

LEGAL SERVICES CORPORATION
BOARD OF DIRECTORS MEETING

OPEN SESSION

April 29, 1991

9:00 a.m.

The Madison Hotel
Fifteenth and M Streets, N.W.
Washington, D.C. 20005

BOARD MEMBERS PRESENT:

George W. Wittgraf, Chairman
Howard H. Dana, Jr.
J. Blakeley Hall
William L. Kirk, ~~Jr.~~ (By Telephone)
Jo Betts Love
Guy Victor Molinari
Penny L. Pullen
Thomas D. Rath
Basile J. Uddo
Jeanine E. Wolbeck
Luis Guand, Jr.

STAFF PRESENT:

David H. Martin, President
Patricia Batie, Secretary
Victor Fortunato, Acting General Counsel
David Richardson, Comptroller & Treasurer

*Rec'd 4/30/91 (4:23pm)
Executive Office*

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P R O C E E D I N G S

(9:50 a.m.)

1
2
3 CHAIRMAN WITTGRAF: The meeting will be in order.
4 This is the regularly scheduled meeting of the Board of
5 Directors of the Legal Services Corporation set for this date.

6 At this time the chair says good morning to the
7 members of the board. It's the chair's understanding that Ms.
8 Pullen will be joining us soon, and that Mr. Kirk, if
9 possible, will be joining us by telephone for the duration of
10 the meeting. Good morning to everyone else who has been kind
11 enough to join us today.

12 At this time the chair is prepared to consider the
13 agenda and approval of the agenda. You should have the agenda
14 before you in the form of the brown meeting booklet. The
15 chair will entertain a motion for the approval of the agenda
16 as presented.

M O T I O N

17
18 MR. RATH: So moved.

19 MR. DANA: Second.

20 CHAIRMAN WITTGRAF: It's been moved by Mr. Rath,
21 seconded by Mr. Dana. Is there discussion regarding the
22 agenda? Mr. Dana?

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1 MR. DANA: I would like to add an item 7 to the
2 agenda to discuss essentially the status of regulations of the
3 corporation.

4 CHAIRMAN WITTGRAF: Without objection item 7 for
5 today's agenda will be the status of pending regulations.
6 Further discussion?

7 (No response.)

8 CHAIRMAN WITTGRAF: Hearing none, those in favor of
9 the approval of the agenda as amended will signify by saying
10 aye.

11 (A chorus of ayes.)

12 CHAIRMAN WITTGRAF: Those opposed nay.

13 (No response.)

14 CHAIRMAN WITTGRAF: The ayes appear to have it, the
15 ayes do have it. The agenda as amended is approved.

16 You also have before you as part of the brown
17 booklet for today's meeting a draft of our minute of March 25,
18 1991. The chair is prepared a motion for the adoption of the
19 minutes as drafted.

20 M O T I O N

21 MR. MOLINARI: So moved.

22 CHAIRMAN WITTGRAF: It's been moved by Mr. Molinari.

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1 Is there a second?

2 MS. LOVE: Second.

3 CHAIRMAN WITTGRAF: It's been seconded by Ms. Love.
4 Is there discussion regarding the minutes of our meeting of
5 March 25, 1991, as drafted by the board secretary?

6 (No response.)

7 CHAIRMAN WITTGRAF: Further discussion?

8 (No response.)

9 CHAIRMAN WITTGRAF: Hearing none, those in favor
10 will signify by saying aye.

11 (A chorus of ayes.)

12 CHAIRMAN WITTGRAF: Opposed nay.

13 (No response.)

14 CHAIRMAN WITTGRAF: The ayes appear to have it, the
15 ayes do have it. The minutes as drafted are approved.

16 CHAIRMAN'S REPORT

17 CHAIRMAN WITTGRAF: The third item on the agenda is
18 the Chairman's Report. I have just a couple of comments I'd
19 like to make. The first pertains to the possibility of our
20 confirmation. To the best of our understanding, nothing has
21 been done yet in that regard by the Senate Labor and Human
22 Resources Committee.

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1 In fact, I think a questionnaire for us as nominees
2 is still being drafted and perhaps will be coming to us in not
3 too many weeks in the future. As far as any hearings or
4 anything like that, they're in the more distant future, so
5 that we continue much as we did last year as recess appointees
6 without the confirmation process being close at hand.

7 It may be that that status has become such a readily
8 accepted status that it's accepted as such, and nobody sees
9 the need to do otherwise.

10 The second point, I think most of you here have had
11 an opportunity to receive a copy of the corporation's annual
12 report. I think the history of the corporation is such that
13 we've had sporadic annual reports. I'm delighted that
14 President Martin and the staff have prepared an annual report
15 for 1990.

16 I think it helps some of us who live in places like
17 Cherokee, Iowa and Aberdeen, Mississippi to be able to have
18 the annual report to tell people what it is the Legal Services
19 Corporation is. I commend David and the members of the staff
20 who were involved in the preparation of it. It's a very
21 attractive and hopefully informative document, and hopefully
22 is the first of a long series of regular annual reports.

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1 It's the chair's understanding that at this point
2 the eleventh member of the board, Mr. Kirk, has joined us by
3 telephone and will be with us throughout the day by telephone,
4 both in open session and in closed or executive session.

5 Mr. Kirk, are you there?

6 MR. KIRK: I'm here.

7 PRESIDENT MARTIN: He can just barely hear you, Mr.
8 Chairman.

9 CHAIRMAN WITTGRAF: Mr. Kirk, are you there? I
10 believe I heard you faintly say I'm here.

11 PRESIDENT MARTIN: That's what he said. That's what
12 he said.

13 CHAIRMAN WITTGRAF: Can you hear our discussion, Mr.
14 Kirk?

15 PRESIDENT MARTIN: They can't hook it up. It's very
16 awkward.

17 CHAIRMAN WITTGRAF: The final point I wish to make
18 at this time is it appears that the fourth Monday of May when
19 we regularly we would have a board meeting is the official
20 Memorial weekend Monday. So it's my expectation at this point
21 that we'll be meeting on Monday, May 20, just three weeks from
22 today in Washington, D.C.

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1 programs, and we did. We had a very productive meeting with
2 the Legal Aid Society of Alameda County, which serves the city
3 Oakland.

4 We walked through their offices, visited with a
5 number of their attorneys. Unfortunately, I did not get to--
6 our schedule conflicted with the program executive director,
7 but it was very, very helpful to visit a program and watch it
8 in operation. We have a very large itinerant operation there
9 and it was very informative.

10 We also went to visit the California Indian Legal
11 Services, and found out that the Native American program there
12 is quite large and that it's extensive throughout California.
13 We learned a lot of the issues that are affecting the Native
14 Americans.

15 I have agreed to tentatively conduct a forum with
16 only Native American programs sometime in the future in Denver
17 is the extent of my commitment.

18 In addition, we visited two national support
19 centers. The National Housing Law Project and the National
20 Economic Development and Law Center, both in Berkeley, both in
21 the same building, it was efficient use of our time. We
22 stayed in the same conference room and had a very productive

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1 hour and a half meeting with each one and visited with a
2 number of their attorneys.

3 It was very, very helpful in understanding what the
4 national support centers do.

5 Finally I attended briefly the American Bar
6 Association pro bono sections meeting in Philadelphia. Three
7 of my staffers also attended and participated in workshops,
8 and that was a very productive and, I think, informative first
9 step for us to promote the use of pro bono throughout the
10 country. We will be active in that section's effort.

11 Finally let me report to you on two matters that
12 came up at our last meeting, and that is the migrant farm
13 worker grants and the Native American grants. For the migrant
14 farm worker grants, we received four applications, one from
15 Alabama, Arkansas, Mississippi and Tennessee. I want to
16 report to you today that we have awarded or intend to award a
17 \$49,000 to Arkansas and the other three applications are under
18 review.

19 The Native American grants we had two proposals.

20 MR. DANA: Can I ask you a question about that? Did
21 we receive just one application in each state?

22 PRESIDENT MARTIN: That's correct. Back to Native

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1 American grants. Two proposals were received, one was for
2 equipment and a training, and the other one was for equipment
3 only. Those are under review and we would probably make a
4 recommendation, the committee, I have a staff committee that
5 analyzes these proposals and they will make a recommendation
6 to me this week.

7 Mr. Chairman, that is the extent of my report.

8 CHAIRMAN WITTGRAF: Ms. Pullen?

9 MS. PULLEN: I was going to ask the same question as
10 Mr. Dana, but I have a follow-up question on the migrant
11 worker proposals. Were there all from existing grantees?

12 PRESIDENT MARTIN: They were.

13 MS. PULLEN: Was there an effort to advertise this
14 opportunity beyond existing grantees?

15 PRESIDENT MARTIN: There was in newspapers and, of
16 course, through the Federal Register.

17 MS. PULLEN: Thank you.

18 PRESIDENT MARTIN: The chairman reminds that I
19 omitted one portion of my report, and that is in Chicago in
20 connection with the Reauthorization Committee's meeting last
21 week, I held a forum in Chicago in which executive directors
22 from four midwestern states participated; executive directors

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1 from Illinois, Wisconsin, Indiana and Iowa.

2 We had a very productive exchange about many of the
3 issues affecting the legal services community, about the
4 Reauthorization Committee's work and about my philosophy and
5 theories of management. I think that it was, again, a very
6 frank exchange, an open exchange, very direct, and I
7 benefitted from it greatly and I think the program directors
8 did as well.

9 Thank you, Mr. Chairman.

10 CHAIRMAN WITTGRAF: Thank you.

11 MR. GUINOT: Mr. Chairman.

12 CHAIRMAN WITTGRAF: Mr. Guinot?

13 MR. GUINOT: I would like to commend our president
14 for the very obvious efforts he's making to outreach and make
15 himself available to our grantees and users of Legal Services
16 funds. I believe this is, perhaps, in my short experience a
17 case of first instance and I believe that he's headed the
18 right way, and I certainly would like to encourage him to
19 continue.

20 CHAIRMAN WITTGRAF: Thank you, Mr. Guinot. Further
21 questions or comments for President Martin at this time?

22 (No response.)

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1 CHAIRMAN WITTGRAF: In connection with the
2 president's report, I've asked President Martin to have the
3 corporation's treasurer and controller Dave Richardson join
4 us, to review with us briefly the consolidated operating
5 budget report for the first five month period of them
6 currently fiscal year; in other words, through February 28 of
7 1991.

8 I believe each of you has in your materials a copy
9 of a memorandum from Mr. Richardson dated April 16, 1991, in
10 this regard. Let me make one suggestion as you start, Mr.
11 Richardson.

12 I think Mr. Hall and his committee on the provision
13 and delivery of legal services is concerned about what, if
14 any, flexibility there is, particularly in the management and
15 administration portion of the budget, such that if there were
16 some things that they felt needed to be recommended to the
17 staff or to the board for special funding, whether or to any
18 such funding might be available.

19 MR. RICHARDSON: Good morning, members of the board.
20 The budget that has been sent to you was through the period
21 that ended February 28th. The budget, of course, for this
22 year is \$333,571,000. We have spent or contracted an amount

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1 of \$302,693, almost \$694,000 remain.

2 | Within the amendments of management and
3 administration, we have spent approximately 35 percent of the
4 total funds that were available. We're in the process of
5 doing a mid-year review at this time so that we can come back
6 to the Appropriations Committee and review the status of our
7 funding at the M&A, in particular for the six month term and
8 make any amendments or reviews to the budget to the committee.

9 I state that we are at the 35 percent, and in an
10 ideal situation if we were directly on target we would be at
11 approximately 42 percent, we're definitely under budget.

12 Let me go back to, for instance, the first page of
13 this attachment A, page 1 of 4, and I'll highlight in
14 particular the Roman numeral area, and the first one is the
15 delivery of legal assistance.

16 The budget this year was \$304,626,000. In the last
17 two weeks we have received word that we are going to receive,
18 and it has been signed, a \$1 million supplemental
19 appropriation. However, when that supplemental appropriation
20 went through, it triggered sequestration. As a result we have
21 a .0013 sequestration, which equals \$4266.

22 The way the sequestration is figured, even though

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1 the supplemental created the sequestration, it goes completely
2 to basic field. It's supposed to touch every program and
3 activity in the corporation. So we're working on that. I
4 actually did some work this morning. There are some lines
5 that will be affected by about seven dollars.

6 When we come together with the committee next time,
7 I would like to bring a proposal to Mr. Dana and see if we can
8 work it where we won't have to do that. At any event,
9 spending through March through February, we have contracted
10 with all of the field programs, \$281,959,000.

11 There is \$22,667,000 in funds. Those funds that are
12 remaining are for the grantees that are on month-to-month
13 funding. When we look at that, to answer Mr. Hall's
14 particular question about the monies that may be available, of
15 course it is a question that we'll have to address, for
16 instance, with eh migrant funding.

17 If we do that contract for a half year, there is
18 \$290,000 approximately in the line for full year's funding in
19 just the '90 appropriation. There's still the \$274,000 that
20 is left in the fund from last year. That is one pool of money
21 that could fund a particular project, that is the \$274,000
22 from carryover from '90, depending on how the awards for this

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1 year are given.

2 With the migrant there's \$290,000. If we give half-
3 year grants, there would be \$145,000. I know there was some
4 talk about some start-up money with these particular grants.
5 With the field programs already in place that will be
6 providing service, there should be limited start-up costs.

