

ORIGINAL

LEGAL SERVICES CORPORATION
AUDIT AND APPROPRIATIONS COMMITTEE MEETING

February 21, 1991
8:15 p.m.

The Washington Court Hotel
525 New Jersey Avenue, N.W.
Washington, D.C. 20001

Committee Members Present:

Howard H. Dana, Jr., Chairman
Jeanine E. Wolbeck
Basile J. Uddo
David H. Martin, President

Board Members Present:

J. Blakeley Hall
William L. Kirk, Jr.
Jo Betts Love

Staff Present:

David Richardson, Treasurer and Comptroller
Maureen R. Bozell, Secretary

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P R O C E E D I N G S

1
2 CHAIRMAN DANA: Welcome back, everyone who was here,
3 it seems impossible but, last Friday. We are reconvening the
4 meeting of the Audit and Appropriations Committee with the
5 objective of completing those items on our agenda of last week
6 which we were not able to complete. For the record, since
7 that meeting, we have received a variety of documents,
8 including a revised proposed consolidated operating budget
9 from the corporation.

10 Today we received a letter from the Migrant Legal
11 Action Program, Inc., dated today, signed by Roger Rosenthal,
12 following up on my request of him last week to amplify on some
13 of the statements he had made in his letter of last week.

14 We have also received a letter from Central
15 Mississippi Legal Services indicating an interest in applying
16 for the funds that have not been released for that state, as
17 yet, and which we are considering a request to reprogram into
18 the M and A line.

19 I guess, the first item, which is item 2 on the
20 agenda, which is the decision to reprogram -- David, do you
21 have or does anyone in the corporation have anything that
22 you've been able to uncover that would assist us in running

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1 down some of the issues raised last week?

2 MR. RICHARDSON: Yes, sir, I have. Pardon my voice.

3 CHAIRMAN DANA: You are pardoned. I feel almost
4 embarrassed to ask you a question. I don't know whether this
5 is -- this is not a conspiracy, I'm sure, you're not that good
6 an actor.

7 MR. RICHARDSON: No, sir. I have provided for you
8 the projection that I did give Congress in August, and that
9 was the projected uncommitted carry-over and also, by way of
10 comparison, what it actually ended up.

11 CHAIRMAN DANA: Thank you. I neglected to say that.
12 That is true.

13 MR. RICHARDSON: Okay.

14 CHAIRMAN DANA: The corporation, I thought, was
15 going to search its records to determine if, in fact, there
16 had been applications for grants and been turned down or--
17 what do the corporation's records reveal on this issue.

18 MR. RICHARDSON: Yes, sir. 1985 was the last time
19 that someone did apply for the, for instance, Arkansas, money.
20 That proposal was to provide services for four months out of
21 the year, and that was by Texas Rural Legal Aid, and that
22 proposal was turned down.

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1 In 1986 there was a state support that came forward
2 that said that they would lend assistance if they were given
3 the grant monies, but they did not want to provide direct
4 services. They wanted to provide basically a support service.
5 So, no one has actually applied to provide migrant services
6 for the State of Mississippi. As far as the others --

7 CHAIRMAN DANA: Mr. Rosenthal was nice enough to
8 provide me with a copy of the Texas Rural Legal Aid
9 application.

10 MR. RICHARDSON: Yes, sir.

11 CHAIRMAN DANA: The Mississippi --

12 MR. RICHARDSON: The Mississippi Legal Services.

13 CHAIRMAN DANA: But this is the only application
14 you're aware of in Arkansas?

15 MR. RICHARDSON: That's correct, sir.

16 CHAIRMAN DANA: And under Mississippi, what did our
17 records reveal?

18 MR. RICHARDSON: It was Mississippi Legal Services
19 and they applied to provide a support function, but not to
20 provide legal assistance for migrants. We have found
21 memoranda that basically stated that the Board of Directors
22 did not want to seek a reprogramming to set up a state support

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1 function at that point.

2 CHAIRMAN DANA: That's your story on Mississippi.
3 How about Alabama?

4 MR. RICHARDSON: Alabama, there has been no
5 application for the funds, nor has there been in Tennessee
6 since the funds were returned.

7 CHAIRMAN DANA: Has the corporation advertised to
8 try and find someone to provide these services?

9 MR. RICHARDSON: Back in 1985 there was, but there
10 has not been since then. We are preparing solicitation to do
11 that now. As far as a timeframe, if we get the solicitation
12 out by April 1st, with the 45-day response time, the comment
13 period, and review period, we could make a migrant award by
14 August 1st. It would take about four months.

15 All we have is a 45-day period to allow anybody to
16 come in and apply for the money. Then we'd have about two or
17 three weeks, as far as reviewing the applications. Once those
18 are selected, we would have to go to the Federal Register and
19 post the people that we've selected, and then those grants
20 could be awarded after that 30-day period, after consideration
21 of any comments that come in.

22 CHAIRMAN DANA: You are talking about a 45-day

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1 notice, a 15-day consideration, and a 30-day Federal Register
2 comment period for a total of 90 days in order to get a grant
3 out?

4 MR. RICHARDSON: That's correct, sir.

5 CHAIRMAN DANA: So, assuming we were to put the
6 notice out today, we, theoretically, could be in the field,
7 somebody could be actually providing services in late May,
8 theoretically, or we could let a contract by late May?

9 MR. RICHARDSON: I don't think it's quite as simple.
10 Even if we did it today, and that's being March 1, we would
11 have the 45 days for them to come in, the 15 days as far as
12 the review period. If you've got one, you can make a review,
13 but if you've got a number, it's going to take more time.

14 I think, the way they normally had it was a month to
15 make the review, and then after that review, then again, they
16 would go to the Federal Register for a notice period, that
17 would be 30 days. Then we would get those notices in and any
18 comments review, and then the grants would be two to three
19 weeks after that point. It's possible.

20 CHAIRMAN DANA: Okay. Is there anyone else in the
21 corporation that can answer these questions other than you,
22 because that voice is -- you ought to be saving it for

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1 tomorrow.

2 MR. MARTIN: Maybe I can help you.

3 CHAIRMAN DANA: Great.

4 MR. MARTIN: I asked Ellen Smead the same questions,
5 and she shared this information with Dave. What would be a
6 reasonable timeframe for us to advertise and to award--
7 advertise, receive some submissions and to grant some awards,
8 in terms of just the paperwork necessary, the review process,
9 and the statutory requirements or the notice and Federal
10 Register requirements?

11 Based on her experience, she estimates that it would
12 be four to six weeks for the applicants to get the
13 applications completed and submitted, depending on the number
14 of applications, another two to three, maybe four weeks to
15 review them. Then a selection would be made, and then, after
16 the selection, you do have the 30-day comment period, and then
17 negotiations, and the grant would take a couple of weeks.

18 So, it isn't a process that can be done just based
19 on the requirements of notice that would be required by the
20 Federal Register. It's a matter of analyzing and assessing
21 and making sure that all the documents are in place and done
22 according to our own procedures.

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1 So that's why Ellen estimated to me if we did go out
2 April 1 or March, let's say we could do it by March 1, I'm not
3 saying we could, with solicitations, she figured late summer.
4 But that doesn't -- if you did make an award in the summer
5 months, that would be start-up and a lot of expenses. We
6 figure that they probably could expend a good part of the
7 grant through the balance of the calendar year as opposed to
8 the fiscal year.

9 So, we want to do that; I have instructed Ellen
10 Smead to go ahead with that process. We're now going ahead
11 with that.

12 CHAIRMAN DANA: That's great. It occurs to me that
13 -- I don't know, I assume that we have an existing regulation
14 that deals with making grants and it is, in fact, a
15 competitive process, is it not?

16 MR. RICHARDSON: Yes, it is.

17 CHAIRMAN DANA: A new grant.

18 MR. MARTIN: Yes.

19 CHAIRMAN DANA: It is -- we can't even tinker with
20 that regulation as a practical matter, because we're not
21 confirmed. Is that --

22 MR. RICHARDSON: That's correct.

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1 CHAIRMAN DANA: Right. Well, I think, it makes
2 sense, frankly, to fast-track this as much, as quickly as we
3 can, because it is, I gather, for a long period of time, there
4 has been no dedicated migrant representation in those four
5 states that Congress presumably wanted there to be
6 representation. I understand that the stream of migrant
7 workers reaches these states in May and probably are there
8 much of the summer. So, if it would be possible to move, to
9 actually get this done on as fast a track as possible, I think
10 it would make a lot of sense.

11 MR. MARTIN: We'll do that.

12 CHAIRMAN DANA: Now, the inference, I mean, in
13 effect, what we have is double money, because we have -- the
14 \$274,000 in your proposal is last year's money, and we have
15 another sum of money for this year, and it is this year's
16 money, presumably, that you are trying to get out. Now, am I
17 reading you correctly?

18 MR. MARTIN: You are.

19 CHAIRMAN DANA: So that we are left with the
20 question as to whether or not it is in the interest of
21 Congressional directives we should be using this money from
22 last year that, for some reason, was not put out in the field

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1 to jump start the program this year so that the start-up costs
2 and maybe the costs associated with submitting a bid could be
3 covered with these funds, or whether or not we should take the
4 money and use it for migrant-related services in other states
5 since we are proceeding to deal with this state. Does the
6 committee have a view on that?

7 MR. UDDO: I would ask you to repeat your question.

8 I was lost in something there for a minute.

9 CHAIRMAN DANA: Okay. We have got, for the last few
10 years, we have had 274,000, plus or minus, dollars that has
11 not been spent to provide the legal services that Congress
12 wanted spent in the migrant area in four states. We have that
13 money in the budget for this year, 1991; we had it in the
14 budget for last year, 1990. In effect, we have twice as much
15 money as is normally allotted available to us. The issue is:
16 What do we do with that?

