. He also served on the United States Office of Economic Opportunity's National Advisory Committee. In that role, John helped lay the foundation for the establishment of the Legal Services Corporation. In the 1990s, he worked tirelessly with Senator Pete Domenici of New Mexico to lead a bipartisan effort to preserve the Legal Services Corporation in response to proposals to phase out its funding. Because of his efforts, hundreds of thousands of people who would otherwise be unable to afford legal representation have received and continue to receive legal aid services.

The members of the Legal Services Corporation's Board of Directors were deeply saddened by John's recent passing and, by this writing, adopted on October 7, 2014, we wish to formally express to his family, the Rodey Law Firm, and the New Mexico Bar Association our deepest sympathies and to assure them that he will long be remembered for his many contributions to improving access to justice in America.

**On Behalf of the Board of Directors
of the Legal Services Corporation**

John G. Levi
Chairman

Ronald S. Flagg
*Vice President for Legal Affairs,
General Counsel & Corporate Secretary*

**New York Court of Appeals
Justices and Judges Panel Bios**

Judicial Initiatives to Improve Access to Justice

**October 6, 2014
New York Court of Appeals
Albany, New York**

Chief Judge Jonathan Lippman

Chief Judge Jonathan Lippman was appointed in February 2009 to serve as the chief judge of the State of New York and chief judge of the Court of Appeals. He has championed equal access to justice issues and taken an active leadership role in identifying permanent funding streams for civil legal services, strengthening the state's indigent criminal defense system, and creating Human Trafficking Courts among many other areas. Recently, he made New York the first state in the country to require 50 hours of law-related pro bono work prior to bar admission and established the Pro Bono Scholars program to help alleviate the crisis in civil legal services and accelerate bar admission. He previously was the presiding justice of the Appellate Division of the Supreme Court, First Department. Prior to that, he served as the chief administrative judge of all New York State Courts. Lippman is a member of the board of directors of the State Justice Institute, chair of the American Bar Association's Board of Elections, a member of the American Law Institute, a former member of the board of directors of the Conference of Chief Judges, a former president of the Conference of State Court Administrators and vice-chair of the Board of the National Center for State Courts. He has received many awards and honors, including the 2008 William H. Rehnquist Award of the National Center for State Courts and the Cyrus R. Vance Tribute of the Fund for Modern Courts. In 2013, the American Lawyer named Chief Judge Lippman one of its Top 50 Innovators in Big Law in the Last 50 Years. He received his B.A. from New York University and his J.D. from New York University School of Law.

Chief Justice Paul L. Reiber

Chief Justice Paul L. Reiber was appointed to the Vermont Supreme Court by Governor James Douglas as an Associate Justice in October 2003 and appointed as Chief Justice December 2004. Justice Reiber was in private practice for more than 25 years and served in various civic and bar-related positions before his appointment.

In 2008 he chaired the Vermont Commission on Judicial Operations leading to historic legislation adopted in 2010 that reformed the structure of Vermont's judicial branch. He is a Fellow of the American Bar Foundation; a fellow of the American Law Institute; a volunteer with the weekly elementary school reading program, Everybody Wins; and is past President and a Board Member of the Wing Chapter of the American Inns of Court. He Chairs the Chief Justice Task Force for Children and jointly Chairs with leadership from the two other branches, the Tri-Branch Task Force on Mental Health/Co-occurring Disorders: both groups dedicated to improving the delivery of judicial services through inter-branch, multi-disciplinary collaboration. Born in Pittsburgh, Pennsylvania on

June 20, 1947 he holds degrees from Hampden-Sydney College, Virginia and Suffolk Law School, Boston, Massachusetts.

Justice Fern Fisher

Justice Fern Fisher serves as Deputy Chief Administrative Judge for New York City Courts and is also Director of the New York State Courts Access to Justice Program. Justice Fisher's career started in the Civil Court as a Legal Services attorney practicing in Manhattan Housing Court. Justice Fisher served as Deputy Director of Harlem Legal Services, Inc. and as an Assistant Attorney General of the New York State Department of Law. For four years, she provided pro bono legal services to Harlem-based community organizations as a project director of the National Conference of Black Lawyers. In 1989, she was appointed Judge of the Housing Part of the Civil Court, and later, in 1990, was elected to the Civil Court where she served as Deputy Supervising Judge. Justice Fisher was elected in 1993 to the Supreme Court of the State of New York where she was assigned to the City and Matrimonial Parts. In December 1996, she was appointed Administrative Judge of the Civil Court of the City of New York where she served until March 2009 when she was appointed to her current position.

Justice Fisher contributes the views from the bench in Residential Landlord-Tenant Law in New York, a practice guide by Lawyers Cooperative Publishing. She served as the host of a series of television shows on housing issues for Crosswalk's, a public service cable show. Justice Fisher is a founding member of the Metropolitan Black Bar Association and is a member of Judicial Friends (an affiliate of the Judicial Council of the National Bar Association), the Association of the Bar of the City of New York and the New York County Lawyers Association. Justice Fisher also served as the Chair of the Housing Court (Judges) Disciplinary Committee and Chair of the Anti-Bias Committee of the New York County Supreme Court. In 2006 she was the recipient of the Harvard Law School Gary Bellow Public Interest Award. She received her B.A. summa cum laude, Phi Beta Kappa in 1975 from Howard University and a J.D. in 1978 from Harvard Law School.