7 Some of the other field programs may want to come
8 forward and address that once the awards are made. That in
9 itself is just a pool of money that may be available. As we
10 go down we have the program development money. There are
11 people who have come forward that they ought to help in
12 establishing a timekeeping system.

13 There's no formal, at least not that I've seen, a
14 formal request for those funds. There's been talk at the
15 different forums that some people may be coming forward.

16 In regard to the law school money, we've already had
17 the field programs, the law school people, the inside staff
18 review the different proposals that have been submitted.

19 I understand in talking with the gentleman as of
20 last Friday, that they actually have requests and have lined
21 up about \$8,000, \$7,000 to \$8,000 in awards that's available,
22 so we have to go back and readjust and come back with the

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1 total proposal. In the supplemental field there is almost
2 \$900,000. All that money is designated.

3 I'll go to page 2. If any of you have any
4 questions, feel free to stop. I know this is sort of an
5 overview.

6 CHAIRMAN WITTGRAF: Do I understand, Mr. Richardson,
7 that the \$300,000 under Roman numeral one, section B is
8 completed uncommitted at this time?

9 MR. RICHARDSON: It is at this time. Attachment A
10 at page II of four, Roman numeral two, the support of the
11 delivery of legal assistance, has a total budget of
12 \$18,158,000. We've expended through February \$16,947,00,
13 there's almost \$48,000 of that money.

14 There is -- let me back up. The regional training
15 center, all of that money is committed to the regional
16 training centers. There's no contingency funds there. In the
17 other support there is a contingency amount in national and
18 state support.

19 State support is about \$11,000, and the national
20 support it is a bit more. This is one of the areas that we
21 would have in the past funded training or particular programs
22 either through Loyola University or Drake University, or even

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1 at one of the regional training centers to bring people in,
2 helping to pay the expenses for those people who can't.

3 Normally we share in expenses. They give 50 or 75
4 percent scholarship for those expenses. For instance, if
5 someone turns in \$1,000, they're on 75 percent scholarship,
6 they would get \$750. They request that in view of what they
7 anticipate confronting. That way we can control the cost and
8 not go over budget.

9 Under the clearinghouse in which all of that money
10 has been contracted to the clearinghouse, there's \$310,000
11 there that we've spent so far. The \$230 is designated, there
12 is no contingency fund. Those are month-to-month funded
13 programs, the money is designated for them.

14 I started off with the management and
15 administration, I'll highlight that a bit further as we go
16 through. The budget, of course, for corporate management and
17 administration, M&A as we refer to it, is \$10,787,000. We
18 have spent thus far \$3,787,000, there is \$700,000 there.

19 In the meritorious grant awards, let me go down to
20 that one. There is a program that that money is set aside for
21 to help settle in case their insurance could not provide
22 enough funding. As a result of this, this is the South

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1 Carolina program for the Hugo natural disaster there.

2 In regard to the management and administration, let
3 me direct your attention to attachment B. This is the overall
4 expenses by budget categories. When you think of a 42 percent
5 target, the ideal budget would be directly on target, you'll
6 see in each of the categories we are under budget.

7 In the personnel section we're about 37 percent.
8 Temporary employee pay is 12 percent. I mention that because,
9 of course, we're not hiring temporary employees or filling
10 positions until after we got an approved budget. We're in the
11 process of doing that at this time.

12 Personnel benefits, about 31 percent. Those will
13 continue to escalate as we go through the year. In March
14 you'll see, for instance, an increase in that. We'll have
15 some unemployment taxes, we'll have a better idea of the
16 worker's compensation claims we have that we'll be funding.
17 So more of that -- that will come more in line with the budget
18 aspect of what we anticipate.

19 In relation to the other costs, the occupancy costs,
20 the printing and other expenses, capital expenditures, those
21 are well under. We're in the process of purchasing a few
22 capital items at this point.

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1 You recall in the budget process we had asked for
2 some computers. It has been approved and we'll be purchased.
3 Most of the computers we have are seven eight years old, they
4 are wearing out.

5 We have a very good staff that is capable of going
6 in and repairing them, but unfortunately they all tend to
7 break at one point to the point of not being able to repair.
8 So the processes I've undertaken since being in charge of the
9 administrative area is try to replace a few at a time. That
10 way we don't have a major expense that's hitting any one
11 particular budget.

12 If you'd like to direct your attention to see, you
13 can see how each of the budgets as far as the departments are
14 spending, all of the budgets are under the budget target at
15 this point.

16 Again, in the next few months those will be coming
17 more in line. We are preparing the projections at this point
18 in regards to the midyear review. Those projections will be
19 shared with the Audit and Appropriations Committee and the
20 full board.

21 I'll be contacting each of the chairmen of the
22 respective committees and trying to set up some type of

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1 calender as to the meetings you'll expect, so that we can
2 prepare projections of spending through the year. So each of
3 you at this point will be receiving a call.

4 I'll be glad to address any questions.

5 CHAIRMAN WITTGRAF: Looking particularly at the
6 management administration breakdown on attachments B and C,
7 where under other or miscellaneous there's \$50,000, none of
8 which apparently has been obligated to date, what typically,
9 Mr. Richardson, fall -- what kinds of expenses typically fall
10 into that.

11 MR. RICHARDSON: There's only one area that it's
12 designated for right now, that's the board training materials.
13 We have recently let a contract to produce -- the production
14 of that, it's about \$5,000. So you will start seeing some
15 expenses in that line in preparation of materials, the
16 training materials.

17 CHAIRMAN WITTGRAF: By board training you mean local
18 board training?

19 MR. RICHARDSON: Yes.

20 CHAIRMAN WITTGRAF: As opposed to this board's
21 training?

22 MR. RICHARDSON: Yes.

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1 CHAIRMAN WITTGRAF: Which probably would take more
2 than \$5,000.

3 MR. RICHARDSON: Well, let me back up. That's only
4 for the production of some materials. Let me back up and make
5 mention of one other thing, and that's attachment A again, and
6 just show you that grant recoveries that have been brought up
7 to the corporation is almost \$217,000. The interest that we
8 received on our funds \$148. So there is monies that are
9 available outside of the appropriations process that will
10 amount to \$366,000.

11 CHAIRMAN WITTGRAF: Mr. Hall.

12 MR. HALL: Thank you, Mr. Chairman. What are
13 usually done with those funds.

14 MR. RICHARDSON: Normally at the end of the year
15 they are rolled into the programming aspect, to the carry
16 over. However, they can be used during the year at the
17 board's discretion.

18 CHAIRMAN WITTGRAF: Further questions, Mr. Hall?

19 MR. HALL: No thank you.

20 CHAIRMAN WITTGRAF: Mr. President?

21 PRESIDENT MARTIN: Mr. Chairman, I might add that
22 even as we speak I have directed one of my staffers to call

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1 Roger McAllister in Kansas to see if there's any assistance,
2 grant assistance, we might provide to the victims of that
3 tornado in Kansas. We don't know yet, but I may have a report
4 for you before the close of business today.

5 CHAIRMAN WITTGRAF: Thank you, Mr. President.

6 There are some areas of flexibility that be it in
7 terms of Mr. Hall's committee or perhaps Mr. Guinot's
8 committee as he's concerned with the subject of competitive
9 bidding that would be available if the need arises. I think
10 it's helpful for Mr. Hall, for Mr. Guinot, for all of us, to
11 highlight where those funds might be available. Thank you.

12 Does anybody else have any questions or comments for
13 Mr. Richardson?

14 (No response.)

15 CHAIRMAN WITTGRAF: Thank you very much, David.

16 At this time we'll move to agenda item 5, which is
17 the legislative report. I'd ask Alan Severson in presenting
18 that report to focus first on the matter of appropriations.
19 Obviously the status of what's happening on reauthorization is
20 a segway into the activities of the board's special
21 Reauthorization Committee, so let's go through the
22 appropriation process first. Any further insights that you'd

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1 have into the nomination process and confirmation process as
2 well.

3 Mr. Severson.

4 MR. SEVERSON: Thank you, Mr. Chairman. Good
5 morning.

6 As Mr. Richardson outlined to you, certainly the
7 supplemental appropriations bill is moving ahead. We outlined
8 the logistics there. Again, the House has passed the
9 president signed it. The House and Senate have passed it, the
10 president signed it, we have \$1 million. Again, it will be
11 reduced slightly due to sequestration, leaving a total of
12 approximately \$995,000 supplemental fiscal year '91
13 appropriations.

14 As I reported in your last meeting the House and the
15 Senate have completed their subcommittee consideration of the
16 fiscal year '92 budget for this corporation. To my knowledge
17 the full committees have not considered this as of yet. That
18 may be scheduled, I think, I hope, in the month of May, to
19 again go over some of this.

20 It will be a lengthy process. I don't expect
21 Congress move quickly in fiscal '92 as far as appropriations
22 is concerned, but it has occurred in previous years. I

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1 suspect we won't have a final figure on that for quite some
2 time.

3 On a sideline there, on April 17th the House
4 subcommittee on Commerce, Justice, the Judiciary and related
5 agencies did hold a hearing and heard testimony from outside
6 witnesses. The American Association of Retired People did
7 testify, requesting \$425.6 million for the corporation, which
8 is comparable to a figure that had been suggested by the
9 American Bar Association.

10 The Project Advisory Group also testified requesting
11 \$475 million for the corporation in fiscal year '92. Both of
12 those figures were obviously significantly higher than the
13 figure that this board has requested to the committee. The
14 hearing was short, there were no questions by the witnesses.

15 Regarding the confirmation, again, as the chairman
16 mentioned all of the documents from all 11 of the members of
17 this board have emerged from the Office of Government Ethics.
18 The first one emerged on February 12th, and the last one on
19 March 28th. So all of you are submitted and cleared as
20 conflict of interest is concerned from the Office of
21 Government Ethics.

22 The Senate Labor and Human Resources Committee has

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1 these documents. We expected questions from the committee, we
2 expect further documents from them. They have not emerged to
3 date. I think it's also been mentioned we're in close contact
4 with the committee, and hopefully it's useful to all of you
5 that the corporation and its staff can be brokers for you as
6 far as keeping the paperwork moving.

7 MR. RATH: Mr. Chairman.

8 CHAIRMAN WITTGRAF: Mr. Rath.

9 MR. RATH: Just for my information, I know in some
10 conversations I've had in the last week or so, I'm a little
11 unclear as to what the status of the Senate documentation
12 process is. Maybe Mr. Severson can explain.

13 I recall vaguely the ocean of forms that I have
14 filled out, filling out a form sent me by the majority of the
15 Senate I would have said late last summer, perhaps even early
16 in the fall. Has that now been rendered moot and will be
17 preparing new forms? It's such a wonderful thing to walk
18 through one's life periodically.

19 MR. SEVERSON: Let me reiterate that we anticipate
20 that the Labor and Human Resources Committee will either issue
21 to all of you a standard form, on there other hand having
22 specific questions for some of you, there may be supplemental

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1 material to that. We have not seen that.

2 If I can say again myself and others are interested
3 in moving this paperwork as quickly as possible, but not
4 without the capacity to revise you or suggest drafted answers,
5 we have boiler plates of that sort of material. Of course
6 being beneath the talents of all of you, boiler plates I'm
7 sure would not apply.

8 However, our goal is to move it quickly. Of course
9 we can't move it until the committee does focus on this topic.
10 So none of that answers your question. Each committee will
11 proceed according to its own marching order.

12 MR. RATH: It sounds like to me that we have more
13 forms to fill out.

14 MR. SEVERSON: You do. Most assuredly you'll have
15 more forms to fill out. What we have -- well, we can work
16 with individual Senators and their individual questions for
17 you.

18 Beyond that, Mr. Chairman, on a related note the
19 overall budget resolution for fiscal year '92 passed the House
20 on April 17th, it passed the Senate on April 25. That's an
21 overall target for the Appropriations Committee.

22 The conference between the House and Senate will not

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1 occur before the week of May 6th, and therefore there will be
2 no actual function or figure for the Appropriations Committees
3 to work with in May.

4 On the other hand, that is, again, closer to targets
5 than we may have been in the past. We have to a resolution
6 passed by both houses here in the month of April, so we'll be
7 watching that as well.

8 I have nothing further on these particular topics,
9 unless the chairman wants to discuss the authorization.

10 CHAIRMAN WITTGRAF: Thank you, Mr. Severson. Before
11 we move to that, I just wanted to call the attention of the
12 members of the board to a memorandum dated April 25, 1991,
13 over President Martin's signature, and I assume that you had a
14 hand in preparing that.

15 I think there are a couple of memoranda of that
16 date. The one to which I'm referring now is the one that
17 included another copy of Mr. Martin's statement to the House
18 Appropriations Subcommittee, and also questions and answers
19 submitted for the record as a result of that hearing.

20 Is there anything in particular from those questions
21 and answers that you wanted to call to the board's attention,
22 Mr. Severson, or just encourage them to review all of the

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1 materials?

2 MR. SEVERSON: I would encourage them to try and be
3 as accurate and articulate as possible with these questions.
4 Some of you know that the questions sometimes can supply an
5 answer that it takes some artistic crafting. All the
6 questions were directed at the at the corporation and its
7 president.

8 All of the questions were directed to the president.
9 You may recall, Mr. Chairman, some of the questions at the
10 Senate were directed at you. In this case they all were.

11 CHAIRMAN WITTGRAF: That's fine with me. Yes.

12 Any questions or comments for Mr. Severson before he
13 moves on to the status of the reauthorization process? Ms.
14 Pullen?