17 I mean, management has -- is going into the field
18 right now or is in the process of putting out a RFP for this
19 year, but we may have a hard time, they may have a hard time,
20 I think they will represent, spending all of the money
21 available to them for this year, never mind the money they had
22 for last year. It occurs to me that we could do a number of

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1 things. We could use the money to jump-start the programs in
2 those states so that we have twice as much money. Maybe we
3 could help people submit bids; if they have costs for
4 submitting bids, we could help pay the costs so that we could
5 get several proposals.

6 We could also use the money for other migrant
7 programs other than the ones just involved in these four
8 states, or we could do what management has proposed, and that
9 is to take the money away from the migrant program and stick
10 it into management of administration and use it for our own
11 management of administration purposes.

12 We have had several options presented to us, and I
13 wondered if the committee had any thoughts on what our
14 recommendation to the full board should be?

15 MR. UDDO: I think at least some portion of it, and
16 I think probably a fairly significant portion of it, would be
17 money that we might usefully recommend to the board could be
18 the seed money or the money to try to create some of the
19 thinking about the competitive bidding that has been talked
20 about. I mean, I think, we understand that David would like
21 to -- I want to say on the record, I still disagree that we
22 have to do the study now. I don't think the language says

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1 that.

2 But, I think, there is support for beginning to
3 develop some thinking about competitive bidding proposals, and
4 this may be a source of money for us to come up with a fairly
5 comprehensive proposal on competitive bidding or studying
6 competitive bidding and put these funds behind that. I think,
7 that would be a useful application of, at least, part of the
8 money.

9 I'd like to maybe get some thoughts about that
10 before we make a decision about it.

11 CHAIRMAN DANA: On the more basic question, is there
12 a motion to deal with the carry-over funds, a recommendation
13 for carry-over funds, for 1990 carry-over funds?

14 MR. UDDO: Just those migrant funds?

15 CHAIRMAN DANA: No, the whole.

16 MR. UDDO: Oh, the whole thing?

17 CHAIRMAN DANA: The whole carry-over fund. In order
18 for us to consider the 1991 consolidated operating budget, we
19 need to decide what we are going to do with a couple million,
20 2.2 million, I think, dollars sitting in the 1990 budget, and
21 whether we bring some or all of those monies over into our
22 1991 budget is what -- is really a preliminary question.

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1 MR. UDDO: Yes. I didn't know if David had anything
2 else or were we complete in their discussions.

3 CHAIRMAN DANA: I don't know. I should ask: Is
4 there anyone else who -- do you have any other thoughts on
5 this, David, that you can --

6 MR. RICHARDSON: Well, of course, we're dealing with
7 the carry-over and the carry-over amount of 1.925 that was
8 reported to Congress and did include the migrant funds.

9 CHAIRMAN DANA: Excuse me just a second. I'm sorry,
10 David.

11 MR. RICHARDSON: That's okay. I think it's clear in
12 the language of the appropriation in the different House and
13 Senate reports that they consider we had a carry-over of a
14 minimum of \$1.925 million. That did include the migrant money
15 and that was reported to them in August.

16 As a result, that's the reason we have programmed it
17 into the management and administration line, clearly showing
18 that that is what both House and Senate intended. When we
19 constructed the budget last year, we constructed a budget that
20 included \$11 million for the operations of management and
21 administration, and this money has been proposed, of course,
22 to help fund the M and A line.

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1 CHAIRMAN DANA: Regina?

2 MS. ROGOFF: I don't know if you want me to speak at
3 this point or at some other. I just wanted to say that I
4 would like to make a comment about carry-over.

5 CHAIRMAN DANA: We'd love to have you speak on the
6 subject right now. For the record, would you identify
7 yourself?

8 MS. ROGOFF: I'm Regina Rogoff. I'm the executive
9 director of the Legal Aid Society of Central Texas and the co-
10 chair of the Project Advisory Groups Funding Criteria
11 Committee.

12 CHAIRMAN DANA: I think the committee heard from
13 your other co-chair last week.

14 MS. ROGOFF: Andy Steinburg was here last week.

15 CHAIRMAN DANA: Correct.

16 MS. ROGOFF: We are trying to share the burden.

17 CHAIRMAN DANA: I see.

18 MS. ROGOFF: Unfortunately, it all falls on you. We
19 concur with Mr. Richardson that the conference committee
20 intended that there would be \$1,925,000 of carry-over
21 available to the management and administration line item.

22 We would like to point out, however, that the amount

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1 that the corporation is seeking to reprogram to that line item
2 exceeds the target that Congress had set by \$315,437. We
3 would encourage you to take a position that monies that are
4 earmarked for delivery of legal services should be
5 reprogrammed back into those line items and not transferred
6 into M and A.

7 Whether the source is from a migrant line or from
8 some other line, we would prefer that the migrant money be
9 reprogrammed back into migrant legal services, so long as the
10 corporation still will have its target available to it and
11 will reach that target with carry-over from other sources.

12 We would, also, like to just point out, and I've
13 made these very same comments last year when I testified
14 before the full board, that there are at least two items that
15 are listed as committed carry-over that have been committed
16 now for two full years and have been unexpended.

17 CHAIRMAN DANA: I'm sorry.

18 MS. ROGOFF: No, that's okay.

19 CHAIRMAN DANA: I'm sorry. Excuse me, go right
20 ahead.

21 MS. ROGOFF: These amounts were committed by, I
22 hesitate to even say the "prior board", because there have

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1 been some changes along the way with recess appointments,
2 maybe it was two prior boards ago, and it was, they consist of
3 \$300,000 in the delivery of legal services line for program
4 development, and that was committed by a prior board for
5 purposes of time-keeping, and \$50,000 in the management and
6 administration line item that was committed by two boards ago,
7 I actually believe it was by Mr. Durant's board, for
8 development of board materials for client board members.

9 The corporation has not expended any of those monies
10 for two full years, and we would argue that those should
11 simply be treated as available for reprogramming, as
12 uncommitted, and that would increase to over \$600,000, the
13 carry-over that we would like to see reprogrammed back to
14 Legal Services.

15 I hope that was clear. I'd be happy to go back over
16 that.

17 CHAIRMAN DANA: I think, I understand the point you
18 are making. To summarize it, you are suggesting that by not
19 reprogramming funds that have been earmarked by Congress for
20 the direct provision of legal services, we can achieve what
21 the corporation told Congress.

22 MS. ROGOFF: Exactly.

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1 CHAIRMAN DANA: If we needed any more, we could
2 reprogram the \$300,000 that has been set aside for time
3 keeping and the \$50,000 that has been set aside to do a film.

4 MS. ROGOFF: Exactly.

5 CHAIRMAN DANA: To assist clients with their roles
6 on the board.

7 MS. ROGOFF: Yes. For the last two years, programs
8 have been providing that training. It was part of the grant
9 condition, not this year, but the year before. Programs have
10 been doing that without the benefit of this film, and I think
11 that this money would not be missed in the field; we've gone
12 this long without it, and we'd rather see money that's
13 earmarked for the delivery of legal services retain that
14 character and be reprogrammed for that purpose.

15 CHAIRMAN DANA: As you can imagine, it would be a
16 very brave board that would tamper with the time keeping set
17 aside funds. Those funds have been set aside years ago to
18 assist with the implementation of something that may or may
19 not be in the cards some day. But I've heard very little
20 about the \$50,000 movie, but, you know, it's always kicking
21 around there. But is there someone, Regina -- I don't want to
22 ask David -- Maureen?

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1 MR. MARTIN: I think Maureen knows that.

2 CHAIRMAN DANA: Maureen?

3 MS. BOZELL: I can help. The script is written.
4 Regina is correct that the film is not produced yet. We have
5 met, actually, with producers and, in fact, are in the process
6 of negotiating a contract. So, it is not as though it's a
7 long-lost project. In fact, we're hoping it'll be produced in
8 the next month. So, we're using those monies.

9 MS. ROGOFF: I assume that the script was written
10 in-house.

11 MS. BOZELL: It was not written in-house. It was
12 written by a consultant and has been sent to many field people
13 and we've gotten comments and we've incorporated those
14 comments.

15 MS. ROGOFF: So, the fact that it has been included
16 in carry-over reflects that it hadn't been expended as of
17 September 30, 1990, but that it has been expended since, prior
18 to --

19 CHAIRMAN DANA: Or it's about to be spent
20 apparently.

21 MS. ROGOFF: Yes. But it has been expended prior to
22 being reprogrammed, basically.

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1 CHAIRMAN DANA: It has been --

2 MS. ROGOFF: For this year, for this consolidated
3 budget, it hasn't been reprogrammed, because the board hasn't
4 adopted it.

5 CHAIRMAN DANA: I think if I read the history --

6 MS. ROGOFF: It retains. Okay.

7 CHAIRMAN DANA: -- it retains its character. Once
8 it has been committed, it may be spent in subsequent years
9 without fussing with it.

10 MS. ROGOFF: Well, we look forward to seeing it
11 then. We would still, I think the basic principle still
12 applies though, that those two line items aside, there still
13 is \$315,000 over what Congress had expected would be available
14 for the total M and A line item, and we would again urge that
15 the migrant monies and any other field monies not be
16 reprogrammed into M and A.

17 CHAIRMAN DANA: Thank you very much. Is there
18 anyone else in the public who would like to wade in on this
19 issue before we figure out what we're going to recommend?

20 MR. RICHARDSON: Let me call your attention to one
21 item. The Native American amount has been left in the Native
22 American line. We have been contacted by Mary Trimbell

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1 Norris; she would like to propose a training. So, therefore,
2 we've moved the money back to the Native American line for
3 that purpose. You'll see that in the revised document on page
4 21 of your board book.