15 MS. PULLEN: You indicated that there were
16 resolutions at had passed to give the Appropriations Committee
17 a target, but that the conference hadn't met yet to refine
18 that. Were there dollar amounts in those resolutions?

19 MR. SEVERSON: Yes. For the budget resolutions?

20 MS. PULLEN: Yes.

21 MR. SEVERSON: Most assuredly.

22 MS. PULLEN: Do they differ between the House and

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1 Senate?

2 MR. SEVERSON: Yes, they do. The figures for the
3 House fiscal year '92, spending guideline on the budget
4 resolution is \$1.46 trillion dollars. For the Senate, again,
5 it passed by voice vote. The figure for the Senate is \$1.45
6 trillion dollars.

7 CHAIRMAN WITTGRAF: Is that a larger budget than the
8 state of Illinois'?

9 MS. PULLEN: Marginally, yes.

10 MR. SEVERSON: I'm sure using the trillion that it
11 sounds closer than it is. There are differences in the budget
12 resolution, these are organized by spending functions. In
13 comparison of a spending function to an actual appropriations
14 line item is problematic at this point. The appropriations
15 committees will then designate these in closer fashion.

16 I wouldn't want to speculate on that.

17 MS. PULLEN: Did they mention where they plan to get
18 this money?

19 MR. SEVERSON: We'll direct that to your
20 congressman.

21 CHAIRMAN WITTGRAF: Further questions or comments
22 from Mr. Severson?

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1 (No response.)

2 CHAIRMAN WITTGRAF: If not, let's move to the matter
3 of reauthorization. In that regard, the chair calls the
4 attention of the board members first to another memorandum of
5 April 25 over Mr. Martin's signature, this being a summary of
6 April 25 House Judiciary Subcommittee mark-up. Also I believe
7 that you should have available to you, ladies and gentlemen,
8 copies of the subcommittee bill, H.R. 2039, and also of the
9 amendments offered thereto.

10 Does everyone have those documents, at least
11 everyone who wants to have them have them. I think it will
12 help you follow the comments that Mr. Severson will make and
13 help you with any questions you may have.

14 Mr. Severson.

15 MR. SEVERSON: The, again, most prominent and
16 important that occurred since your last meeting was the
17 convening of Barney Frank's subcommittee on administrative and
18 government relations in the House Judiciary Committee. They
19 met on April 25 to mark-up the Legal Services Corporation
20 Authorization Act.

21 During the course of their proceedings, as outlined
22 to you in the memorandum of April 25, several were rejected

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1 again and it's also outlined for you. I will again briefly
2 summarize them for you.

3 A noncontroversial amendment was adopted to permit
4 the LSC committee to study how effectively we study senior
5 citizens under the provisions of that act. That will be
6 adopted.

7 The timekeeping amendment Congressman Geikas,
8 ranking minority member on the subcommittee recommended that
9 we require the grantees of the corporation to institute
10 timekeeping. That was adopted on a 4/3 vote.

11 Competition, Mr. Geikas again offered an amendment
12 that would amend the bill that require Legal Services
13 grantees, or rather the corporation to implement a system of
14 competition for the awarding of grants.

15 CHAIRMAN WITTGRAF: Mr. Severson. I'm sorry, go
16 ahead.

17 MR. SEVERSON: Regarding enforcement and sanctions.

18 CHAIRMAN WITTGRAF: I cut you off in mid-sentence.
19 I wanted to add a comment before you moved on to the next
20 section. That was defeated you said on a voice vote.

21 I just wanted again, as I did last night, when our
22 special Reauthorization Committee met in this room, referred

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1 to the second paragraph of your and Mr. Martin's memorandum
2 there, which relates the fact that apparently Subcommittee
3 Chairman Frank indicated my opposition to the notion of
4 competition.

5 I don't think that that's probably a fair
6 characterization. Although out of fairness to Chairman Frank,
7 I'm sure that by the time a characterization of what I might
8 have said to someone got to him, it probably traveled through
9 several different individuals and, perhaps, was changed a
10 little bit in translation.

11 To the best of my recollection, when Mr. Martin and
12 I appeared before the House Appropriation Subcommittee on
13 April 11, Mr. Rogers of Kentucky, the ranking minority member,
14 asked us about the status of the competition and we referred
15 to the fact that the board had at its last meeting in March,
16 March 25th, adopted a resolution directing the staff and the
17 appropriate committee of the board to prepare for the
18 implementation of competition.

19 I went on to say that to the best of my judgment and
20 belief, when we come to competition it will be on an
21 experimental or demonstration basis, and will not as proposed
22 by some, be on an across-the-board basis. To that extent my

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1 views probably differ with those expressed in H.R. 1345, the
2 so-called McCollum-Stenholm bill. I guess to that extent Mr.
3 Frank's characterization in the mark-up session is correct.

4 Actually, I think Mr. Martin on behalf of the
5 corporation staff made comments similar to mine in response to
6 Mr. Rogers inquiry. I wanted the board members to understand
7 that those were my comments and they were somewhat different
8 than apparently the characterization they were given at the
9 mark-up last Thursday. Thank you.

10 MR. SEVERSON: Most assuredly, Mr. Chairman, again
11 as we mentioned last night, I think Mr. Frank can be
12 discreetly advised of that resolution as well for further
13 consideration. It's not misstated in that way.

14 An amendment was also offered to strike section 6 of
15 Mr. Frank's bill relative to enforcement and sanctions.
16 Again, this board has received a memorandum, I think they're
17 all dated April 25, outlining the corporation's view on that.

18 Again, I think one has to say in talking with people
19 at monitoring, our feeling was that the amendment was not
20 necessary. However, the amendment to strike that particular
21 position, that particular wording, was defeated by a vote of
22 six to two.

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1 There was also an amendment offered relative to
2 restrictions on the use of outside funds. As you know, this
3 is a highly controversial issue. Several of the members
4 expressed their view that they felt that the bill as written
5 would permit abortion related activities if it was funded by
6 private funds.

7 An amendment was offered which would prohibit that
8 activity from any source. That amendment was defeated on a
9 vote of three to five. It is highly likely that this issue
10 will come up again in the full committee or on the floor in
11 some form.

12 Mr. Edwards, at the close of the hearing, did offer
13 two amendments. One which would have removed abortion-related
14 restrictions from the act, and the other would permit grantee
15 involvement with congressional and state redistricting cases.
16 The abortion amendment was defeated by two to five, with one
17 abstention from Chairman.

18 The redistricting amendment was defeated on a voice
19 vote. The subcommittee thereupon reported the bill by voice
20 vote.

21 I have only again my best estimate of when this bill
22 may reach the full committee. I think with -- I, of course,

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1 yield to the powers that be in the congress to set that
2 schedule. We would hopefully have this bill at full committee
3 by mid to late May or June.

4 So, again, that is not an exact science, it's
5 speculating. Many of these issues will come up again. Some
6 of you with a greater institutional history on this
7 corporation and its legislative movement of perspective
8 authorization bill, the House floor could easily be a place of
9 degree opposition prior to the Senate's consideration on it,
10 which we do not anticipate in this session of Congress.

11 Are there any questions I can answer about the
12 proceedings of the subcommittee?

13 CHAIRMAN WITTGRAF: No date has been scheduled for
14 committee consideration. You indicated will committee
15 consideration be scheduled beforehand, or will that be
16 undertaken largely on the spur of the moment?

17 MR. SEVERSON: The full Judiciary Committee has a
18 standard meeting schedule in each month. The only question is
19 which bills, which agenda items appear on that schedule.

20 I would have to review precisely what their pattern
21 is, which is frequently amended and then, two, try to get some
22 reading as to where Legal Services Corporation Authorization

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1 Act fits in the number of priorities that the committee has.
2 So that is hard to say with any precision.

3 CHAIRMAN WITTGRAF: I guess I would ask either you
4 or the former member of Congress on our board Mr. Molinari,
5 what significance, if any, the passage of the bill out of
6 subcommittee by a unanimous vote has, as opposed to the bill
7 being passed out of subcommittee on a contested vote as it
8 was, I believe, last year.

9 MR. MOLINARI: Basically I think it's fair to say
10 that when a subcommittee bill is voted out unanimously it has
11 a much better chance of getting past full committee. You can
12 assume that all philosophical sides have participated on a
13 subcommittee level and, therefore, the full committee members
14 will look at that not necessarily binding, but it generally is
15 a good indication it's going to pass the full committee.

16 CHAIRMAN WITTGRAF: To that extent if we're hopeful
17 of reauthorization at some point, it is an encouraging sign to
18 have the unanimous action of the subcommittee there?

19 MR. MOLINARI: Sure. Absolutely.

20 MR. SEVERSON: It should probably also be noted that
21 if a particular issue was not addressed at the subcommittee,
22 that doesn't estop a member of the full committee from raising

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1 it. There may be some comment that there was an early
2 opportunity, but there is no binding ban on any congressman
3 raising an issue that was not raised at the subcommittee
4 level.

5 My suspicion would be, again, that some of these
6 issues would be raised again at the full committee level.

7 CHAIRMAN WITTGRAF: Would it be accurate to
8 characterize the deliberations of the committee as relative
9 harmonious and not particularly acrimonious?

10 MR. SEVERSON: I think the decorum was observed at
11 all times, no question. There was not adversity.

12 CHAIRMAN WITTGRAF: That was spoken like a lawyer.
13 Are you a lawyer, or at least a politician?

14 MR. SEVERSON: I think there was, again,
15 particularly on the abortion issue, there was agreement to
16 disagree. People feel strongly about this topic, Mr. Frank
17 feels strongly about it. He wants the full house to have an
18 opportunity to vote on it in this bill. He was very clear
19 about that.

20 CHAIRMAN WITTGRAF: I guess what I was getting at
21 and what, again, I would take as a hopeful sign in terms of
22 the future of reauthorization in the foreseeable future. The

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1 subcommittee was working together, working positively and
2 constructively, and hopefully the committee will as well, even
3 though they may disagree on certain issues, probably similar
4 issues to those over which votes were taken in the
5 subcommittee.

6 Mr. Frank indicated on the floor of the house, I
7 believe, last fall, last October, that he's committed to
8 moving this and hopefully Chairman Brooks will be as well. As
9 Mr. Molinari indicated, the relative harmony in the
10 subcommittee hopefully would be encouragement to Mr. Brooks to
11 move the bill through the committee and toward the floor.

12 That was why I was asking about harmony as opposed
13 to acrimony. I presume decorum.

14 MR. SEVERSON: Again, I don't want to be inexact.
15 Many of you have followed this with -- again, have more
16 institutional history on what the tenor of the debate has been
17 in the past. I would say these were reasonably people
18 agreeing to disagree on some topics and save it, perhaps, for
19 another day.

20 CHAIRMAN WITTGRAF: In fairness, you were not
21 present, I think it was Mr. Cardle who was present and who was
22 really the reporter for this information?

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1 MR. SEVERSON: Correct.

2 CHAIRMAN WITTGRAF: Before we proceed to what's
3 really the sixth agenda item, the report of the special
4 Reauthorization Committee.

5 We are going to take a five minute personal
6 convenience break, which also will allow us, we believe, to be
7 able to hookup the speaker phone so that Mr. Kirk will be able
8 to participate more fully in our deliberations.

9 We will reconvene in approximately five minutes.

10 (A brief recess was taken.)

11 CHAIRMAN WITTGRAF: The chair calls upon Mr. Uddo to
12 report on the deliberations of the special Reauthorization
13 Committee.

14 MR. UDDO: I could probably go ahead and start, just
15 give them some background on what we did. I'd like to get Ken
16 Boehm up to the table, if I could.

17 The work of the Reauthorization Committee I can tell
18 you quite frankly, was not easy because of the time frame that
19 we tried to work within for the purpose of preparing the
20 report for this board meeting.

21 We did hold two meetings, one in San Francisco on
22 April 5th and one in Chicago on April 19th, for the purposes

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1 of taking public comment and then the committee met for
2 deliberations on April 20th, April 20th in Chicago. Last
3 night again we met for further deliberations.

4 We spent an extraordinary amount of time listening
5 to people. I think that was the primary focus of the
6 committee, trying to gather as much information from folks who
7 were interested in this process as we could. As you'll hear
8 in Mr. Boehm's report, I think you will agree that we did hear
9 from an awful lot of people and that our process for inviting
10 them to contribute to our process was as open as expansive as
11 it could be.

12 So with that I'll let Mr. Boehm give a summary of
13 how we put together our hearings, gathered our witnesses and
14 proceeded along to making some recommendations to the board.

15 Mr. Boehm.

16 MR. BOEHM: Thank you, Mr. Uddo.

17 During the month of April the Reauthorization
18 Committee of the Legal Services Corporation undertook an
19 ambitious effort to solicit and analyze the views of those
20 individuals and groups which have been involved in the public
21 police debate over reauthorization.

22 As Chairman Uddo mentioned, we had hearings, full-

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1 day hearings April 5th in San Francisco and in Chicago on
2 April 19th. That was also part of the overall philosophy in
3 that the board generally meets in Washington to go to some
4 other sections of the country to solicit input on these
5 issues.

6 The board basically had two -- the Reauthorization
7 Committee had two objectives. One was to solicit a broad
8 diversity of opinion, and the second was to make it, wherever
9 possible to assist the committee and this board, informed
10 opinion.