5 MR. UDDO: Page 21.

6 MR. RICHARDSON: The top of the page is marked
7 "revised."

8 CHAIRMAN DANA: Our new board book?

9 MR. RICHARDSON: Yes, sir.

10 MR. UDDO: Revised. Okay. What did you move back?

11 MR. RICHARDSON: It was, I think it's \$28,559, which
12 was the carry-over from the Native American line.

13 MR. UDDO: Could it be \$33,695?

14 MR. RICHARDSON: There was already \$5,136 there.

15 MR. UDDO: Okay. That was \$5,136. Okay.

16 CHAIRMAN DANA: Well, that subtle shift had been
17 lost on me. Let me see if I understand it.

18 MR. RICHARDSON: I think if you'll look at page 20
19 and 21, and in particular the management and administration
20 line, you'll see that there is a difference there of about
21 \$28,000.

22 CHAIRMAN DANA: Okay. If we go back to the memo

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1 that David wrote us on, actually, February 12, 1991, which is
2 in the 1990 tab of our board book on page 1 --

3 MR. UDDO: Of the new board book?

4 CHAIRMAN DANA: Of the new board book. What you are
5 saying, I guess, is that the \$28,559 that is in the
6 uncommitted line, you are now saying you don't want
7 reprogrammed?

8 MR. RICHARDSON: That is correct, sir. It's still
9 uncommitted, but yet we're going to leave it in the Native
10 American line.

11 CHAIRMAN DANA: Well, now, as I understand it, you
12 have gotten sort of part of the Rogoff religion, and if you
13 deal with the basic field programs and the migrant programs in
14 the same way, you will have gotten it all, right?

15 MR. RICHARDSON: Hallelujah.

16 MS. ROGOFF: Thank you, David.

17 MR. UDDO: Is that the only change?

18 MR. RICHARDSON: Yes.

19 CHAIRMAN DANA: I take it no one in the audience is
20 putting up a fight for not reprogramming everything else other
21 than basic field programs and now migrant programs, that is to
22 say law school clinics, \$3 from supplemental field programs,

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1 \$559 of training and development, \$10,095 national support,
2 state support and the big item of --

3 MR. UDDO: Other funds.

4 CHAIRMAN DANA: -- other funds available of \$922,
5 that's the -- no one is objecting to our reprogramming those.
6 If you add all those together, it comes very close to the
7 number, other than these controversial funds, it comes very
8 close to the number you told Congress even though, admittedly,
9 you told Congress of a different mix.

10 MR. RICHARDSON: Yes. You'll notice, of course,
11 that the biggest mix, the change is in the savings that we in
12 the corporation -- because of the cutbacks and because of the
13 possibility of sequestration, and that amounted to \$227,000.
14 The other major portion of that \$315,000 that Ms. Rogoff spoke
15 of is \$85,000 in additional grant recoveries and interest on
16 the funds.

17 CHAIRMAN DANA: Right.

18 MR. MARTIN: Can I help you?

19 CHAIRMAN DANA: Yes. This --

20 MR. MARTIN: I'm sorry. Can I help with some
21 question?

22 CHAIRMAN DANA: Yes. The issue is really what--

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1 has this \$61,000 changed at all?

2 MR. UDDO: The law school clinic number, has that
3 changed at all in any way?

4 MR. RICHARDSON: No, sir. Is there something I
5 could check, Mr. Uddo?

6 MR. UDDO: Do you have a calculator?

7 MR. RICHARDSON: Yes, sir.

8 MR. UDDO: Yours is probably better than mine. I
9 just want to make sure my numbers are right. Do you want to
10 add this?

11 MR. RICHARDSON: Sure.

12 MR. UDDO: Okay. Mr. Chairman, I make a motion on
13 the carry-over that the uncommitted carry-over in the
14 following lines and amounts -- I'll give you those first--
15 law school clinics, \$61,528; supplemental field program, \$3;
16 training and development, \$559; national support, \$10,095;
17 state support, \$108,536; and the other funds available line of
18 \$922,284, which we have just confirmed totals \$1,103,005, be
19 reprogrammed to M and A, which, in conjunction with the
20 \$803,332 already in M and A carry-over, comes to a total of
21 \$1,906,337.

22 CHAIRMAN DANA: Is there a second to that motion?

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1 MS. WOLBECK: I second it.

2 CHAIRMAN DANA: It has been moved and seconded. Is
3 there any discussion on that motion?

4 MR. UDDO: Just to support my motion, I will say I
5 think that that tends to satisfy the general needs and
6 concerns of the staff. It is a reasonable reprogramming
7 proposal without getting into the concerns that some of the
8 public testimony has indicated concern about, namely the basic
9 field migrant Native American programs, which we'll have to
10 deal with separately.

11 I think your response to the concern about time-
12 keeping and client training money are correct. I think we've
13 got to deal with those, but I think this part reflects what
14 the M and A needs, runs along the lines of what they have
15 suggested, and would be a reasonable first step on this carry-
16 over matter.

17 CHAIRMAN DANA: Any other comments? Jeanine? Any
18 other comments from the public? Assorted board members, if
19 they're still out there?

20 MR. UDDO: Assorted board members?

21 CHAIRMAN DANA: All those in favor, say aye.

22 (A chorus of ayes.)

1 CHAIRMAN DANA: Opposed? It's a vote.

2 The next item on the agenda -- and let me say that I
3 think that, I just would like to say for the record that I am
4 glad that the Migrant Legal Action Program, Inc. spoke up. I
5 think our process has been improved by that, and I appreciated
6 the comments of PAG both last week and this week, but I think
7 that we're moving in the right direction, and I thank you for
8 calling it to our attention.

9 The next item: Consideration of staff
10 recommendations concerning Fiscal Year 1991 Consolidated
11 Operating Budget and recommendation thereon. Now, last week,
12 just before last week, the members of the committee received
13 substantial support for a management's recommendation, and we
14 spent a lot of time questioning that last week, and management
15 has, in response to that, generated another document, another
16 approach, a more refined request for funds.

17 That request is in your board book, I guess, on page
18 23. You can compare both management's first request, which is
19 on page 22, with their refined request in part in response to
20 observations that we made and indications concerning
21 director's fees and expenses and our anticipated activity this
22 year. The line for board of directors has gone from \$170 last

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1 week to \$272 this week. You can follow along by looking at
2 the numbers on page 22 and 23 and comparing the indicated
3 changes.

4 Management has also provided the committee with some
5 detailed back-up document explaining how they arrived at the
6 \$11,082,878 and, unfortunately, they've been working around
7 the clock, all night and on holidays, but they were still--
8 we only got it today. So, none of us have had a lot of
9 opportunity to analyze it, although I've had some time. For
10 those of you who were not here last week, the original
11 proposal anticipated six board meetings this year, basically
12 one every other month, of two days duration, so that the
13 committee meetings would occur in connection with board
14 meetings.

15 We have indicated to management that, the committee
16 chairs involved, Basile, myself, and the other committee
17 chairs have indicated that we anticipate a more aggressive
18 schedule, and that has added approximately \$100,000 to the
19 budget, that plus the fact that we are recommending, the
20 committee voted last week to recommend to the full board, that
21 we raise our pay to what is permitted under the law, which is
22 \$389 a day.

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1 MR. UDDO: Excuse me, Howard?

2 CHAIRMAN DANA: Yes.

3 MR. UDDO: I think I just read something in the
4 materials that I was given when I got here that it's not \$391
5 a day, it's \$300 a day.

6 CHAIRMAN DANA: It's \$389.

7 MR. MARTIN: Is the maximum.

8 MR. UDDO: What did I just read in that memorandum
9 of compensation that didn't say that?

10 MS. BOZELL: That may have been last, the memo --

11 MR. UDDO: There was a memo in here on board
12 compensation.

13 CHAIRMAN DANA: That was --

14 MS. BOZELL: That's last year's memo and last year's
15 price.

16 MR. UDDO: Yes, this one. June 1990?

17 MR. MARTIN: Yes.

18 MR. UDDO: Okay.

19 CHAIRMAN DANA: This, I think, reflects the --

20 MR. UDDO: I didn't look at the date. I thought
21 that was a current memo also.

22 MR. MARTIN: No.

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1 CHAIRMAN DANA: This is, arguably, the height of
2 cheek to raise one's pay in anticipation of confirmation, but
3 the pay has remained fairly stable for a good many years, and
4 it is my feeling that it is in the interest of this
5 corporation for directors to put in the time to fulfill their
6 obligations, and to the extent that this enumeration assists
7 in that, I think it is well worth it. But that is going to
8 add, that will add money to the budget.

9 Do other members of the committee or the public have
10 any questions? I have a few myself, based upon my review
11 today. But, Basile, do you want me to --

12 MR. UDDO: I mean, I did have one before we went any
13 farther, and I didn't see it in anything I've gotten so far.
14 Has there been any further documentation on the justification
15 for the need of expansion of the staff presented?

16 MR. MARTIN: Do you want to talk or should --

17 MR. UDDO: Well, I mean, first of all, was there
18 anything in any of the -- I got some of the stuff just when I
19 got here tonight. I didn't see it in the stuff that I got
20 right before I got on the plane. Is there anything in writing
21 so far?

22 MR. RICHARDSON: There is not. I have identified

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1 the areas it will go into, the anticipated increases. But
2 mainly it's just to get back to the staffing level before
3 anticipated sequestration and rehire people, rehire in
4 positions where people have left.

5 MR. UDDO: Was there, as I understand it, some kind
6 of a study done, a management study or consultant hired to do
7 what sounds like the kind of thing that I'm talking about, an
8 analysis of the personnel needs of the corporation?

9 MR. RICHARDSON: Yes, sir.

10 MR. MARTIN: There was -- Let me answer it for you--
11 - not exactly a study of the personnel needs, but of the
12 management structure and how the corporation is configured.
13 Yes.

14 MR. UDDO: Would that address any of these things,
15 justification?

16 MR. MARTIN: Not in terms of numbers, it wouldn't.
17 But in terms of structure, it did. It affects numbers only in
18 that it recommended some changes in structure. For instance,
19 the separation of the vice-president and the general counsels
20 into two separate and distinct provisions, in some offices,
21 more of a managerial emphasis. But it would not address, I
22 think, the numbers that we're asking for. I'm prepared to

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1 share with you now what my thoughts are.

2 MR. UDDO: I would like to hear those. Is there any
3 reason why we couldn't see that study?

4 MR. MARTIN: Not at all.

5 MR. UDDO: I'd like to. I don't know who has got
6 it. I'd like to see a copy of it sometime.

7 MR. MARTIN: It's at the corporation. I'd be glad
8 to get it for you.

9 MR. UDDO: I'd like to see it. Could somebody get
10 it for me tomorrow so I could look over it?

11 MR. MARTIN: Yes.

12 MR. UDDO: Go ahead with your comments about the
13 staff.

14 MR. MARTIN: What we have asked for in bodies, not
15 talking full-time equivalents, which Dave likes to talk in, I
16 like to talk in how many bodies am I going to have at the end
17 of a fiscal year or at the beginning of a fiscal year, we now
18 have on staff 124 people, I believe. I want to add -- well,
19 before the fiscal year is out, I'd like to add three in the
20 general counsel's office, a general counsel and two attorneys.

21 MR. UDDO: When you say, "add a general counsel,"
22 you mean --

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1 MR. MARTIN: Well, I'm going to hire a general
2 counsel.

3 MR. UDDO: Hire a general counsel.

4 MR. MARTIN: Yes.

5 MR. UDDO: That's not really a new position.

6 MR. MARTIN: Not a new position. It is a new
7 position in that formerly one person occupied two positions.

8 MR. UDDO: Okay. But prior to that unusual
9 circumstance, there was a general counsel and a vice
10 president. I mean, it is going back to what it was before.

11 MR. MARTIN: Yes.

12 MR. UDDO: Okay.

13 MR. MARTIN: And in that office, two additional
14 lawyers. The inspector general's office is, in my opinion, in
15 need of expansion. It has three full-time employees now and
16 maybe a part-time paralegal. Mr. Wilkinson has requested an
17 increase to, I think, three additional for this fiscal year,
18 and I think it's justified.

19 In the Office of Human Resources, we are asking for
20 four additional people.

21 MR. UDDO: Pardon my ignorance, human resources is
22 personnel?

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1 MR. MARTIN: Is the personnel office, EEO, pay,
2 administration and that kind of thing.

3 MR. UDDO: I guess what I'm looking for --

4 CHAIRMAN DANA: You're asking for how many people in
5 that office? How many additional people?

6 MR. MARTIN: Let me see. He just said four.

7 MS. WOLBECK: He's using sign language, four.

8 MR. MARTIN: David?

9 MR. RICHARDSON: It's four.

10 MR. MARTIN: Four. It is four. And that's
11 secretarial level, right, two at the secretarial level.

12 MR. RICHARDSON: Yes. Well, all of them are.

13 MR. MARTIN: All of them are. Okay.

14 CHAIRMAN DANA: On the back-up sheet it doesn't, I
15 confess that you appear to be only asking for two on the --

16 MR. RICHARDSON: As I tried to explain last week,
17 there is a temporary pool, and two of those would be funded
18 through the temporary pool.

19 CHAIRMAN DANA: Well, you are substantially
20 estimating the pool in another part of your proposal?

21 MR. RICHARDSON: Only because the needs in the
22 different area, for instance, this area we provide people who

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1 come in and will answer the telephone, do light typing,
2 filing, on an ad hoc or on an "as need" basis.

3 CHAIRMAN DANA: Well, last week your proposal
4 indicated you wanted to add one employee to that department.

5 MR. RICHARDSON: That's correct.

6 CHAIRMAN DANA: This week the proposal talks about
7 adding two employees.

8 MR. RICHARDSON: That's correct.

9 CHAIRMAN DANA: But the president is saying what he
10 really needs is four.

11 MR. RICHARDSON: Look at the temporary line in the
12 budget amount. Originally it was \$50,000.

13 CHAIRMAN DANA: Correct.

14 MR. RICHARDSON: That equated to two or three
15 temporary people. What we have done is taken a part of the
16 temporary pool and filled a full-time position. Both of those
17 equated to four new hires.

18 CHAIRMAN DANA: I see. Last week you had a
19 secretary plus three secretarial pool.

20 MR. RICHARDSON: That's correct.

21 CHAIRMAN DANA: This week you have a secretary, an
22 ADT and two employees working --

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1 MR. RICHARDSON: Two in the temp pool.

2 CHAIRMAN DANA: Two in the temp pool.

3 MR. RICHARDSON: Yes.

4 CHAIRMAN DANA: For only \$20,000.

5 MR. RICHARDSON: That's correct.

6 CHAIRMAN DANA: "ADT" is?

7 MR. RICHARDSON: Assistant to the director. Last
8 week when you were looking at this, you did have some problems
9 identifying specific people. What I tried to do, for
10 instance, in the monitoring, I know you had a problem there,
11 there's \$100,000 in temporary pool. She uses people there,
12 for instance, to come in and do, again, light typing, filing.

13 She had a night crew for six months last year that
14 had four people in it. That money would go to fund that.
15 They, also, occasionally have a project internally, where
16 they'll hire an accountant or a management person and,
17 therefore, the money is funded through the temporary pool
18 there. What I've done is equated the \$100,000 to full-time
19 equivalents.

20 CHAIRMAN DANA: You divide that -- when you're
21 talking of that, how do I do that? Is it six; \$50,000 is
22 three and \$100,000 is six?

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1 MR. RICHARDSON: Yes, in most cases. However, in
2 that particular line, right now, they have a lady on that is a
3 management evaluation specialist. She would equate to two of
4 those positions. So, instead of having six, you've got five.

5 CHAIRMAN DANA: Oh, God, I hate to ask you
6 questions. But you are, she is, asking for \$100,000 in that
7 line. Last year she consumed \$77,000 in that line, and she is
8 currently consuming money at the rate of \$12 or \$13,000.

9 MR. RICHARDSON: That's correct, because we've not
10 been hiring because we haven't had a budget. Right now she
11 has two people that are in that temp pool, and I have
12 information on my desk that she wants to hire another that
13 I've not approved yet until we get a budget.

14 CHAIRMAN DANA: This is helpful in telling me the
15 number of bodies you want. It doesn't answer my question as
16 to what do you want them for. I mean, that's a -- we are
17 responsible for a Legal Services Program that is crying out
18 for more people from top to bottom.

19 There isn't an office in this land that wouldn't
20 like to hire another lawyer, another secretary, another
21 paralegal, another ADT, another fill-in-the-blank, because
22 they need more people. We're being told by these documents

1 that the corporation would like to go from 121 to 150, and
2 why? I understand the why not, but we don't know the why.

3 MR. MARTIN: Let me help you with that, Howard. Let
4 me break in here. I mean, I just identified two in the
5 general counsel's shop.

6 CHAIRMAN DANA: Let's take that a minute.

7 MR. MARTIN: All right.

8 CHAIRMAN DANA: We have a general counsel's office
9 that has 11 lawyers, maybe not 11, maybe 10, but however many
10 we have --

11 MR. RICHARDSON: Yes, sir. At this point, we want
12 to replace two people who left.

13 CHAIRMAN DANA: We have 11 employees. We can't
14 issue any regulations. We have lost virtually all of our
15 major litigation. Our other litigation is being handled by
16 Defense Counsel or outside counsel. Why do we need two senior
17 lawyers?

18 MR. MARTIN: Let me answer that. I anticipate major
19 litigation. I anticipate the need for people who are
20 experienced in administrative hearing process. The lawyers we
21 have on staff now, there are two experienced lawyers and
22 virtually everyone else -- well, I mean, three experienced

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1 lawyers -- is either right out of law school, never been in a
2 hearing examination, never appeared before any quasi-judicial
3 or judicial-type official. They are bright lawyers and can
4 research and write.

5 MR. RICHARDSON: If I may, sir, to interject again,
6 last year we lost two attorneys in this particular area. We
7 were not allowed to replace them last year, a gentleman by the
8 name of Carl Mergle and a lady by the name of Kirsten Hazlik.
9 This proposal would restaff to prior levels only.

10 MR. UDDO: I guess that's the kind of information
11 that would be helpful to me, where these are not necessarily
12 expansions of the personnel in the office, but replacing
13 positions that maybe were temporarily not filled or lost.
14 That would be helpful to me on some of these different areas
15 because, I mean, there is a concern that there is a request
16 for a fairly significant expansion of the staff, really,
17 without much in terms of explanation of why it's needed in a
18 particular division or in a particular office.

19 MR. RICHARDSON: Every position that is proposed is
20 replacing somebody who has left with the exception of the
21 people in the IG's office and, of course, that's a newly
22 created office.

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1 CHAIRMAN DANA: Well, another way of saying this is
2 that our staffing level has been up in this range that you
3 want to go back to, in the past.

4 MR. RICHARDSON: That's right.

5 CHAIRMAN DANA: I understand that. I think, I'm
6 correct. I guess I have budget figures, and budget figures
7 don't actually -- are not necessarily actual figures. But
8 other than the fact that we have been there before, I suppose
9 that means, not to beat a dead horse, but every Legal Services
10 grantee has been there before, too.

11 Everybody in Legal Services has, for the most part,
12 has had a staffing level higher than it is now, and they all
13 would like to increase. But there are people right within the
14 sound of my voice urging that we go to Congress and ask for a
15 modest four or five or six percent increase next year, when
16 our corporation is asking for a 14 percent increase for this
17 year compared to last year.