11 In that respect a wide net was cast to get folks to
12 participate. In addition to the normal required public notice
13 given in the Federal Register, invitations were sent to Legal
14 Services grantees in both California and Illinois, as well as
15 the surrounding states.

16 Those organizations and individuals which
17 participated in public hearings before the Judiciary, that's
18 the House Judiciary Subcommittee on Administrative Law and
19 Governmental Affairs in 1989, 1990, and 1991, also received
20 invitations, as did those who testified before the LSC board
21 over the last two years on these issues.

22 Additionally invitations and notices were sent to

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1 members of Congress who played an active role in the Legal
2 Services issues, as well as to those folks within the legal
3 media who have followed our issues over the years, and those
4 organizations who have had more interest, say, than some
5 others. They were encouraged to publicize it.

6 As a result of this, we ended up having in San
7 Francisco a full day of hearings. We had 27 individuals
8 personally testify and we received statements for the record
9 from 10 others.

10 In Chicago we had 20 participants along with five
11 statements for the record. The total for these two days of
12 hearings, then, is 47 persons participating directly and
13 another 15 participated by way of written statements.

14 The second objective mentioned was to have informed
15 participation, not just to give views on a lot of these
16 issues, but wherever possible to associate those views with
17 sections of the act with pending legislative proposals. To
18 that end the committee had a policy of sending out to all
19 those participants who we knew in advance would be
20 participating a copy of the act, a copy of the subcommittee
21 bill passed last year as well as the current legislative
22 proposal.

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1 Also in the course of the hearings themselves there
2 was a new draft proposal that came from Congressman Frank's
3 office, and that was then distributed to the participants and
4 asking for the comments wherever possible associated with
5 these proposals.

6 The hearings were not only well attended by
7 participants, but also by the board. A total of eight of the
8 eleven members of the LSC board participated at least in some
9 sessions of the hearings, as did LSC President David Martin.

10 The LSC staff additionally prepared a variety of
11 legislative analyses for the committee and for the full board,
12 where we did side-by-side comparisons of the act. Last year's
13 subcommittee proposal, this year's legislative proposals. Of
14 course they had to be then revised during the course of these
15 hearings because of the knew proposal coming along.

16 Given the unquestioned importance of the current
17 reauthorization process to the Legal Services program, the
18 comprehensive public hearings with broad participation in the
19 LSC board and interested parties represents probably the most
20 active summary of activities by any legal services committee
21 in recent years.

22 Basically all of these activities took place in the

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1 month of April and we have available for those members of the
2 board who have not received it or would like an additional
3 copy with more recent statements, a full set of testimony of
4 all those who participated in the hearings.

5 MR. UDDO: Does anyone have any questions for Mr.
6 Boehm, since he, as I say, is the man behind the technical
7 construction of the hearings? I would like to say -- I'm
8 sorry, Mr. Dana?

9 MR. DANA: I'd just like to say that I think that
10 Ken should be --

11 MR. UDDO: I was just about to do that. I was going
12 to say that Ken did an outstanding job in a very limited
13 amount of time putting this together. It was an enormous
14 undertaking, as you can see from the report. Just the number
15 of invitations that went out was an extraordinarily large
16 number of invitations.

17 To manage all that and to manage the response, to
18 schedule all of the testimony and manage all of the materials
19 that Ken's folks have worked with and had to do, I think, was
20 an extraordinary task and I think they did it extremely well.
21 Every session that we had went very smoothly, everything went
22 as scheduled.

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1 We had no problems and I think that Ken made the
2 work of the committee much easier. I'm just impressed at how
3 well it was done in such a short period of time.

4 I would, Ken -- I think that's the feeling not only
5 of the committee, but of the full board. You might want to
6 mention any other people. I don't know everyone that was
7 involved in the effort since I worked mostly with you, but I
8 know there were others.

9 MR. BOEHM: I drafted others at the corporation with
10 the full support of President Martin to assist. We had
11 assistance from just about every department at different
12 junctions. Office of Field Services, the General Counsel's
13 Office, Alan Severson shopped, did really the work on the
14 analysis, legislative analysis and the side-by-side, MAC
15 contributed technical analysis, and Emelia participated in the
16 hearings, testifying out in Chicago.

17 One of the things that I forgot to mention is that
18 the hearings did move very quickly and not a single person who
19 wanted to testify was turned away. We did get some
20 participation from people coming as far away as 1,000 miles to
21 some of the hearings, and those who couldn't participate were
22 always encouraged to participate by way of written statement.

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1 We did have, as I say, 15 of those.

2 The net was widely cast.

3 MR. UDDO: Does the 15 include those two or three
4 that I sent you last week?

5 MR. BOEHM: Yes, we added those to the group. We
6 have that written.

7 MR. UDDO: Also I think it was my instruction, and
8 again, I think it was carried out and judging from the way I
9 got things, I think the full board was kept abreast of what
10 was going on, including the fact that there were transcripts
11 and other materials that were circulated to the board as
12 quickly and regularly as they could be.

13 Thank you, Ken.

14 The packet of resolutions that you have been
15 presented with is the final product of the committee.

16 CHAIRMAN WITTGRAF: Just to avoid any confusion, Mr.
17 Uddo, let's make sure we're all singing from the same sheet
18 music.

19 MR. UDDO: This is the most recent package that was
20 handed out to you during the meeting this morning. It has no
21 cover, it just starts with Roman numeral one, a resolution
22 dealing with solicitation.

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1 CHAIRMAN WITTGRAF: It supplements, or to some
2 extent supplants the April 22 memo over Mr. Martin's
3 signature, headed "Reauthorization Committee Hearings and
4 Meeting," which did have the resolutions. Those have been --

5 MR. UDDO: This is the one that reflects the most
6 recent version of the resolutions, and I'll explain in a
7 minute. We're going to make a couple of little technical
8 changes even in this group, because Howard and I talked during
9 the break. Most of the rationale started with the word
10 because or used the word because in several places, and Howard
11 and I realized that it wasn't English the way it was written.

12 We're taking all of the because out and just having
13 statements of rationale, and I think it's going to read a lot
14 better and make more sense.

15 None of the motions -- I should say this, I haven't
16 had a chance to proofread these since last night. I assume
17 that they're going to all be corrected. If they're not, there
18 may be a misspelling or a dropped word or something, but these
19 are the resolutions that are being proposed by the committee.

20 The only other change is going to be reworking the
21 rationale on 15, because we didn't really take time to do that
22 last night, it was an oversight. It will reflect what's

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1 already in there, just the language will be dressed up a bit
2 to make it a little bit clearer and more understandable.

3 Having said that, the committee is proposing the
4 adoption of these 15 resolutions. I should tell the board
5 that the approach that the committee decided on early in it's
6 deliberations was that we would not specifically address any
7 particular piece of legislation, that we were not in the
8 business of writing legislation for Congress, and that we were
9 most concerned about giving conceptual assistance to Congress
10 in the reauthorization process.

11 We felt that that's where we could best serve the
12 Congress, by speaking to some of the larger, broader issues
13 that have consistently been matters of concern for the
14 corporation and for the legal services world at large. So
15 you'll notice that our resolutions are conceptual, they do not
16 address specific language in any bill or in any particular
17 legislation.

18 The only part of this material that we are proposing
19 as a motion for the board to adopt is that designated by the
20 Roman Numeral. The rationale is the rationale of the
21 committee trying to get some explanation for why the committee
22 took the action that it took. But the motion, as such, to the

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1 board, is only to adopt the resolution of the motion that
2 precedes the rationale.

3 It is not our intention to ask the board to also
4 enact the rationale. Certainly they are free to, but we were
5 just trying to give the board some of the committee's thinking
6 on the different provisions that we're proposing.

7 Unless any members of the committee can tell me
8 anything that I've overlooked --

9 CHAIRMAN WITTGRAF: I suggest, Mr. Uddo, that very
10 briefly you might go through each of the 15, just to note the
11 subject matter there. This is certainly not an exhaustive
12 list of resolutions. But just so that everybody has some
13 sense of the subjects that have been touched upon in the form
14 of the resolutions.

15 MR. UDDO: The first one deals with the question of
16 solicitation and restrictions on solicitation, and the
17 committee recommended that the board take the position that
18 restrictions on solicitation should be left to state bar
19 associations, ethical rules and rules of professional conduct.

20 I'm not going to go through all of the rationale
21 there.

22 CHAIRMAN WITTGRAF: No. No.

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1 MR. UDDO: The second deals with so-called
2 procedural safeguards, and recommends to the board that only
3 those procedural safeguards that are generally imposed on
4 litigants be applied to legal services grantees. However, the
5 committee suggests that the board should, in addition, urge
6 that any reauthorization act encourage, or specify some
7 standard for encouraging local boards to consider and adopt
8 policies governing the refusal to disclose the identity of
9 grantee clients with particular concern for preventing abuse
10 of that process.

11 The third resolution deals with the recommendation
12 that the board take the position that the existing provision
13 permitting representation of clients before administrative
14 agencies, legislative bodies and in responding to agency and
15 elected officials be retained, basically endorsing current law
16 on those points.

17 The fourth is a recommendation that there be further
18 study of timekeeping to determine whether the benefits
19 outweigh the costs. And if the study indicates that the
20 benefits outweigh the costs, that the implementation of the
21 timekeeping system would be -- that there would be an
22 implementation of the timekeeping system, again, consistent

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1 with local control and local flexibility.

2 And I might just say, I know we'll have a chance, I
3 guess, to talk about these extensively, but this particular
4 provision was a reflection, I think at least in my mind, and
5 on the record before the committee of Professor Cox. And you
6 should read Professor Cox's testimony before the board,
7 because he made a very, I think, persuasive argument that
8 timekeeping competition and possibly co-payments are things
9 that sort of hang together and should be viewed as a package,
10 and that timekeeping can be done in a way that is very helpful
11 to fostering competition and improve legal services. Or it
12 can be done in a way that could be obstructive of that end.
13 So I think that the committee's position is very much
14 influenced by Professor Cox's testimony.

15 The fifth proposal is that the board of directors
16 should favor the principle of local control of priorities and
17 basically adopting the present position on the priority
18 setting.

19 Six is rather lengthy, and perhaps the best ways to
20 describe it is to say that the general principle is that there
21 should be a deregulation of non-LSC funds, private and other
22 public funds, and then there are four paragraphs expressing

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1 the committee views that the board should endorse some
2 restrictions on all funds, whether they are LSC funds, private
3 funds or other public funds.

4 As you can see, those four areas, the easy ones to
5 relate are abortion-related legal services, the second is
6 redistricting-related legal services, and then the third and
7 fourth a little bit more complicated.

8 Basically the third is taking the prohibited conduct
9 from the current act and applying the total prescription of
10 any fund to those activities that are currently prohibited in
11 the act.

12 Then the fourth paragraph deals with a prohibition
13 of using any funds in eviction proceedings against someone who
14 has been convicted for the sale or distribution of a
15 controlled substance, when the eviction proceedings are
16 brought upon health and safety grounds. It deals with public
17 housing again. I'm sure in everyone is familiar conceptually
18 with what we're talking about.

19 So those four paragraphs are restrictions on all
20 funds, not just LSC funds.

21 The seventh proposal is on competition. The
22 committee recommends to the board that the Reauthorization Act

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1 include an endorsement of a study of competition, not only in
2 the awarding of grants, but between Legal Services providers.
3 Again, as an aside, I tell you that Professor Cox's testimony
4 on this point is extremely important, because his view was
5 that competition just in the awarding of grants would not be a
6 very helpful process, but that with what he called -- what was
7 the phrase he used, ongoing competition?

8 PRESIDENT MARTIN: Continual competition.

9 MR. UDDO: Continuous competition is the phrase that
10 he used, not just in the awarding of grants, but that there be
11 some basis for establishing a system that even grants one's
12 award if there's competition among providers.

13 That, I think influenced the committee's suggestion.
14 Then the further part of the motion suggests that if the study
15 indicates that either there are circumstances under which
16 competition would be useful and an assistance in the delivery of
17 Legal Services, that the Reauthorization Act empower the
18 corporation to employ such a system.

19 The eighth is co-payments. Again, as I said,
20 competition, co-payments and timekeeping, I think, were viewed
21 by the committee as something as a group issue that could be
22 treated together and, therefore, there is a recommendation of

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1 a study for the circumstances under which co-payments might be
2 appropriate.

3 Nine suggest retention of current law with respect
4 to recovery of attorney's fees by programs representing
5 indigent clients.

6 Ten recommends preservation of current law in class
7 actions, and again I think the rationale fleshes out some of
8 the reasons why the committee took that action.

9 Eleven, the committee is recommending that the board
10 oppose attempting to define the attorney-client privilege in a
11 congressional enactment as it would be applied only to Legal
12 Services lawyers.

13 Again, on the notion that federalizing the
14 definition of attorney-client privilege would not be
15 particularly useful or wise course to follow to single out
16 Legal Services lawyers for the application of that definition
17 since it's such a large body of state and federal law already
18 dealing with attorney-client privilege.

19 Twelve is, again, in response to some testimony,
20 some quite impressive testimony that came before the
21 committee, and that is a proposal that the board endorse the
22 circumstances under which the use of alternative dispute

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1 resolution models, non-lawyer legal proceedings models and
2 self-help models may be appropriate.