18 MR. RICHARDSON: Last year's spending.

19 CHAIRMAN DANA: Exactly. We want to spend 14
20 percent more at the Legal Services Corporation this year than
21 you spent last year.

22 MR. RICHARDSON: Right, sir.

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1 CHAIRMAN DANA: And that is not -- I mean, in the
2 best of all possible worlds, I think we all could use more
3 people. But I think, as a board, we have to be concerned that
4 we are spending the money wisely, and the best use of these
5 resources is to have a 14 percent increase in M and A and only
6 put out four percent to the field.

7 MR. MARTIN: Let me answer that about the 14
8 percent. I appreciate you saying it's 14 percent, and it may
9 well be. But you understand and Mr. Richardson explained last
10 week that spending was curtailed last fiscal year because of
11 the threat of sequestration, so no hires were made, staff was
12 reduced dramatically, no contracts were let.

13 So, therefore, to make a comparison, your statistics
14 are accurate, but it was a year when there were threatened
15 cutbacks, and those cutbacks were made. The interim president
16 and my predecessor apparently, early into the fiscal year,
17 planned on that and so reduced spending, and did not replace
18 employees as they resigned and left through normal attrition.

19 MR. UDDO: I guess, my concern, David, is I really
20 would like to know more of what's not getting done right now,
21 and I'm sure there probably are areas where there are
22 problems. Again, you know, I can only harken back to my own

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1 experiences here. It's a relatively familiar refrain that the
2 corporation needs more staff.

3 MR. MARTIN: I guess, I didn't quite finish when
4 this colloquy started, but I got as far as the personnel
5 office.

6 MR. UDDO: I guess, what I'm trying to ask you to do
7 is not so much tell me what numbers of people you're asking
8 for. I'm sort of interested to know, I think as Howard is
9 suggesting, the need behind it. I mean, are there offices,
10 for example, is MAC still not able to respond to requests from
11 the field when the field makes requests. That was a common
12 complaint that I used to hear, that requests would be made and
13 never get answered.

14 Now, you know, is that a staffing problem? Does it
15 still occur? I think, that's the kind of background
16 information that the committee is interested in. We feel a
17 little hesitant, at least I feel a little hesitant, just
18 approving the addition of, you know, 30 more people, even if
19 it is just getting up to old levels, unless there's some
20 explanation for why you need it.

21 MR. MARTIN: That's 30 people over the course of two
22 fiscal years, and we're already into this fiscal year. But

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1 there are a couple of problems, not problems, but things that
2 I want to do. Are you leaving?

3 MR. UDDO: I'm listening. No, I'm getting some
4 coffee.

5 MR. MARTIN: In the Office of Field Services, I want
6 to create an office that will be responsive to the field when
7 questions are asked, and I want to be able to provide some
8 technical services and advice. So, I want to have an office
9 that is more responsive to questions from the field. So, I
10 want to add two and possibly three employees there.

11 Mr. Richardson's office has not had a budget
12 officer, and I think that part of his operation should include
13 internal controls for our own operation, in addition to
14 whatever the inspector general might do.

15 In MAC, I believe that some management changes are
16 going to be necessary there, and I'm considering some changes
17 that will have, I think, important repercussions in the field
18 in terms of improving relationships, and she has asked for six
19 additional staff people over the next two fiscal years. I
20 think they are needed there. But I also think that we need
21 some management changes and restructuring there. I'm in the
22 middle of that. I'm not prepared to tell you.

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1 In addition to that, those changes that I want to
2 make, we spend a lot of money on consultants in that office as
3 you can see from your budget book. I think, by bringing in
4 additional people full-time, I can save some money on the
5 other end, and I want to try to do that. So, MAC and Field
6 Services: those are the two areas that I want to put people
7 into to really be more responsive to the field and to
8 restructure a little bit so that we can be more supportive and
9 accommodating.

10 MR. UDDO: I guess, and --

11 MR. MARTIN: And that really only brings us back up
12 to the staffing that was there. I think we're at the lowest
13 staffing that the corporation has had in many, many years.
14 So, I just -- using the existing positions, want to -- I think
15 that I can make some changes that are going to be very
16 positive in those two offices. But I need some people.

17 MR. UDDO: I guess what I'm thinking, though, is
18 that I'd like to hear more about some of the ideas that you
19 think that these people will help. I mean, I'm interested in
20 your creativity, and I think that you're on the right track,
21 and it sounds like there are things that you're thinking about
22 doing. I guess that's what I'm asking for, is sort of your

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1 aspirations for the coming year and how that ties into your
2 request for additional staff and some of the changes and
3 rearrangements that you're planning on making.

4 So, I guess, what I'm saying is that the request for
5 the additional staff may be the cart before the horse, because
6 I'd like to see some of the things that you're proposing and
7 would probably be persuaded that maybe some of these
8 additional staff are necessary to carry out what you want to
9 do. We are sort of being asked to do it in the reverse, to
10 fund the expansion of the staff and find out later what the
11 goals and aspirations of your administration are going to be.

12 MR. MARTIN: Well, I have not made final decisions
13 on those, but let me just share with you one thing I said for
14 sure, and that is I'm going to create an office of technical
15 and advisory assistance in the Field Services Office, that's
16 for sure.

17 CHAIRMAN DANA: You are going to create an Office of
18 Technical and Advisory Service within the Office of Field
19 Service. What is that office going to do?

20 MR. MARTIN: Respond, I think, and provide
21 assistance to the field in many of the areas where the
22 application, the grant processing, where they already do it,

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1 but I think it's done on an ad hoc basis now, and I want to
2 systematize it.

3 MR. RICHARDSON: The gentleman who handled that last
4 year left the corporation. When there were bylaws changes, he
5 would help do the research and he would respond to the field.
6 We don't have someone who can do that right now. We are
7 seeking to replace him. Also, in the line of --

8 CHAIRMAN DANA: Which of the jobs?

9 MR. RICHARDSON: The ADT-3 that you see, there's two
10 of them. Both of those are attorney positions basically.

11 CHAIRMAN DANA: All right.

12 MR. RICHARDSON: The other position there was the
13 lady who reviewed all of the one time grants. She left the
14 corporation last April and has not been replaced.

15 MR. UDDO: That's the kind of things that I wish I
16 had the background on, because, I mean, there are things that
17 obviously can facilitate the corporation's responding to
18 requests from the field and, as I say, I know that's a
19 perennial problem, and that's something that probably ought to
20 be done and funded. I just wish we had that kind of
21 background on the whole proposal for staff.

22 MR. MARTIN: Well, we're here to answer your

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1 questions now and, you know, preparing these documents is an
2 enormous effort, and Dave has worked as long and hard as I
3 have, and it's just one more additional piece of paper we
4 didn't -- MR. UDDO: Well, no, that's why I was asking about
5 your consultant study, because I thought maybe that's where
6 some of these things were coming from, that there was a study
7 commissioned and that that was accounting for some of these
8 suggestions. But, I would assume, do the heads of the
9 different offices, I mean do they make a proposal to you
10 saying, "This is what we need and this is why we need it"? I
11 mean, is that all we need to see?

12 MR. MARTIN: I think this is the first time that has
13 been done. I did it, going to the various offices and
14 directors asking them what, you know, "If you had a priority
15 list of people you need, what are the resources you're going
16 to require?", they submitted them to me, to Dave, Dave and I
17 went over them, and made cuts where we thought, based on my
18 experience with the corporation so far, where I thought we
19 needed to emphasize resources. And what you have before you
20 is the result of that several weeks process that Dave and I
21 went through. It has never been done before in the
22 corporation, so far as I know. At least, in what, four or

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1 five years, Dave?

2 MR. RICHARDSON: The last three.

3 MR. MARTIN: So, what you're seeing before you is
4 what the experienced people and, plus with my limited
5 experience with the corporation, have come up with in terms of
6 their recommendations to me, and based on the management study
7 and what I have observed in working with the corporation for
8 the last three months, believe is necessary to manage the
9 resources of the corporation and do a good job in responding
10 to the field. I do think I need to do some things in MAC, in
11 Field Services.

12 But, also, the support services are -- sometimes
13 we're short-handed, Dave is. He works long hours, as I do,
14 and I need a vice-president. I think I need a deputy director
15 up in MAC and one or two additional managers. I mean, I will
16 share with you, although it isn't, I haven't finally decided
17 on that, I'm thinking about setting up a system whereby MAC or
18 Field Services -- I'm not sure how I'm going to do it -- is we
19 split responsibility up by region so that a person or persons
20 in the corporation will, let's say, be responsible for the
21 Southeast region. He or she will get to know those programs
22 and be dealing with them on a personal basis rather than as it

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1 is now.

2 We send consultants from California now to, let's
3 say, monitor somebody in Atlanta. And there is a -- it's kind
4 of a -- I think I can do it better. But I've got to put
5 people in place.

6 MR. UDDO: Is that the regional offices revisiting?

7 MR. MARTIN: But it may be removed to headquarters,
8 which would be more efficient, I think.

9 CHAIRMAN DANA: Your proposal, maybe it does, do you
10 provide in your current proposal for a deputy director?

11 MR. MARTIN: No.

12 MR. RICHARDSON: Not in '91, '92.

13 MR. MARTIN: '92.

14 CHAIRMAN DANA: Which is another year. I understand
15 that the proposal for '90, this year, is to go from 121, where
16 we were at the start of the year, to 150, and to go next year,
17 which starts in seven months, to go 165.

18 MR. MARTIN: No.

19 MR. RICHARDSON: We have had to revisit that, of
20 course, because of cutting the budget and the requirements
21 that you put on us last week.

22 CHAIRMAN DANA: What did I put on you?

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1 MR. RICHARDSON: Well, as far as cutting back
2 because of -- where we had projected hires to come in, in
3 December, January, February, we have gone in and cut those
4 out. In creating those funds, moved them throughout the
5 budget, as you have before you.

6 MR. MARTIN: I think what he's saying is delaying
7 the hires, we're moving back the hiring dates.

8 CHAIRMAN DANA: Many of them haven't been hired in
9 accordance with the anticipated hiring schedule set forth in
10 your original budget, because you just haven't hired them?

11 MR. RICHARDSON: That's correct.

12 CHAIRMAN DANA: You didn't have a budget, so you
13 didn't feel you could go forward. I understand that. Am I
14 not correct that these documents indicate the desire to go
15 from 121 to 150 this year, and then to 165 next year, in terms
16 of your staffing level? I can't find that the documents
17 support that. But in one sense you say that, but I can only
18 find maybe 143 jobs in here.

19 MR. RICHARDSON: Well, as I explained to you before,
20 the rest are in the temporary lines, and I think there is
21 approximately 150 full-time positions.

22 CHAIRMAN DANA: This year.

1 MR. RICHARDSON: Right. But when we're looking at
2 the full-time equivalents, it does come down to the 142
3 figure.

4 CHAIRMAN DANA: Because they haven't been hired at
5 the beginning of the year?

6 MR. RICHARDSON: That's right.

7 CHAIRMAN DANA: But you want to go to 165 the
8 following year?

9 MR. RICHARDSON: We have revisited that. No, sir,
10 we have cut that figure.

11 CHAIRMAN DANA: What's the new figure?

12 MR. MARTIN: I want to stay probably around the 154,
13 155 mark for Fiscal Year '92.

14 MR. UDDO: Mr. Chairman, would it be appropriate to
15 invite comment from the public right now?

16 CHAIRMAN DANA: Thank you. I think it would be
17 appropriate. Does anyone out there wish to enlighten us?

18 MS. ROGOFF: I'm not sure that we would have
19 anything enlightening, but I would like to offer a comment.

20 CHAIRMAN DANA: Please.

21 MS. ROGOFF: We're working at somewhat of a
22 handicap. Again, I'm Regina Rogoff with the Project Advisory

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1 Group. We don't have any of the information that is in,
2 apparently, the materials that go to the board, about the
3 proposed staffing. I would just like to reiterate on behalf
4 of the field that the comments that the chair of this
5 subcommittee has made about staffing levels in the field is
6 true. Our staffing levels continue to decline.

7 I know in my own program that we, over the last
8 decade, have closed a rural office. The remaining rural
9 office has half the staff it had a decade ago. My main office
10 now has less than when I started with Legal Services in 1973,
11 that's not to say that just because it's happening to us that
12 that's the way to do business.

13 But I do think it's very important, and we really do
14 appreciate, that you look at this with scrutiny and very
15 carefully, as you are doing, insist on a justification. These
16 are precious dollars however they're being spent, and they
17 should be used in a way that's going to maximize legal
18 services to the poor.

19 I know that one of the ways that I'm able to
20 continue my ongoing operations, and I assume that your health
21 insurance costs have gone up as much as mine have, and the
22 other costs of doing business have gone up so much,

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1 particularly in the last few years, is not to fill positions
2 when there is attrition and just to get by with less and
3 expect more of those who remain.

4 If we're talking about handing out positions, I'd
5 like to request a secretary. Thank you.

6 CHAIRMAN DANA: Thank you very much. Would anyone
7 else like to speak to us on the issue of 1991? Any aspect of
8 it?

9 A PARTICIPANT: I'd like to say something.

10 CHAIRMAN DANA: Good.

11 A PARTICIPANT: Now, the main legal services, we
12 have to set examples for the field, right?

13 CHAIRMAN DANA: Right.

14 A PARTICIPANT: He's asking for two experienced
15 attorneys and not a person, right, to help these newly-out-of-
16 school attorneys?

17 CHAIRMAN DANA: In the general counsel's office.

18 A PARTICIPANT: All right. So, if they -- and then
19 he was asking for a person to answer the questions from the
20 people in the field, right?

21 CHAIRMAN DANA: Yes.

22 A PARTICIPANT: To assist these people when they

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1 call in or if they have a problem. Well, that's about all I
2 want to know. Thank you.

3 CHAIRMAN DANA: Blakeley?

4 MR. HALL: I'd just like to comment that, I guess,
5 we'll be voting on this tomorrow, and I share Basile's feeling
6 on it. When I read the material in preparation for tomorrow,
7 I thought, first of all, why do we need to hire 25 people?
8 That was really the question that stuck in my mind. It
9 doesn't mean we don't need to, but it just meant "why",
10 because for whatever reason that Terry may have decided last
11 year to cut back and not rehire, perhaps it was a good thing
12 for us.

13 Maybe we learned how to make do with less, and we
14 saved a lot of money that way. Maybe we suffered a lot. But
15 I think what Basile wants to know is how did we suffer, and
16 what do we need in each position, David? That's what would
17 help me as well to know. I'm not opposed to it, I mean was it
18 -- maybe we made a savings and people have filled in, and it
19 has been a good thing for us. That's the only question I
20 have. I guess, I kind of share Basile's feelings and Howard's
21 as well.

22 CHAIRMAN DANA: Thank you.

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1 MS. WOLBECK: I guess, I have those same feelings.
2 You know, I think each of these positions we have to look at.
3 If you're going to fill it, is it going to help us serve the
4 poor? Because if it isn't, and it's just going to help
5 someone better manage a department for their sake, you know,
6 that's two separate things. I mean, like I think everyone has
7 said, it's nice to have our departments managed efficiently.

8 But the bottom line is: Is that going to help the
9 poor to be better served? I don't know how you answer
10 something like that. I think the staff has to really evaluate
11 them. Can we make do, or is it going to serve the poor better
12 if we don't make do?

13 CHAIRMAN DANA: Any other comments?

14 MR. UDDO: I just want to -- I'll put this in a
15 little bit of perspective, too. You know, my university is
16 going through something of a budget crunch, so it kind of
17 makes me think about things a little differently. The law
18 school, we've got about 25 folks on the faculty and three
19 secretaries for 25 people right now, which is horrendous.
20 It's awful.

21 But basically what we've been told over the last
22 year is to, you know, find ways to make due because there's

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1 not an unlimited amount of money there, and look at things
2 carefully before you request or decide that you absolutely
3 have to have A instead of B.

4 And as a member of the board charged with the
5 responsibility that we all are, that's the kind of questions
6 that I think we've got to ask. I think we've got to ask the
7 questions of whether or not all of these positions are
8 necessary? Why are they necessary? Are there some more
9 important than others? I mean, if the board is not of a mind
10 to say, "Hire them all," is there a list of priorities? Are
11 there some of these people that you absolutely feel like you
12 have to have and some that are more on the wish list?

13 It seems to me that there has to be some priority,
14 because I don't think any institution has the same level of
15 requirement for every one of the hires that they want to make.
16 Some of them, obviously, are more important than others. You
17 know, I sense, David, that you feel that maybe this is
18 something that the board ought not be concerned about. You
19 know, I think that we just have a fundamental disagreement
20 about that. I think this goes to the heart of what the
21 board's obligation is, in terms of managing the corporation,
22 and I think the board of any corporation would ask the same

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1 kinds of questions and expect the same kinds of support and
2 documentation.

3 MR. MARTIN: Well, I thought I had been responsive,
4 but obviously I haven't. But I will share with you this
5 thought: I'll manage whatever you recommend to the full board
6 and whatever the full board does, whatever figure -- I'll
7 manage with those resources. You tell me what you want me to
8 manage with and I'll do it. If I have to cut people, if I
9 have to fire people, if I have to get rid of consultants, I'll
10 do it. You tell me at what level you want me to manage at,
11 and I'll do it.

12 But I brought to you what I thought was reasonable
13 numbers in terms of what has been provided to me by my staff,
14 and I still think it is, and I'll stand by what I've told you
15 about the changes I want to make in MAC, the things I want to
16 add in Field Services, the fact that we do need, I think, some
17 more seasoned lawyers, the fact that we do need secretaries
18 and a secretarial pool to help out in the other offices.
19 These are the positions, and if you, in your judgment, don't
20 recommend and adopt that, I understand.

21 I'm just telling you, based on what I'm seeing at
22 the corporation, I do need a vice-president. There are some

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1 things that we want to undertake, some initiatives. So, I
2 thought we'd lay them out here, and if you want me to give you
3 my priorities, I'll do it off the top of my head right now. I
4 prefer not to.

5 MR. UDDO: Well, I prefer not to have them that way.

6 MR. MARTIN: But I'll certainly think about it
7 tonight and be prepared to give my priorities tomorrow at full
8 board. But, you know, I'm a manager, and I'll manage with
9 whatever you tell me to do it with, and I'll do the very best
10 job we can.

11 CHAIRMAN DANA: May I just respond? I think that
12 for me, I'm not prepared right now to -- I don't know whether
13 what you have proposed is good or bad, or too much or not
14 enough, because I don't have a sense of what the need is, what
15 your priorities are, what these people would do. I'm not,
16 frankly, prepared to say that we don't need it, but I'm not
17 prepared to say that we do. I know of an immense need out
18 there. That I know.

19 We are directors that have come and go, and so the
20 staff is handicapped by having to deal with people who are
21 relatively inexperienced. I haven't served, I have never
22 served on this committee; I don't think any of us have. But

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1 it's clear that this committee is, of all the committees on
2 the board, this is the committee that ought to know what it is
3 that is being proposed to be done with the funds that are
4 being added to whatever we're doing now.

5 I have given a lot of thought to it. I do not want
6 to turn this budget down or recommend that we turn it down
7 flat, but I'm not prepared to vote for it because of these
8 questions.