3 You should know that until last night, that was
4 called the de-lawyering motion, because we had included in
5 there an admonition that we find ways to de-lawyer the
6 proceedings. Chairman Wittgraf felt that that might not be an
7 appropriate phrase, so we substituted non-lawyer legal
8 proceedings models.

9 This is in response to some testimony that we had
10 from a woman who represented -- what's the organization?

11 CHAIRMAN WITTGRAF: H.A.L.T.

12 MR. UDDO: H.A.L.T., which is an acronym for
13 basically let's try to reduce the need for lawyers as much as
14 we can.

15 That testimony, I think, led to this motion saying
16 that there may be an awful lot of things that the corporation
17 can help encourage to allow clients, LSC eligible clients to
18 do some things for themselves, or to benefit from non-
19 litigation models of dispute resolution.

20 MR. GUINOT: That's another study, right? You're
21 recommending that the resolution study it?

22 MR. UDDO: Right. Ways that the corporation might

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1 be able to use some of those alternative proceedings to
2 benefit clients.

3 The thirteenth is the Legal Services Corporation--
4 suggestion to the board of the Legal Services Corporation to
5 support the application of various federal laws on waste,
6 fraud and abuse to LSC funding recipients and the corporation
7 itself. That's basically in response to the -- both of the
8 main pieces of legislation applying the waste, fraud and abuse
9 laws to LSC funded recipients and the corporation itself.

10 Fifteen -- fourteen, I'm sorry. Fourteen deals with
11 monitoring, basically. We did have some problem figuring out
12 what would be the best way to, in a conceptual or generic way,
13 make some recommendation about monitoring.

14 There was concern on the board that everything that
15 was being proposed had problems with it, and that while one
16 bill may go too far on hamstringing the corporation in
17 carrying out its monitoring function, certainly the approach
18 of taking all of that language out of the bill would probably
19 go too far in the other direction.

20 So this resolution is an attempt to, again, respond
21 conceptually and endorse the approach that the Reauthorization
22 Act provides sufficient criteria for the corporation to use to

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1 develop and engage in an effective monitoring and evaluation
2 process. So it's endorsing the Reauthorization Act, including
3 some effective provisions about monitoring.

4 Fifteen is, again, the result, I think, of some
5 testimony that we heard and some statistical data that the
6 committee was made familiar with, and that is the rather large
7 amount of non-LSC money that some states have been able to
8 generate and make available to grantees in those states, and
9 the realization that the vast majority of states have not
10 tapped into the potential that's there for developing non-LSC
11 sources of funds.

12 So the committee is recommending to the board that
13 it would be a legitimate part of the reauthorization process
14 to encourage the development of non-LSC funds, and that the
15 corporation can play a role in that by awarding grants to
16 state or local bar associations, IOLTA commissions, what have
17 you, to further expand this very clear trend of generating
18 rather large sums of non-LSC funds for Legal Services
19 grantees.

20 The reason that this provision is here is that it
21 was suggested that many bar associations or foundations or
22 other organizations that might be interested in an LSC grant

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1 to develop that kind of a program or project, would not want
2 by virtue of taking that grant, to become subject to all of
3 the regulations and restrictions that go along with LSC money
4 usually.

5 So this is a proposal that if the only grant that a
6 grantee has is one to develop outside non-federal sources of
7 funding, that they be exempt from the application of the
8 ordinary regulation and restrictions, which could even extend
9 to all of their other activities and private funds.

10 So we thought that it was important enough to
11 encourage these organizations to become involved in the
12 process of developing non-LSC funds if we didn't want to
13 overlook the possibility that they would be discouraged by the
14 application of by whole raft of restrictions and regulations.

15 Those are the 15 recommendations of the committee.

16 CHAIRMAN WITTGRAF: Thank you, Mr. Uddo. Before I
17 ask if anyone has any questions or comments at this point, let
18 me thank you on behalf of the board for all of time that you
19 spent in this endeavor during the last month or so and join
20 you in commending President Martin and Ken Boehm, in
21 particular and Alan Severson and other members of the staff
22 for the work that's been done.

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1 When we met in January and I proposed the
2 appointment of a special reauthorization committee, I guess I
3 did so with two thoughts in mind. The first being that we had
4 spoken as a board both last June and again in September.

5 In the first instance generally to reform and our
6 support for reform as it pertains to reauthorization, and then
7 at least by a plurality, I guess, when we met in Denver in
8 September had supported the reform concepts contained in the
9 then McCollum-Staggers-Stenholm reform proposal.

10 So I was concerned that as the reform, excuse me,
11 the reauthorization process went forward in 1991, and
12 presumably in 1992, that we had an obligation as a corporation
13 to continue to express our opinions relative to that process.

14 Second, as I indicated I guess in my colloquy
15 earlier with Mr. Severson, it seems to me that the Congress
16 even those who do disagree reasonably on certain points, are
17 prepared to move forward with reauthorization.

18 I personally was encouraged, and I think Mr.
19 Molinari's comments earlier underscore my basis for
20 encouragement or hopefulness that when the subcommittee, eight
21 members, five Democrats and three Republicans, unanimously on
22 a voice vote pass out a bill, that that suggests there is at

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1 least a good possibility, the best possibility in more than a
2 decade, for favorable consideration to be given to that bill
3 by the full committee, hopefully in turn by the House and
4 perhaps in 1992 by the Senate.

5 We can stand idly by, I suppose, as a board, but we
6 engaged in 1990, and in my judgment we have an obligation to
7 be engaged again in 1991. I do think that to some extent,
8 although I don't want to be too naive here about the strength
9 of our voice or the extent to which people are listening for
10 our voice, but I think that to some degree the members of
11 Congress who are engaged in this issue and the members of the
12 White House staff who are engaged in this issue are concerned
13 with our opinions and our views and our conclusions.

14 Again, I commend Mr. Uddo and President Martin and
15 the staff for having given us an awful lot of information.
16 I've got to say that while I continue to learn each day more
17 and more about the Legal Services program as a whole and the
18 job being done by the grantees and the attorneys and the other
19 staff members in particular across the country.

20 I recognize that I've still got a lot to learn and
21 I've found the hearings to be extremely informative. In fact,
22 following the first hearing I took the occasion to call Mr.

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1 Rath and Mr. Guinot and Mr. Molinari and encouraged them if at
2 all possible, to join with us in Chicago much as Mr. Hall and
3 Ms. Love and Ms. Wolbeck had joined with us in San Francisco
4 and again did in Chicago, because I thought the information
5 was very, very helpful and that the work done in pulling that
6 information was yeoman work.

7 Having said that, and I realize that the committee
8 just completed its deliberations last night and, in fact, is
9 still doing a little word crafting, perhaps as suggested by
10 Mr. Uddo earlier.

11 To move right to a vote on these 15 resolutions or
12 any substitute resolutions, or any additional resolutions with
13 the board as a whole, may be premature and perhaps a little
14 unfair to those who haven't sat through the deliberations of
15 April 5th and April 19th and 20th, and last night April 28th.

16 Rather than moving to specific consideration today,
17 I think that we might be better off deferring our
18 consideration for a few days.

19 Earlier this morning I had talked about a board
20 meeting, proposed board meeting on Monday May 20, the Monday
21 preceding the official Memorial Day Monday. Mr. Uddo has
22 advised me that the House Judiciary Committee is scheduled to

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1 meet in a regular session on Tuesday, May 14th. The matter of
2 the reauthorization of the Legal Services Corporation may or
3 may not be on the agenda on that date, but Mr. Uddo had
4 suggested that perhaps rather than waiting three weeks until
5 the 20th, that our considering these matters might be more
6 appropriate on the Monday preceding that committee date, that
7 being for us Monday, March (sic) 13.

8 MR. MOLINARI: May.

9 CHAIRMAN WITTFRAF: Excuse me, May 13. I've got a
10 hang up with March. Always living in the past I guess.

11 Unless there is strenuous objection, it seems to the
12 chair that we are better off considering these matters on
13 Monday, May 13, rather than May 20, and we'll go ahead on that
14 basis.

15 The major item of business to be considered by the
16 board on that date will be what thoughts, if any we wish to
17 convey to the Congress, to the White House and to the rest of
18 the world that's interested on the subject of reauthorization.

19 With those comments, certainly any questions for Mr.
20 Uddo or any comments for Mr. Uddo? Ms. Pullen?

21 MS. PULLEN: Mr. Chairman, I certainly would not
22 want to miss that discussion and I am not available May 13th,

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1 for what that's worth.

2 CHAIRMAN WITTGRAF: It's worth a great deal. Are
3 you available on May 20, the following Monday?

4 MS. PULLEN: With extreme reluctance. I will have
5 to miss a day of the legislative session on May 20th.

6 MR. KIRK: Mr. Chairman.

7 CHAIRMAN WITTGRAF: Mr. Kirk?

8 MR. KIRK: I have a trial that's going to start, I
9 warned your earlier on May 13th and continuing for the next
10 two weeks. So the 13th and 20th would both be out as far as
11 my schedule is concerned.

12 CHAIRMAN WITTGRAF: What about Friday may 10th, Mr.
13 Kirk?

14 MR. KIRK: I would probably be available by phone on
15 that day.

16 CHAIRMAN WITTGRAF: Ms. Pullen, Friday, May 10th?

17 MS. PULLEN: I'm not certain.

18 MR. GUINOT: Mr. Chairman.

19 CHAIRMAN WITTGRAF: Mr. Guinot.

20 MR. GUINOT: Are we assured that the Judiciary
21 Committee is going to be hearing this? We are going to have
22 another meeting, we're going to have everyone come back here

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1 with the added expense for this one particular subject on the
2 13th, is that what we're discussing now?

3 CHAIRMAN WITTGRAF: Yes.

4 MR. GUINOT: On supposition that they might hear the
5 bill on the 14th?

6 CHAIRMAN WITTGRAF: Yes, and that they will continue
7 to meet in May or June, and depending upon, I guess, whatever
8 the working discussions are of the subcommittee chair Mr.
9 Frank, the committee chair Mr. Brooks, and others who are
10 interested in this subject, that at some point in May or June,
11 they will be moving as a committee to consideration of the
12 Legal Services Reauthorization Act, H.R. 2039.

13 We don't know for certain, and I suspect those
14 individuals don't know yet for certain when they will be
15 meeting.

16 Mr. Molinari?

17 MR. MOLINARI: Mr. Chairman, I was going to suggest
18 that hearing our colleagues here and their thoughts on the
19 subject that what we might do, and I would personally
20 volunteer if you would like me to with Mr. Severson, contact
21 the members of the Judiciary Committee to see if, in fact,
22 it's going to be scheduled for that day. If not, it takes the

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1 onus off us and we could probably pick a date that would be
2 easier for everybody to make and give us a little more time.

3 If, on the other hand, it appears that it will, in
4 fact, be taken up on the scheduled date, then I suppose the
5 smartest thing to do is try to pick a date that's
6 accommodating and get most of us here.

7 I think we can do that by phone once we know for
8 sure whether or not the full committee is going to take it up
9 on the mark-up.

10 CHAIRMAN WITTGRAF: I think it would be best, even
11 with your suggestion, to agree to a tentative date today so
12 that people can plan their schedules accordingly and then
13 depending upon what information you obtain, we may want to
14 vary that date.

15 The most recent suggestion made is that of Friday,
16 May 10, but not the number of shaking heads is increasing,
17 which takes us back to Monday, May 20 where we began.

18 MS. PULLEN: What about Monday, June 3?

19 CHAIRMAN WITTGRAF: Or Monday, June 3.

20 MR. KIRK: Yes, sir. Monday, June 3.

21 CHAIRMAN WITTGRAF: How are things in central
22 Florida, then?

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1 MR. KIRK: All right. Hang on just a second,
2 please. I've got to get a calendar.

3 MR. RATH: While he's checking, Mr. Chairman, may I
4 ask, does the Chair contemplate an additional meetings in
5 June? I guess what I'm wondering is, is there any way we
6 could do it and have two months worth of meeting in one day.

7 CHAIRMAN WITTGRAF: I believe so, Mr. Rath, yes.

8 MR. KIRK: Monday, June 3rd appears to be open for
9 me.

10 CHAIRMAN WITTGRAF: Let us agree tentatively, then,
11 on Monday, June 3, subject to revisiting dates, if Mr.
12 Molinari should get further insight into our need to move more
13 rapidly. Mr. Guinot?

14 MR. GUINOT: Mr. Chairman, I doubt if I would be
15 available except by phone on the dates suggested prior to June
16 3rd. May the 20th was all right; it was perfect. That not
17 being the case, June 30 is all right, but prior to that, I
18 would more than likely not be available. Perhaps we can have
19 a meeting by telephone, as opposed to having everybody travel
20 here.

21 CHAIRMAN WITTGRAF: I think that would be a
22 possibility, except I think, in this particular area, and one

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1 reason we're deferring, perhaps, further consideration today
2 is because of the need for some discussion, and I guess, in
3 this area, which I consider a very important area, I think
4 face to face discussion is essential.

5 We'll plan tentatively on Monday, June 3, and
6 hopefully, that does accommodate everybody's schedules, and
7 will take care of our needs for the months of May and June.
8 Mr. Uddo? MR. UDDO: Mr. Chairman, I would like to urge,
9 though, that Mr. Molinari try to find out, if he can, whether
10 or not the can he is going to act sooner, because it's an
11 awful lot of work for the committee to have done not to be
12 able to get the proposals debated and packeted on by the board
13 before the full committee does.

14 It seems that we ought to be able to, if we're going
15 to say anything, which I think we should, we ought to try to
16 say it before the full committee acts so that they have that
17 information in front of them when they act.

18 MR. GUINOT: Of course, Mr. Chairman, I --

19 CHAIRMAN WITTGRAF: Mr. Guinot?

20 MR. GUINOT: -- I agree with Mr. Uddo that a lot of
21 work has been done, and it seems to be very valuable work, and
22 perhaps another way of getting or message to the Congress

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1 would be just merely to forward a report on the different
2 meetings of the committee and the testimony presented at that
3 time, that way, we'll know precisely just what we did.

4 CHAIRMAN WITTGRAF: We could do that. I guess my
5 concern with that would be, Mr. Guinot would be that I think
6 implicitly that would be the views and the actions of the
7 board, and I don't know that all 11 members of the board would
8 be comfortable with that.

9 MR. GUINOT: Not necessarily, depends on how the
10 material is forwarded. I'm just saying that if ear concerned
11 about getting the message across of what was discovered by the
12 -- found by our committee to the Congress for their use, if
13 merely forwarding a report of what they found without having
14 to vote on a resolution would be appropriate.

15 MR. UDDO: Well, I don't think the committee just
16 reflected what the testimony was. For example, there was
17 testimony about a number of areas that we didn't express an
18 opinion on for one reason or another, and in some areas, we
19 had some disagreement with at least some portion of the
20 testimony or recommendations, so we did it with the, I guess,
21 with the understanding that we were reporting to the board for
22 the board to take similar action.

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1 I guess we'd be open to other suggestions, but the
2 approach we took was that we were making recommendations for
3 the board for the board to act on. If we were just going to
4 send the transcripts, I don't know that that would be very
5 helpful to the committee.

6 MR. GUINOT: Why would that not be helpful, as
7 opposed to voting on these things one by one or jointly?

8 MR. UDDO: Well, my opinion is because the board, I
9 think, presumptively has some knowledge about Legal Services
10 in the corporation that other folks don't have, and that the
11 process that the committee went through was to try to use our
12 knowledge and experience that got us here in the first place
13 to decipher the information that was put before us and make
14 what I hope are reasonable recommendations to the Congress.

15 MR. KIRK: Mr. Chairman?

16 CHAIRMAN WITTGRAF: Mr. Kirk?

17 MR. KIRK: I might be able to help Mr. Guinot and
18 give him some information on the committee meetings and what
19 took place. Chairman Uddo organized and ran a very well-done
20 agenda, and we've got to a lot of people that the testimony
21 was predominantly one-sided, and certainly not through any
22 fault of Mr. Uddo.

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1 He's certainly invited, at least through me, to try
2 to convey to other people that it would be well to have some
3 of those that didn't sympathize with perhaps the
4 McCullum/Stenholm side. The Senate came back the first
5 meeting and ultimately, however, there was not very much
6 except on the side that generally supported the Frank bill.

7 The ultimate decision, the recommendations by the
8 committee were done in a very factual manner. There seemed to
9 have been, by the majority members, agreement on the wording
10 is we went into the meeting. I've read that the response, I
11 mean the transcripts, my understanding is even the rationale,
12 there is agreement with the members of the majority.

13 I was not present by for one of several votes on
14 Saturday, and since Pullen was not present for any of the
15 votes, nor was able to make it last night. I think that what
16 we've got are pretty rousing endorsement, largely, and not
17 entirely, but promotes the concept of the Frank bill. So
18 that's basically where we stand. I'm sure others would view
19 it differently, but it was largely representative of a good
20 part of the testimony that did come to the committee.

21 CHAIRMAN WITTGRAF: Mr. Uddo?

22 MR. UDDO: Well, I think Mr. Kirk's right that most

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1 of the testimony that we heard was supportive of Legal
2 Services pretty much in its current configuration. Mr. Kirk's
3 also right that I personally encouraged him and others to
4 encourage anyone who had anything to say about legal services
5 to come say it, and I think Ken Boehm's presentation this
6 morning indicates that.

7 I would disagree that there was agreement on the
8 language or the rationale before. In fact, the rationale was
9 not accepted as it was proposed by Mr. Dana, whose motions
10 these originally were for the most part, at least ten or so,
11 and the rationale was reworked because it was not supported in
12 its original form.

13 There were changes made to the motions, and I think,
14 in some significant areas, there's differences being
15 recommended from the Frank proposal. So I guess if Mr. Kirk
16 is suggesting that this is just a blank endorsement of the
17 Frank proposal, I would disagree with that, if he is suggested
18 that most of what we heard and largely what the committee did
19 was to acknowledge that the current configuration of legal
20 services is defensible, then I would probably agree with that.

21
22 CHAIRMAN WITTGRAF: At this time, I think that we

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1 have agreement that we will be meeting at 9:30 a.m. Monday,
2 June 3, to consider initially this matter, and then any other
3 matters that should come before the board at that time.

4 The Chair is prepared to move at this time to close
5 to Executive Session. We have our counsel, our special
6 counsel, regarding one personnel matter, present at this time.
7 It's the Chair's expectation that we will combine closed or
8 Executive Session with both lunch in this room for the board
9 and the staff who are present, and with checking out of the
10 hotel to the extent necessary.

11 In turn, it's the Chair's expectation that we will
12 return to open session between 1:30 and 2 p.m. Mr. Dana?

13 MR. DANA: Mr. Chairman, since we only have one item
14 on the agenda, would it make sense, since I put it on there, I
15 think, if it makes sense to deal with that and let the
16 assembled multitude go home to their offices, and when we come
17 out, we won't have anything to do except adjourn?

18 CHAIRMAN WITTGRAF: I'm comfortable with that, Mr.
19 Dana. I wasn't sure how much discusses you were
20 contemplating. I also get nervous when I see Mr. Fax, our
21 good counsel here, just sort of ticking off the minutes on
22 this clock, on his watch, rather, not that that's his fault.

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1 No reflection on him, I'm just, as Mr. Guinot would suggest,
2 trying to be cost conscious, but if agenda item 7 is
3 relatively brief, certainly.

4 MR. DANA: As far as I'm concerned, it's going to be
5 quite brief.

6 MR. GUINOT: I also have a point that I'd like to
7 bring out. I didn't say anything about new business, but I
8 would like something when --

9 CHAIRMAN WITTGRAF: Okay. Fine. Mr. Molinari?

10 MR. MOLINARI: Mr. Chairman, if I may, before we get
11 into Howard's issue, on that date of June 3rd, now, do I
12 understand that that is the date, tentative date for the next
13 -- Dave, you've got the same question I have. I was under the
14 impression that that was to be a tentative date subject to my
15 polling members of the Judiciary Committee, and I'm a little
16 confused as to whether that is the target date for our next
17 meeting or whether that date would be moved up if it appears
18 that the information I get --

19 CHAIRMAN WITTGRAF: That is the date, absent
20 compelling information to the contrary.

21 MR. MOLINARI: Okay.

22 MR. UDDO: Meaning, Mr. Chairman, that if we know

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1 that they're going to take it up on the 14th, we will try to-
2 -

3 CHAIRMAN WITTGRAF: That's correct, say, on the
4 weekend preceding that or something, in an attempt to
5 accommodate as many individual schedules as possible, yes.
6 Absence that compelling information, we are scheduled to meet
7 at 9:30 a.m., Monday, June 3, in Washington, D.C. Agenda Item
8 7, Mr. Dana?

9 MR. DANA: Mr. Chairman, I mentioned this last night
10 with the President, the status of our regulations and their
11 force and effect and our capacity to change or revise them is
12 an area of some concern and uncertainty to me.

13 The continuing resolution suspends certain
14 regulations and not others. We have some regulations which
15 have been challenged in the courts. My understanding is that
16 we do have the capacity to pass regulations this year, they
17 just won't come effective until next year.

18 CHAIRMAN WITTGRAF: And by next year, you're
19 referring to fiscal years as opposed to calendar years, I
20 believe.

21 MR. DANA: Correct. And my fear, my thought is that
22 one of the things that we could do this year is to create some

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1 certainty as to what our regulations are and make sure that
2 those regulations that have been suspended or placed in
3 abeyance or done something by either court or Congress, that
4 we reflect that on our books if that is the wisdom of the
5 committee and the board, and we do so in such a way that that
6 becomes the law next year.

7 I am fearful that since Congress may continue the
8 practice of suspending our regulations next year until the
9 following year so that if we wait until next year we're
10 basically putting off any regulatory activity or clarification
11 until another year.

12 I don't know if it's often, that I raise problems
13 that don't exist, but if this proves to be an area of interest
14 for concern, I would recommend that the regulations committee
15 look into this matter and give us the benefit of their
16 thinking, perhaps as early as next week.

17 CHAIRMAN WITTGRAF: Mr. Martin?

18 MR. MARTIN: Mr. Chairman, Mr. Dana, the staff is
19 prepared to yet again undertake an exhaustive study gladly for
20 the committee, and I've already tentatively discussed it with
21 you, of course, and with counsel, Victor Fortuno.

22 So we will start that immediately, and get a report

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1 to the operations --

2 CHAIRMAN WITTGRAF: Operations and regulations
3 committee of the board, please.

4 MR. GUINOT: Mr. Chairman?

5 CHAIRMAN WITTGRAF: Mr. Guinot, as Chairman of the
6 committee, yes.

7 MR. GUINOT: Is Mr. Dana suggesting that we just
8 look and see which regulations we're able now to at least
9 draft and prepare or those we cannot? Because I'm concerned
10 about going over regulations that will be affected by the
11 legislation which isn't passed yet. So I really would like
12 you to restate again what exactly you want us to do. I'm all
13 for it for doing it, I'm just trying to --

14 CHAIRMAN WITTGRAF: Mr. Dana?

15 MR. DANA: I confess to being unclear as to the
16 status of many of our regulations. We have passed regulations
17 in dealing with competition, private funds, time-keeping and a
18 variety of other subjects, redistricting, and some of those
19 regulations are on the books, some of them have been
20 suspended, I think, but I'm not sure, by Congress.

21 I'm not sure how Congress suspends our regulations,
22 but they can indicate, as they have done, that we can't use

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1 any money to enforce them. And previously, I've been
2 operating on the premise that we did not have the power to do
3 anything about it until we are confirmed. I don't think
4 that's the law. I think we could, if we wanted to, pass,
5 repeal, amend, change, adjust regulations to conform to
6 whatever it is this court wants to do about regulations in
7 this area, but they would not take effect until October 1,
8 1991.

9 That realization came to me fairly late in the game,
10 and so I'm not sure what we should do, frankly, but -- and I
11 asked the President to sort of advise us, because we've got a
12 lot of regulations out there, and I think some of them may not
13 be law or may not be effective.

14 I don't know if I were a lawyer and a grantee in
15 Maine or Iowa or wherever, I would know exactly what
16 regulations I had to follow and what would be effective on
17 October 1. So it's an area of more uncertainty for me than
18 perhaps it should be.

19 CHAIRMAN WITTGRAF: Mr. Guinot, let me add an
20 additional comment. I'm assuming that at best the
21 reauthorization process is a two-year process. Two of the
22 issues that are hotly contested in that context are those of

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1 time-keeping and competition, areas with which this board and
2 prior boards have had some concern, some interest of a
3 regulatory nature.

4 I would like to think both, as your committee; you,
5 Mr. Rath, Mr. Kirk, looks back to see what efforts had been
6 made by prior boards, look ahead, and especially, in light of
7 the resolution that was adopted by this board on March 25 at
8 our last meeting, that you, as a committee, then coming to us
9 as a board, may be able to subject some ideas in the areas of
10 time-keeping, in the areas of competition, much, perhaps, as
11 our special reauthorization committee has done already, that
12 can be of some benefit yet in the reauthorization process.

13 I'd like to think the time-keeping is something that
14 doesn't need to be in the statutes of the United States Code.
15 It may end up there, but I'm not sure that it needs to be
16 there. Likewise, I'm not sure that something about
17 competition needs to be in the statutes of the United States
18 Code, and it may be, if those provisions are going to be in
19 the Code, that your committee, and then the board, in turn,
20 can be of guidance to the Congress, or perhaps can even come
21 forward to some proposals that are so widely received and
22 respected that we can convince the Congress to leave time-

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1 keeping and competition out of the Code.

2 But I think the opportunity, in looking back, is
3 important. The opportunity in looking forward is just as
4 important and perhaps greater in these two areas. Mr.
5 Molinari?

6 MR. MOLINARI: Mr. Chairman, it seems to me that the
7 better approach would be to have President Martin and his
8 staff do this so called exhaustive search so that we have a
9 body of information to look at, and from what Mr. Guinot said
10 before, in terms of being able to attend an earlier scheduled
11 next meeting of the full board, I doubt very much whether
12 we're going to be able to have his committee meet.

13 So I think the better course would be to have
14 Mr. Martin and others research the records, come up with a
15 good and complete report for us, and then, once we see that, I
16 think it would be easier to determine the steps to take by Mr.
17 Guinot and his committee.

18 CHAIRMAN WITTGRAF: Mr. Guinot?

19 MR. GUINOT: We can discuss this ourselves in how to
20 get the best procedure, but does the board feel that we
21 should, when we start working on regulations, I would like
22 very much to hear what the grantees have to say about

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1 regulations themselves, because they would be the ones to work
2 with them.