9 MR. UDDO: Let me see if I can crystalize my
10 thinking. I agree with Howard. To do that I'm going to
11 recall, fondly, the memory of Clark Durant, who many people
12 here do recall. One of Clark's favorite themes the whole time
13 that we served on the board together was that people need to
14 make a distinction between wants and needs, and he was quite
15 fond of saying that he thought that one of the major problems
16 of the Legal Services world is that there was a confusion
17 between wants and needs, and that we really had to find out
18 what was needed, not just what folks wanted in terms of legal
19 services. I think that's kind of what we're saying.

20 We need to know what you need as compared to what
21 you want, and we need to know what your priorities are and why
22 they are that way, and I think there would be significant

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1 support for a number of the things that you're talking about.
2 But to say that we have enough information to say, "Increase
3 the staff by 30 people," I don't think it's here and I think
4 we need to get you to give us something telling us your vision
5 and your plan so that we can, you know, buy into it and say we
6 see what it is you want to do.

7 I can see from your look you think you've done that,
8 but, you know, we don't have -- I don't know exactly what it
9 is that your vision or your plan is. I know you've mentioned
10 a few things that you'd like to do, but I think, you know,
11 we've done innumerable legal need studies over the years, very
12 detailed studies where we are trying to get some dependable
13 information about what the needs are in the Legal Services
14 community. We don't need anything that elaborate.

15 But I think this committee needs something put
16 before it that says, "This is where David Martin wants to go
17 and the things that he would like to do, and that he wants
18 board support for, and these are the people he needs to do it
19 in the different offices." Then we'd have something, I think,
20 fairly concrete to respond to.

21 MR. MARTIN: Would you like to go down it again?
22 I'd be glad to share with you what I've just told you.

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1 MR. UDDO: David, let me be candid with you. You've
2 told us the number of people you want in different offices.
3 You've mentioned a few plans that you have that you have
4 admitted are not completed yet or fully thought through yet.
5 I don't consider that the kind of information that we're
6 talking about. I think that what we need is -- the numbers
7 are very good. I mean, as always, David's numbers are very
8 detailed, very thorough, and very accurate.

9 We need what is behind those numbers, at least I
10 think I need what's behind those numbers before I can vote on
11 whether to recommend your proposal or, more likely, to tamper
12 with your proposal and say, "I'm convinced that you're right,
13 that this is a good idea and you do need to make these changes
14 and you need these people for it." But I can't say that we
15 should approve adding 30 people to the staff just blank check
16 fashion like that.

17 MR. KIRK: Mr. Chairman, may I make one comment?

18 CHAIRMAN DANA: Please.

19 MR. KIRK: I'm probably the person that knows the
20 least about what's going on here.

21 CHAIRMAN DANA: Well, then, speak freely. Why
22 don't you come to the table and identify yourself for the

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1 Court Reporter?

2 MR. KIRK: My name is Bud Kirk and I think, Mr.
3 Martin, I've never met you, but --

4 MR. MARTIN: How do you do, sir?

5 MR. KIRK: I think what they're saying is that you
6 came to this job late; you've done a heck of a job going and
7 talking to all the heads of agencies of the departments,
8 saying what do they need, but I think the question is: What
9 wasn't done last year that ought to be done this coming year?
10 And, you know, that's what I'd like to hear and I think that's
11 just another conversation with the heads. I think you can do
12 it between now and tomorrow morning, but I think that's --

13 MR. MARTIN: You think I can?

14 MR. KIRK: I don't think you can, but I think that's
15 what they're saying. And I would give strong support to you
16 as the president and what you want, but I think that's the
17 issue that's not there. I think if that gets answered, I
18 think that we're all saying that we might be ready.

19 CHAIRMAN DANA: That's very helpful. Can we take a
20 five minute break? I'm going to declare a five minute recess.

21 (A short recess was taken.)

22 CHAIRMAN DANA: May I call this meeting back to

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1 order? The committee is back from our five minute recess, and
2 I understand that there is a motion about to be made.

3 MR. UDDO: Yes, Mr. Chairman. I have a motion, and
4 I have some extra copies of it so that we can have it clear in
5 the record, because it's pretty long. The prelude to the
6 motion is that -- or I will make it in the form of a motion--
7 that the committee not at this time recommend the management's
8 proposed consolidated operating budget.

9 But that, in order to adopt some form of operating
10 budget, I am proposing the following revised consolidated
11 operating budget, and it will result in the creation of a
12 contingency allocation for management of \$100,000 and a
13 contingency allocation to the board for roughly, we can be
14 exact, \$474,000 to be held during the Fiscal Year 1991 for
15 additional expenditures that might be proposed to the board by
16 management and approved by the board.

17 The principal differences between the committee's
18 proposed budget and management's budget are the following:
19 First, we propose reduction of the \$58,450 dollars set aside
20 in various places for staff travel to out-of-town board
21 meetings. We also recommend that there not be an increase in
22 staffing levels above their current level until management has

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1 presented some of the kinds of documentation and justification
2 that the committee has requested in this evening's discussion.

3 Next, that the \$455,727 set aside in the staff
4 revised budget, working from the staff revised budget, for
5 raises for executives for unspecified salary increases, for
6 COLAs and for step increases, which collectively represent
7 roughly a 10 percent raise for continuing personnel of the
8 corporation, not be implemented according to the
9 recommendation, and that the committee recommend instead that
10 we drop the unspecified increases and reduce the funds
11 available for step increases to half the amount set aside for
12 COLAs.

13 There are numbers in the written proposal, which I'm
14 not going to go through all the numbers right now. With those
15 reductions, employee benefits would be reduced by 20 percent
16 to reflect those particular reductions that I just proposed in
17 those approved positions.

18 I don't have them numbered, they're lettered, so
19 that the fifth point, that, in view of the status of our
20 litigation docket and the fact that the corporation is
21 precluded from promulgating regulations during this fiscal
22 year, thereby releasing in-house counsel for what litigation

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1 may arise, the committee recommends the reduction of the
2 staff's budget for outside counsel from \$300,000 to \$100,000;
3 that the litigation fund be reduced from \$69,500 to \$19,500.
4 Actual expenditures in 1990 were less than half of that
5 amount.

6 Next, that the policy rationale for the \$10,000 item
7 included under travel for the Office of Finance and
8 Administration be presented to the board, and that all of
9 those changes summarized would produce a committee proposed
10 consolidated operating budget for Fiscal Year 1991, which
11 would read thusly:

12 The board line would be increased from \$272,915 to
13 \$746,923, which accounts for the \$474,008 that I mentioned,
14 which would be retained under the board's control for further
15 request from management under an account entitled, "Board
16 Initiative Account."

17 Executive offices would be, under the committee
18 recommendation, \$841,280, which is an increase over the
19 management proposal of \$69,630; that is accounted for by a
20 reduction in the step increases to 50 percent of the COLA,
21 reduce the benefits proportionately, reduce temporary employee
22 pay by half, and reduce travel by 25 percent. The total

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1 reduction there of \$30,370.

2 But, as I said, we are proposing the establishment
3 of a special contingency account in the executive offices
4 subject to the Audit and Appropriations Committee guidelines,
5 which were put into the record at the last meeting of the
6 committee, and that account would have \$100,000 under our
7 proposal, which would be a net increase under the executive
8 offices, as I said, of \$69,630.

9 The inspector general's office, the committee
10 recommendation is \$368,073, which is a \$12,927 reduction from
11 the staff proposal, which is accounted for by reducing the
12 consulting requests; reduce travel and transportation by 20
13 percent; delete bar dues for unfunded positions, and reduce
14 the step increases to 50 percent of the COLA, and increasing
15 the temporary employee pay, which has already been exceeded in
16 the budget, for the figure of \$12,927 reduction from the staff
17 proposal.

18 General counsel's office, the committee recommends
19 \$742,710, which is a reduction of \$304,790, which comes by the
20 proposed deletion of the two senior counsel positions; reduce
21 the step increase to 50 percent of the COLA; reduce the
22 benefits proportionately; reduce the budget for outside

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1 counsel as indicated earlier; reduce the travel from \$12,000
2 to \$10,000, and reduce the litigation fund as mentioned
3 earlier from 69,5 to 19,5.

4 Office of Policy Development, the committee proposal
5 would be \$477,639, a reduction of \$185,461 from the staff
6 proposal. That would be accounted for by a deletion of the
7 position of coordinator of special projects, the AD2, the
8 economist, and one attorney position; reduce the step
9 increases to half of the COLA; reduce the benefits
10 accordingly; reduce travel expenses by 25 percent, and reduce
11 other operating expenses to 1990 levels.

12 The Office of Human Resources, the committee
13 proposes \$555,986, which is a reduction from the staff
14 proposal of \$67,114, which is arrived at from the deletion of
15 the new ADT1, reduce the step increases to 50 percent of the
16 COLA, and reduce the LSC secretarial pool from three to one
17 person and reduce the personnel benefits to reflect those
18 reductions accordingly.

19 Office of Finance and Administrative Services, the
20 committee's proposal is \$2,463,077 arrived at by the deletion
21 of two positions, junior accountant and budget analyst; reduce
22 the step increases to 50 percent of the COLA; delete the

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1 regional office closing; reduce the capital expenditures by
2 \$25,000, from \$85,000 to \$60,000, and reduce the employee
3 benefits to reflect those reductions.

4 The Office of Monitoring, Audit and Compliance, the
5 committee proposal is \$3,682,198, a reduction of \$119,502,
6 arrived at by the deletion of an RE analyst, secretary-2;
7 reduction in the step increases to 50 percent of the COLA, and
8 the proportionate reduction of benefits for the deletions.

9 Then, finally, the Office of Field Services,
10 \$848,951, a reduction of \$133,362, arrived at by deleting two
11 ADT-3 positions. I don't know what that abbreviation is. How
12 is that carried in the budget?