3 Do you perceive that we should have a series of
4 meetings such as Mr. Uddo did, and invite the grantees to come
5 in and give us their comments on how the regs should appear
6 prior to or after they've been drafted, at least the first
7 draft?

8 CHAIRMAN WITTGRAF: Absolutely, if we were in the
9 status of having the authority to implement regulations.
10 We're in a transitional status here that way go on for months
11 or years. I do think that we ought to be prepared for the day
12 when we came put regulations in force and effect, and I think
13 that the present law, and I'm sure that any reauthorization
14 law will contemplate notice, and I think part of notice is the
15 receipt of input from the field. So I think yes as a
16 practical matter and yes as a legal matter.

17 MR. GUINOT: I wanted to go beyond notice. I
18 wanted, really, to have them participate in the actual
19 drafting, but having said that, the best thing to do of
20 course, is see if Mr. Martin will give us an inventory, let's
21 call it that, of what's there and what he feels is valid or
22 invalid and start working those we can.

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1 CHAIRMAN WITTGRAF: Thank you. Mr. Molinari, you
2 have another point beyond Agenda Item 7? Mr. Guinot, you did.

3
4 MR. GUINOT: Yes, I do. Mr. Chairman, I'd like to
5 invite the board's attention to the minutes approved this
6 morning, particularly page 7, where we talk about the motion
7 passed concerning the rate of compensation to be paid the
8 board.

9 My question is one that concerns the very last
10 clause, if you want to call it that, of the sentence where it
11 says, "and for board service requiring the members presence in
12 Washington." I find that to be extremely vague. I find it to
13 be one that could be misinterpreted or even misused.

14 Had I been here, and unfortunately, that was when I
15 had just finished surgery on my fracture, I would have voted
16 against this, but I wonder if the board would entertain a
17 motion modifying that motion, and I'd like to read it to you,
18 if I may, and it's as follows:

19 "That the board modify its adopted motion on March
20 25th in relation to board member attendance fees, to define
21 board service requiring members presence in Washington as
22 official appearances about the United States Congress or a

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1 committee thereof." What I'm trying to do is make it as tight
2 as possible. This is just too broad, and I would like to hear
3 what the rest of my colleagues feel about this.

4 MR. KIRK: I second the motion.

5 CHAIRMAN WITTGRAF: That is a motion that you're
6 offering, Mr. Guinot?

7 MR. GUINOT: Yes.

8 CHAIRMAN WITTGRAF: Okay. I'm certain Mr. Kirk took
9 it that way, I just wanted to be sure if that was your intent.
10 You've heard the motion, and I guess, in responding first to
11 your inquiry, I'm wondering if you had a chance to review the
12 transcript of the meeting of March 25. There was a fair
13 amount of discussion in which Mr. Kirk among others
14 participated. Have you had a chance to review that?

15 MR. GUINOT: Yes, I did, but I'm still concerned
16 even after reading that, what looks to me overly broad
17 language in something that is, after all, involves the
18 management of funds that we get, and I would like very much to
19 limit it as much as possible.

20 CHAIRMAN WITTGRAF: Further discussion. Mr. Rath?

21 MR. RATH: Mr. Chairman, I think Mr. Guinot's
22 comments are well taken, and I'm very sympathetic with the

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1 intent. My recollection of that discussion was that we were
2 trying to be especially careful in order to provide some
3 limited compensation, especially for the Chairman, who might
4 have to come in for various purposes, and I wonder if the
5 language of the motion which has been offered today is indeed
6 too confining, because I can conceive of valid purposes for
7 members of this board to come to Washington to meet with the
8 staff of this agency, of this corporation, and those might be
9 legitimately compensatable events, and to limit it to
10 appearances before a committee or subcommittee might be too
11 confining.

12 I'm not one upon whom this onus falls, so I suppose
13 I can ask the questions, but I do think that there are other
14 things that members who are involved with committee chairs
15 might need to meet with staff and prepare from hearings, the
16 sort that Mr. Uddo has just completed, as you will be under
17 taking, where those might be legitimate events relating to the
18 purposes of the court of appeals. I thought that's what we
19 were trying to cover, and it was not as narrowly defined,
20 although I sympathize with your attempt to be precise.

21 MR. UDDO: Mr. Chairman?

22 CHAIRMAN WITTGRAF: Mr. Uddo?

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1 MR. UDDO: We did talk about that possibility as an
2 alternative, and frankly, one of the reasons that I supported
3 this motion and would oppose yours is because I don't think we
4 should really discourage active participation by the board in
5 those things that need to be done to discharge their
6 responsibilities, particularly as the chairman of the
7 committee.

8 And the example that I think we used at that meeting
9 to word it the way we did is that prior to our audit and
10 appropriations committee meeting national was held in
11 conjunction with that board meeting, Mr. Dana came to town and
12 spent some time with the staff and worked out an enormous
13 number of problems that saved the committee and the board a
14 lot of time.

15 You recall your meeting before that, the problems we
16 had with the consolidated operating budget. His trip to
17 Washington and the day that he took to do that really just
18 saved the committee and the board a lot of wasted effort and
19 time, so I think it's a productive thing to do to encourage,
20 particularly chairman of the committees and others where it's
21 appropriate to try to work those things out, to meet with
22 staff for purposes that are direct toward discharging their

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1 responsibilities and obligations.

2 So I think it would be too confining to say just to
3 come to testify, that that's not the only occasions where I
4 think the presence of a board member in Washington is
5 legitimate, and there are a variety where I think they are. I
6 think that the President signs off on all these things
7 ultimately, and if he feels that they're not being properly
8 done, I think he can certainly deny compensation based on it
9 not being a legitimate reason.

10 Frankly, I don't think it's going to be abused, but
11 I'd rather trust the judgment of the board and the oversight
12 of the President than to make it so narrow that very
13 legitimate opportunities to resolve problems might be foregone
14 because of that.

15 MR. KIRK: Mr. Chairman?

16 CHAIRMAN WITTGRAF: Just a moment, Mr. Kirk. Ms.
17 Pullen, do you wish to be recognized?

18 MR. PULLEN: Mr. Chairman, I think it's worth noting
19 that the LSC Act contemplates this board meeting at least four
20 times a year. I believe that that implies that Congress does
21 not expect this board to engage in as much direct management
22 of the corporation as it has been engaging in.

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1 And while the comments of the two gentleman
2 preceding my comments might be very valid if this board was
3 supposed to be involving itself as deeply as it has in
4 management, I don't think it is. I think what we are supposed
5 to be doing is providing every last dollar we can for the
6 proper delivery of legal services to the poor and the
7 assurance that the taxpayers dollars are being used wisely in
8 that regard, and I support Mr. Guinot's motion.

9 CHAIRMAN WITTGRAF: Mr. Kirk?

10 MR. KIRK: I just wanted to comment that I think the
11 thought of asking the President to monitor the people who
12 control him is a rather awkward situation. I could think of
13 one or two committee chairman who wield great power over the
14 President, and even wields greater power over of the functions
15 of him, and to ask him to go out to that committee chairman
16 and say, "I'm sorry, I'm not going to approve your travel
17 voucher," they may think he's going to do that. I think
18 they're way off base. I don't think it's going to be done.

19 CHAIRMAN WITTGRAF: Mr. Uddo?

20 MR. UDDO: I'm under the impression that he has to
21 do that all the time. Our expense statements are wired to be
22 approved by an officer of the corporation, as far as I know,

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1 and --

2 CHAIRMAN WITTGRAF: Not only that, Mr. Kirk, but
3 you'll be pleased to know that he has denied requests for
4 reimbursement or travel, even during his young presidency.

5 MR. UDDO: Well, I mean, I can say from my prior
6 experience, presidents have, in the past, or in some cases,
7 it's Mr. Richardson who makes the initial decision, if--
8 we've got certain guidelines, and if it didn't fit within the
9 guideline, you don't get reimbursed, so I think it happens
10 regularly, Mr. Kirk.

11 CHAIRMAN WITTGRAF: Mr. Guinot?

12 MR. GUINOT: The problem is that my motion really
13 addresses itself also to attendance fees. I'm not talking
14 about expenses. I would like a tighter definition concerning
15 payments of these funds to a member of the board, really
16 because he comes to Washington.

17 I live in Washington. Every time I go over to
18 Martin's office, I guess I should be compensated, according to
19 this definition here, and that's not the way that it should be
20 written. I don't want to discourage, obviously, the committee
21 chairman to -- I'm going to give him as much leeway as they
22 need, but this language here is just begging for trouble, and

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1 I think that it's not good management.

2 I think we should be much tighter than this, and
3 make it very, very clear. Obviously, we cannot sit down in an
4 hour and come up with a list of 15 things that you come do or
5 20 things that you can do, but certainly, there's somewhere in
6 the middle a good position to assume, and this is overly
7 broad.

8 CHAIRMAN WITTGRAF: Mr. Guinot, if I may respond, I
9 believe the comments that I made at the last board meeting
10 were along the line that I have a good deal of respect for my
11 colleagues on the board, and I think that this definition
12 requires a certain amount of self-enforcement or self-
13 policing, if you will.

14 To some extent, board service requiring a member's
15 presence in Washington is self-definitional, and it seems to
16 me that as responsible, conscientious, fiscally conservative
17 board members that we can proceed on a self-definitional basis
18 unless and until we become aware of abuse, in addition to the
19 fact that we have the monitoring reality of President Martin.

20 I certainly agree with your last point that it is
21 difficult to outline a list of occasions that would be
22 required board service requiring a member's presence in

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1 Washington, and I guess I'm comfortable with this wording
2 until such time I am aware of some abuse of it.

3 MR. GUINOT: It'll be too late then, Mr. Chairman.
4 I think that the damage will be done to the -- first of all, I
5 don't believe there's going to be any abuse. I am really
6 trying to inject here what seems to be cautious wording.
7 Certainly, I expect that the board members will not assume
8 that my commentary intended in any way to comment on their
9 own, shall we say, principles.

10 I'm merely saying that this language is too broad.
11 These are federal funds, and we have to respond for them, and
12 there has been trouble in the past. Certainly, I believe that
13 we should forestall any possible comment by ill-intentioned
14 people in the future. That's really the reason for the
15 suggestion.

16 CHAIRMAN WITTGRAF: Further discussion? Hearing
17 none, I'll repeat the motion, and it's not in writing, so
18 please correct me -- or you repeat it please, Mr. Guinot.

19 MR. GUINOT: The motion is that the board modify its
20 adopted motion of March 25th in relation to board member
21 attendance fees to define "Board Service requiring a member's
22 presence in Washington" as official appearances before the

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1 United States Congress or a committee thereof.

2 CHAIRMAN WITTGRAF: Do you take committee to include
3 subcommittee?

4 MR. GUINOT: Yes.

5 CHAIRMAN WITTGRAF: Okay. Mr. Dana?

6 MR. DANA: Mr. Guinot, is it your intention to
7 slight the White House?

8 MR. GUINOT: Not the White House.

9 CHAIRMAN WITTGRAF: Do I understand that the key
10 wording here would be "official appearances" whatever official
11 may be, "official appearances at the White House or before the
12 United States Congress or a Committee or a subcommittee
13 thereof"? MR. GUINOT: Yes.

14 CHAIRMAN WITTGRAF: Is that consistent with your
15 intent?

16 MR. GUINOT: Yes.

17 CHAIRMAN WITTGRAF: Mr. Kirk, did you get that?

18 MR. KIRK: Yes.

19 CHAIRMAN WITTGRAF: One more time. It's the Chair's
20 understanding, which happens to appear on page 7 of the
21 minutes of our last meeting on March 25, 1991, would be
22 expanded -- the words would be added to narrow or modify the

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1 definition of "Board service requiring a members presence in
2 Washington" to be "official appearances at the White House or
3 before the United States Congress or a committee or a
4 subcommittee thereof." The motion's been made as amended
5 slightly by Mr. Guinot, it's been seconded by Mr. Kirk. Mr.
6 Kirk, I assume you accept those amendments?

7 MR. KIRK: Oh, yes, sir. Thank you.

8 CHAIRMAN WITTGRAF: Further discussion? Hearing
9 none, we will proceed to a vote. Those in favor of the motion
10 will signify by saying aye?

11 (Chorus of ayes.)

12 CHAIRMAN WITTGRAF: Those opposed, nay.

13 (Chorus of nays.)

14 CHAIRMAN WITTGRAF: The Chair is in doubt.

15 MR. GUINOT: Yes, please have a roll call on this.

16 CHAIRMAN WITTGRAF: We will proceed to a roll call
17 vote.

18 CHAIRMAN WITTGRAF: Mr. Dana?

19 MR. DANA: Nay.

20 CHAIRMAN WITTGRAF: Mr. Guinot?

21 MR. GUINOT: Aye.

22 CHAIRMAN WITTGRAF: Mr. Hall?

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1 MR. HALL: Yes.

2 CHAIRMAN WITTGRAF: Mr. Kirk?

3 MR. KIRK: Aye.

4 CHAIRMAN WITTGRAF: Ms. Love?

5 MS. LOVE: I'm kind of confused. Let me think a
6 moment and come back to me.

7 CHAIRMAN WITTGRAF: Ms. Love passes. Mr. Molinari?

8 MR. MOLINARI: Aye.

9 CHAIRMAN WITTGRAF: Ms. Pullen?

10 MS. PULLEN: Aye.

11 CHAIRMAN WITTGRAF: Mr. Rath?

12 MR. RATH: No.

13 CHAIRMAN WITTGRAF: Mr. Uddo?

14 MR. UDDO: No.

15 CHAIRMAN WITTGRAF: Mr. Wittgraf votes no.
16 Ms. Wolbeck?

17 MS. WOLBECK: No.

18 CHAIRMAN WITTGRAF: Ms. Love, do you wish to vote?

19 MS. LOVE: I'd like to speak with Mr. Guinot. Could
20 you explain it a little bit more to me?

21 CHAIRMAN WITTGRAF: Mr. Guinot?

22 MR. GUINOT: Yes. All that I felt that was

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1 necessary was to make sure that any official visit to
2 Washington, as defined in the motion, is compensated for.
3 What I felt was inappropriate was to have language that could
4 precipitate a language where, on the say so of any board
5 member for whatever reason, the board would have to be paying
6 for the visit here

7 It is expensive, it is not fiscally responsible, and
8 I believe that it also puts the board in the situation in the
9 future to be second-guessed and to be the subject of the
10 agenda's of ill-intentioned folks out there, wherever they may
11 be.

12 And I particularly wanted to make sure that any
13 money that we spend here goes directly to the poor, and I
14 wonder, visits to Washington, D.C., may not trickle down
15 enough for legal services to the poor. It's a question of
16 just tightening up the definition and make it as clear as
17 possible, not to make you come here and not be compensated,
18 no.

19 MR. UDDO: Could I explain why --

20 CHAIRMAN WITTGRAF: Mr. Uddo?

21 MR. UDDO: I'm opposed to it because it is in the
22 benefit of the poor for the board to be knowledgeable and

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1 active and involved in discharging its responsibilities as
2 members of the board of the corporation. I guess if you
3 follow Mr. Guinot's logic, we could do away with the board,
4 and all of the money spent on the board would go to the poor,
5 but Congress has made the judgment that this should be an
6 independent corporation, and that it ought to be governed by a
7 board of director.

8 So since that's the way Congress has decided to run
9 the organization, it seems sensible to me that the board ought
10 to be as knowledgeable and active and as involved as possible;
11 therefore, the reason that I supported the original motion at
12 the last week was that there are a number of times when board
13 members, particularly committee chair have to come to
14 Washington or should come to Washington, or it's beneficial
15 for them to come to Washington to work with the staff, to work
16 with congressional committees, or to work with folks at the
17 White House.

18 And those occasions, I think, are very much to the
19 benefit of the proper operation of the corporation, and issued
20 point out, and this was part of the discusses last time, prior
21 to sometime in the early '80, the compensation regulations,
22 which still would be applied to this board, but we chose not

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1 to, involved compensation for everything that a board member
2 did in connection with the board, including preparation time.

3 We took the position, the board took the position
4 that it didn't want to do that, so this was what I thought was
5 a reasonable compromise, that if you're doing something active
6 on behalf the board that brings you to Washington to do it,
7 that you're entitled to compensation. So that's why I'm upon
8 the ground Mr. Guinot's motion.

9 CHAIRMAN WITTGRAF: This could go on indefinitely.
10 Mr. Guinot?

11 MR. GUINOT: No, it won't go indefinite. I'd like
12 to make a comment concerning what Mr. Uddo said. I share your
13 concern about the board's members being educated on ways of
14 the poor. I just don't feel that you have to come to
15 Washington to do that. You can call on the telephone, you can
16 ask for reports, you can do all kinds of things to be educated
17 on the matters of the board.

18 Whether or not the Congress intended for this board
19 to be -- that this corporation to be directed by a board,
20 maybe they were unwise in doing that. Certainly the boards in
21 the past have not shown to have been ones that merited the,
22 shall we say, the respect of the Congress, judged by what

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1 we've got in front of us.

2 What I'm saying is that there are many, many ways in
3 which we can do our service here, and I particularly wanted to
4 keep the monies going for what are, in essence, bona fide, you
5 know, trips, which are, in essence, defined. If the board
6 feels that they want to open it up, that's good; however, I
7 want to be on record that I think it's a mistake.

8 CHAIRMAN WITTGRAF: Mr. Uddo?

9 MR. UDDO: I would just say that the problems that
10 boards in the past have had is not because they were
11 compensated when they came to Washington.

12 MR. GUINOT: I never said that.

13 MR. UDDO: Well, I know, but you're saying --

14 MR. GUINOT: But you're injecting something new.
15 I'm really saying that --

16 MR. UDDO: You're saying that the boards of the past
17 show that it was not a good idea for Congress to have the
18 corporation run by a board, and I'm saying that may be true,
19 but it's not because they got compensated --

20 MR. GUINOT: Well, but you stated --

21 CHAIRMAN WITTGRAF: Gentlemen, that's good. That's
22 good. Ms. Love.

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1 MS. LOVE: I can go along with Mr. Guinot, and I can
2 go along with Mr. Uddo. Now, last year, had we all done what
3 we are doing now, we wouldn't be coming as often as we've
4 been, because we would have learned a lot. This is the way I
5 feel about it.

6 This was too much, I mean, for me, I found out this
7 summer. I'm an older woman, and I need a rest, but I can go
8 -- I did not go along with the full amount of that raise. I
9 went along with splitting it, because this is what's my true
10 feeling about the overall things. If I've got to come here, I
11 feel like I should be paid.

12 CHAIRMAN WITTGRAF: Ms. Love, do you want to vote
13 yes or no on the resolution?

14 MS. LOVE: I vote on not making us look bad to
15 Congress and the President, because I don't want to look bad
16 in nobody's eyesight. So I guess I'm still mixed up.

17 MR. GUINOT: Mr. Chairman, if you'll allow me?

18 CHAIRMAN WITTGRAF: Mr. Guinot?

19 MR. GUINOT: It will make matters easier for the
20 board, and particularly Ms. Love, I don't want her to feel
21 that she's got the onus on her back, I will withdraw the
22 motion with the understanding or with the request that this be

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1 revisited and that proper language be drafted for our next
2 meeting, and then we can vote on it.

3 MR. KIRK: Mat, before you do that?

4 CHAIRMAN WITTGRAF: Mr. Kirk?

5 MR. KIRK: Why don't we go ahead and finish the vote
6 and see what the vote is, and this may not be necessary.

7 CHAIRMAN WITTGRAF: Mr. Kirk, do you object to the
8 withdrawal of the motion? Are you objecting to the withdrawal
9 of the motion?

10 MR. KIRK: Yeah, I think I am. I'm not there. If
11 somebody picks up the phone and tells me to do it, I'll do it.
12 I can't fully comprehend the situation, if you understand.

13 CHAIRMAN WITTGRAF: The Chair will take the motion
14 as having been withdrawn so that Mr. Guinot will have an
15 opportunity to craft his wording further and to bring this
16 matter to the board at its meeting on or about June 3.

17 MR. KIRK: Thank you, and I'll withdraw mine,
18 thinking that you know what you're doing.

19 MR. GUINOT: So there will be an item on the agenda?
20 Before I withdraw the motion, it will be an item on the agenda
21 for the next meeting, will it not?

22 CHAIRMAN WITTGRAF: As you wish, yes, sir. What was

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1 it you said earlier about 11:30 or 11:45, Mr. Dana?

2 MR. DANA: I was wrong.

3 CHAIRMAN WITTGRAF: Are there other items of
4 business to come before the board? The Chair is prepared to
5 move, as he was earlier, to Executive or closed session. We
6 have, I think, dealt with most of the items of business.

7 Let me say simply that we could do something, or we
8 could move, I should say toward something in executive
9 session, which would require action in open or public session
10 upon the completion of the closed or Executive session,
11 likewise, there may be other matters of business to come
12 before the board that someone will bring up, essentially under
13 the heading of new or other business.

14 So while Mr. Dana's suggestion earlier may be that
15 the public business of the board is largely taken care of, the
16 Chair wants to be clear that some matters may be taken up
17 again in open or public session. With that caveat, the Chair
18 is prepared to entertain a motion --

19 MR. UDDO: Will you adjourn in open session, is that
20 it?

21 CHAIRMAN WITTGRAF: And among other things, we will
22 adjourn in open session, as I believe we're required to do,

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1 yes, sir. The Chair is prepared at this time to accept a
2 motion that we proceed to closed or Executive Session. The
3 motion's made by Mr. Rath, seconded by Mr. Dana. Discussion?
4 Hearing none, those in favor will signify by saying aye.

5 (A chorus of ayes.)

6 CHAIRMAN WITTGRAF: Those opposed nay?

7 (No response.)

8 CHAIRMAN WITTGRAF: The ayes appear to have it. The
9 ayes do have it. We will proceed at this time to Executive
10 Section.

11 (Whereupon, at 12:25 p.m., the proceedings were
12 adjourned to reconvene in executive session.)

13 CHAIRMAN WITTGRAF: We will reconvene in open
14 session. One item of business it seems to me that we need to
15 touch on briefly, Mr. Guinot, you are of course the Chairman
16 of the Office of Inspector General Oversight Committee and Ms.
17 Pullen and I serve on that committee with you.

18 There is a pending vacancy in the office of
19 inspector general and I think it would be appropriate at your
20 earliest convenience to move forward to give notice of that
21 vacancy and to begin with the selection process so that an
22 inspector general can be hired to fulfill the responsibilities

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1 of that office for the Corporation on or about September 6th
2 of this year or as soon thereafter as possible.

3 And unless Mr. Martin has any objection it seems to
4 me that Ms. Batie, as the board's secretary, should work with
5 you and the committee in that process. And I think we need to
6 go out of our way to keep our board effort in hiring an
7 inspector general who is responsible to the board as separate
8 as we can from the regular operation of the Corporation and
9 its staff.

10 Further discussion or matters to be brought before
11 the board at this time. Mr. Dana?

12 MR. DANA: The issue is if we're going to come up
13 with an ad what are we going to pay this man or woman. Having
14 raised the issue I don't have the answer but it seems to me if
15 we're going to put an ad in we need an answer. I thought this
16 might be the time. I think we cannot pay the inspector
17 general more than we pay the President and the question is
18 where we want to -- what we think is appropriate.

19 CHAIRMAN WITTGRAF: I think it is a question that
20 probably requires giving Mr. Guinot the opportunity to pull
21 some information together. And he may even need to have a
22 meeting of the committee, Ms. Pullen and me with him prior to

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1 completing the notice, in fact, he may want to send us a
2 proposed notice and that will be an important element of it.

3 I don't know that we can talk specific dollar
4 amounts. Did you have any concern you wanted to bring to Mr.
5 Guinot's attention in particular, Mr. Dana?

6 MR. DANA: No, but -- well, only this, that I think
7 that the dollars that we pay is a matter that should receive
8 board authorization so if you have a range in mind, maybe an
9 amount not to exceed the president's salary give you
10 sufficient discretion. But I just think you're going to need
11 some authorization. I think that sounds a little rich,
12 frankly.

13 CHAIRMAN WITTGRAF: We'll leave the initiative on
14 that issue with Mr. Guinot and he'll seek -- Mr. Dana?

15 MR. DANA: I guess, Mr. Chairman, I'm not making
16 myself very clear. We don't have another meeting of this board
17 until June or are you anticipating not putting the ad in until
18 after the next meeting.

19 CHAIRMAN WITTGRAF: No, I was assuming it could be
20 done beforehand and I was assuming he would turn to the
21 committee.

22 MR. DANA: To decide that question.

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1 CHAIRMAN WITTGRAF: To decide that question in
2 consultation with the Chairman of the Audit and Appropriations
3 Committee of the board.

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

5 MR. GUINOT: I see where Mr. Dana is coming from. I
6 agree, for us to have a meeting -- I think what Mr. Dana is
7 sayings is that whatever salary we agree has to be endorsed by
8 the board before you go out and publish it. So, perhaps a
9 range is a better -- I think that's what you're saying,
10 Howard, a range is better then just going out there and saying
11 we will determine it later on after we leave here because the
12 board won't be in session.

13 MR. DANA: I would recommend that the board
14 authorize a range not to exceed the second highest paid
15 employee at the Corporation.

16 CHAIRMAN WITTGRAF: Unless there is objection Mr.
17 Guinot will take that as his guidance. Further discussion on
18 this subject.

19 MR. GUINOT: One more thing, and Ms. Batie is going
20 to help me with the drafting of the notice and so on and so
21 forth and secretarial help and placing it?

22 CHAIRMAN WITTGRAF: Yes. And I do think it is

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1 important in that we did not quite a year ago designate
2 ourselves as the board as the head of the Corporation for
3 purposes of the IG function to try and so far as possible and
4 practical to separate the activities in the selection from the
5 regular activities of the Corporation under the supervision of
6 the president.

7 And I think Ms. Batie as the board's secretary is
8 probably in the best position to assist with that and I'm sure
9 she will.

10 Other business to come before the board? Hearing
11 none the chairman is prepared to entertain a motion to
12 adjourn.

13 MR. RATH: So moved.

14 CHAIRMAN WITTGRAF: Mr. Rath moves that we adjourn.

15 MR. GUINOT: Second.

16 CHAIRMAN WITTGRAF: Second by Mr. Guinot. Those in
17 favor will signify by saying aye.

18 (Chorus of ayes.)

19 CHAIRMAN WITTGRAF: The ayes appear to have it. The
20 ayes do have it. The meeting is adjourned until we meet again
21 at 9:30 a.m., Monday, June 3, 1991, at a place to be
22 determined in Washington, D.C.

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