13 CHAIRPERSON DANA: That's the way it is.

14 MR. UDDO: What is a "substant?"

15 MR. MARTIN: Substantive.

16 MR. UDDO: Substantive support coordinator. The
17 president will effect the reduction of those positions, an
18 ADT2 position, which is a new position; the presidential
19 initiative amount of \$17,500; reduce the step increases to 50
20 percent of the COLA, and reduce the benefits accordingly.
21 That gives a total of \$10,727,337 as the bottom line on the
22 committee's proposal, which is \$355,554 less than proposed by

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1 the staff.

2 I want to reiterate and make sure that it's
3 understood that the creation of the special board initiative
4 account and the creation of the contingency account in the
5 executive offices, which totals almost \$600,000, is for
6 purposes of giving the executive offices a chance to try to
7 answer some of the questions we've asked about these new
8 staffing positions and see if it the committee and ultimately
9 the board proposes specific expenditures for new hires or
10 other proposals from the executive offices as the fiscal year
11 progresses.

12 That's the motion. I know it's rather long. But I
13 did supply the committee members with copies, and we have one
14 for the record.

15 MR. MARTIN: How about the president? I don't have
16 one.

17 MR. UDDO: He has one, too. I thought I gave you
18 one, too. I'm sorry.

19 MR. MARTIN: No, you didn't, that's okay.

20 CHAIRMAN DANA: We have a motion on the floor; is
21 there a second? I'll second it. Is there a discussion?

22 MR. UDDO: I call the question, unless you have

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1 something to say.

2 CHAIRMAN DANA: I'd just like to say that I think
3 that what we are going through is a learning process; we are
4 learning our job. Management is learning how to respond to
5 this board and, in particular, this committee, and I
6 anticipate, because I know the caliber of the people in
7 management, that once we learn what each other's needs are, I
8 think that it will be a good working relationship, and I'm
9 looking forward to that.

10 I just think that this is in the nature of an
11 interim budget, and as policy and proposals are analyzed, I
12 anticipate moving the almost \$600,000 that is in the suspense
13 account, some of it, perhaps all of it, will be moved into
14 various management lines or for other initiatives that we are
15 not now aware of. So, I think this is a good and effective
16 first step, and I think the committee views it as that.

17 MR. KIRK: Could I ask a question? Is it
18 appropriate?

19 CHAIRMAN DANA: Sure, Bud, absolutely.

20 MR. KIRK: Is it your position that it is the
21 committee and the board's job to leak additional monies up as
22 you determine that it's proper to spend them, rather than give

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1 it to management?

2 CHAIRMAN DANA: It's our position, at least, I don't
3 know what the board's position is, it's my position, that as
4 the presidential appointees, it is our responsibility to know
5 what money is being spent for, to analyze budget requests and
6 to vote for them if we favor them, to vote against them if we
7 oppose them, and if we don't understand them, wait. I think
8 that the, at least it's my view, that the budget process is
9 the time to learn what it is that management proposes to do.

10 If they want to hire 30 more people, I think it's
11 incumbent upon the directors of this corporation to know why,
12 what it is that they are going to do, why do we need 30 more
13 people. And if management wants to spend \$50,000 on a study
14 of some aspect of Legal Services, I think that's the sort of
15 new venture that this board has historically wanted to be
16 informed of, at the very least, and either vote for or
17 against.

18 I distinguish that from telling an employee what to
19 do -- "micromanaging", if you will, the day-to-day operation
20 of the corporation. But we've been given a relatively modest
21 amount of money to solve a very big problem. In every case,
22 the job is to decide what problem you would -- where you put

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1 the money.

2 As of right now, at least with respect to \$600,000
3 of the budget, this committee, at least, is not prepared to
4 recommend to the full board that it hand over a blank check.
5 Our recommendation does contemplate a significant increase in
6 expenditures this year over last year. But I don't know if
7 I've answered your question.

8 MR. KIRK: Well, if it's appropriate for me to give
9 my views, and again I'm just a neophyte in this, and I
10 apologize for my lack of background --

11 CHAIRMAN DANA: Not required.

12 MR. KIRK: In my conversations with Mr. Martin over
13 the last however long have, you know, been distinctly, "I'm
14 not sure I know and I'm not going to jump on your bandwagon,"
15 I'm sure a great deal to his consternation.

16 However, what I see here is a -- I don't know what
17 the term "micromanagement" means. But I see, you know,
18 squeezing it to the absolute bone and then saying here's
19 \$50,000, here's \$50,000, and that sure seems to be a lack of
20 confidence in whatever there is in management, and whether
21 it's Martin or whoever. I would be concerned about a \$300
22 million budget, \$11 million dealing with this that we're

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1 squeezing out, by committee, \$50,000. I would think that's
2 not an appropriate, I shouldn't say "appropriate", because I
3 don't mean to say that. I think that your motivations are
4 good.

5 But I would just question whether we ought to be
6 eking out the drips like that, as opposed to giving management
7 some ability and some freedom to deal with it, and that is my
8 view, and I'm sure it's not going to change your vote. But I
9 think that --

10 CHAIRMAN DANA: Well, it may, in fact, change our
11 vote tomorrow when your vote is just as good as ours. In
12 other words, this is just a recommendation to the full board.
13 When we make it, you know, that is, we're just three of
14 eleven. So, I would observe that what we have done in a time
15 of real fiscal restraint all over this country, we have cut
16 back raises to six percent rather than ten percent.

17 We have not authorized the hiring of -- I can't add
18 up the positions, but I think there are 20 or so positions
19 that management wanted to hire. We have the money to do it.
20 We don't think the case has been made other than the
21 management wants it. We just think it is incumbent upon us,
22 since the field has got a four percent increase, for us to

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1 look real hard at the corporation, that is getting a -- the
2 management requested a 14 percent increase, and this board is
3 recommending a 10 percent increase.

4 But how we spend that money, I think, is the essence
5 of what we do as a board. I see management's job as making
6 recommendations as to how this corporation should be run, and
7 having this board endorse those recommendations, not just give
8 him a blank check and saying, "Here's \$11 million and send us
9 a report every month and, gosh, you're doing a great job." He
10 probably would. But I think the law requires us to do more.
11 We're all part-time directors. But I don't think we want to
12 be so part-time that we just show up for photo opportunities
13 and go home.

14 MR. KIRK: Well, I'll assure you that you're not
15 showing up for photo opportunities when you're squeaking out
16 the \$50,000. I view that as -- I don't know. It just seems
17 like we're taking on maybe more than I would ordinarily
18 perceive would be within the authority of the director, not
19 the authority, but the usual use of the authority of the
20 director of a place of this size.

21 MR. UDDO: Could I just say something, Bud? I think
22 what Howard said initially was probably what explains it, and

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1 that is that we are all learning our jobs here. I think the
2 reason why this first time of Dave dealing with us and our
3 making decisions, that this kind of approach has been
4 necessary, because we haven't had a chance, I don't think to
5 make clear to Dave the kind of support material or background
6 material that we feel is incumbent upon us to have before us
7 before we make these decisions.

8 I mean, I think you heard the discussion before, and
9 I thought I understood you to say that you could understand
10 why we would want that information. So that leaves us with
11 this choice, if we don't have that information at this point,
12 we either go ahead and approve it, having already indicated
13 that we are queasy about approving a budget that doesn't give
14 us enough information to feel confident in it, or we don't
15 approve a budget and really mess up the corporation because
16 they don't have an operating budget for another month or
17 however long it takes us to meet again, or we do something
18 like this.

19 My guess is this is the only time we'll have to do
20 this, that, you know, Dave will begin to understand that, as a
21 board, we like to have a little more background to justify
22 specific recommendations of management, and then we've got

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1 something pretty clear to respond to and to either approve or
2 not approve what's being proposed.

3 So, I think the fact that it's the first time has
4 got a lot to do with it, and I wouldn't expect that this would
5 be something that would have to be done every budget cycle,
6 personally.

7 I'd really be interested to know if you agree with
8 that, that it's an unusual situation because we don't have the
9 information in front of us and our choice is one of the three
10 things I said: approve it not having the information, don't
11 approve an operating budget now and just put it off and mess
12 up the corporation, or do something like this.

13 MR. KIRK: I think the fact that the subcommittee or
14 the committee has chosen to itemize which positions are not
15 necessary and which ones are, to arbitrarily decide that this
16 is the ones we're going to say you don't need, I'm not sure
17 you have any more information to say these are the ones we
18 don't need than we would if we had given him what he wants and
19 otherwise. I'm not sure that you have any more information to
20 do that, and you may, and again you've been studying this for
21 a long time.

22 But what I've heard here today, you're substituting

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1 your projections for his, and that just is the point at which
2 I would have just waited. But I'm not going -- I just -- I
3 shouldn't be talking.

4 MR. UDDO: No, not at all. I'm glad to hear your
5 thoughts.

6 CHAIRMAN DANA: Is there anything else that we
7 should accomplish tonight?

8 MR. UDDO: We ought to vote on that motion.

9 CHAIRMAN DANA: Oh, that's a good idea. All those
10 in favor of the motion, please say aye.

11 (An aye was heard.)

12 CHAIRMAN DANA: All those opposed?

13 (A no was heard.)

14 CHAIRMAN DANA: All right. The Chair votes aye and
15 the motion passes two to one.

16 MR. UDDO: I move that we adjourn.

17 CHAIRMAN DANA: Is there a second?

18 MS. WOLBECK: Second.

19 CHAIRMAN DANA: Second. All those in favor say aye.

20 (A chorus of ayes was heard.)

21 CHAIRMAN DANA: Opposed? It's a vote.

22 (Whereupon, at 10:45 p.m., the proceedings were

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